

Rules

June 11, 2020

OP&F

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742-3-01

Effective date of retirement.

Except as provided in section 742.37 or division (D) of section 742.38 of the Revised Code and ~~paragraph (F) of rule 742-3-05~~ of the Administrative Code, the effective date of any monthly ~~cash~~ pension or benefit payable under division (C) of section 742.37 or division (D) of section 742.38 of the Revised Code shall be the day following the final day for which compensation was last earned by virtue of working or using accrued leave to remain on active payroll status, unless the last day of compensation earned is on the thirtieth, which in that case, the effective date of retirement shall be the first day of the following month.

In no event shall there be overlapping salary and pension.

Effective:

Five Year Review (FYR) Dates: 3/6/2020

Certification

Date

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09/16/1998 (Emer.), 12/10/1998, 07/17/2004,
11/20/2014

742-3-06

Calculation of on-duty disability benefits on less than the requisite years of salary.

- (A) This rule shall only apply to a member who has been granted an on-duty disability and who has less than the requisite years of "salary," as set forth in divisions (G) and (L) of section 742.01 of the Revised Code and rule 742-3-02 of the Administrative Code, as of the effective date of retirement.
- (B) For purposes of calculating the on-duty disability benefit pursuant to section 742.39 of the Revised Code, the member's "average annual salary" shall be based on the actual "salary" paid during OP&F membership divided by the service credit applicable to the pay periods covered, with the balance of the months being based on the average "salary" over the reported time period calculated according to the aforementioned formula.

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05/21/2020

Date

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742-3-10

Annual medical examinations, termination of benefits and appeal of terminations.**(A) Waiver of annual medical examination requirement**

- (1) For those members who are subject to the terms of division (C)(2)(a) of section 742.40 of the Revised Code (i.e., a disability benefit recipient who has been a member of Ohio police and fire pension fund ("OP&F") for less than twenty-five years and has not attained age forty-eight, such disability benefit recipient shall submit to an annual medical examination by OP&F's physician, unless the DEP medical advisor certifies that a disability benefit recipient's disability is ongoing and the board waives the requirement that the disability benefit recipient undergo an annual medical examination.
- (2) If the requirement that a disability benefit recipient undergo an annual medical examination by an OP&F physician is waived, the recipient shall thereafter be relieved from submitting to an annual medical examination until otherwise notified in writing by OP&F. However, any waiver granted shall not waive any rights the board may have to request a medical examination in accordance with the terms of division (C)(2)(b) of section 742.40 of the Revised Code.

(B) Annual medical examinations

For a disability benefit recipient who has been requested by the board to undergo a medical examination pursuant to the terms of division (C)(2)(a) or division (C)(2)(b) of section 742.40 of the Revised Code:

- (1) OP&F shall notify the disability benefit recipient of the need to schedule the medical examination and provide the disability benefit recipient with at least thirty days prior written notice of the time and place of the scheduled examination.
- (2) Unless for good cause shown, the disability benefit recipient shall be presumed to have refused to submit to the medical examination by an OP&F physician if OP&F has scheduled such examinations three times and the disability benefit recipient has either canceled, rescheduled, or failed to submit to the scheduled medical examinations, as documented by OP&F's books and records.
- (3) The refusal of a disability benefit recipient to submit to the medical examination requested pursuant to the terms of division (C)(2)(a) or division (C)(2)(b) of section 742.40 of the Revised Code, whether documented by OP&F's books and records or as presumed under the terms of paragraph (B)(2) of this rule, shall result in the suspension of disability benefits and any health care stipend

upon ninety days prior written notice to the disability benefit recipient and shall continue until compliance.

- (a) If the disability benefit recipient has not submitted to the medical examination by an OP&F physician within the aforementioned ninety day notice period, the suspension of disability benefits ~~and any health care stipend~~ shall be effective on the first day of the month immediately following the expiration of the ninety day notice period.
- (b) In the event the disability benefit recipient submits to the required medical examination by ~~physician~~ after an OP&F physician after the ninety day notice period, OP&F will reinstate the recipient's disability ~~and health care stipend on the first day of the month immediately following the disability benefits recipients submission to the required medical examination~~ The recipient shall be entitled to retroactive coverage of disability benefits and any health care stipend during that time in which the benefits were suspended on the first day of the month immediately following the disability benefit recipient's submission to the required medical examination. The recipient shall be entitled to retroactive coverage of disability benefits during that time in which the benefits were suspended.
- (c) If the refusal of a disability benefit recipient to submit to any medical examination under section 742.40 of the Revised Code continues for one year, whether documented by OP&F's books and records or as presumed under the terms of this rule, then the disability benefits recipient's disability benefits ~~and any health care stipend~~ shall be forfeited, as required by division (C)(2)(c) of section 742.40 of the Revised Code, effective as of the date of the original suspension. OP&F shall notify the disability benefit recipient by certified mail, return receipt requested of the termination of benefits and the date that his or her benefits shall be terminated.

(C) Board's concurrence in physician's certification that recipient no longer meets disability standards

- (1) For those disability benefit recipients who undergo the medical examination pursuant to division (C) of section 742.40 of the Revised Code, the board will review the physician's report. If the board concurs with the physician's certification that the recipient no longer meets the disability standards set forth in division (D) of section 742.38 of the Revised Code or division (C)(2), (C)(3), or (C)(5) of former section 742.37 of the Revised Code, the disability benefits shall terminate ninety days after the board concurs with the physician's

certification or upon employment by the benefit recipient as a police officer or firefighter, as defined in rule 742-3-20 of the Administrative Code.

- (2) OP&F shall notify the disability benefit recipient by certified mail, return receipt requested of the board's concurrence with the physician's certification, the date that his or her benefit shall be terminated and of his or her right to appeal.

(D) Appeal of the board's concurrence with physician certification

- (1) In order to appeal any determinations of the board under paragraph (C) of this rule, the disability benefit recipient shall file the notice of disability appeal form provided by OP&F within ninety days of receipt of OP&F's notice of termination of benefits. ~~The notice of appeal shall contain the member's name, the last four digits of the member's social security number, and a brief description of the decision upon which the appeal is based.~~
- (2) Within sixty days of the filing of the notice of appeal, the ~~appellant~~member shall submit to OP&F all materials in support of the appeal including, but not limited to, medical records, doctors' reports, and documentation substantiating earnings and income. Failure to submit supporting materials will be sufficient cause for the director of member services to dismiss the appeal provided OP&F gives the member prior written notice of such dismissal and a deadline date by which all materials must be filed with OP&F, and the member fails to file the required documentation with OP&F before the designated deadline.
- (3) OP&F shall schedule the appeal hearing after receipt of ~~appellant's~~the supporting materials and give the ~~appellant~~member reasonable notice of the date, time, and place thereof in writing. The ~~appellant~~member shall be given the opportunity to be present, with counsel or other representation if he or she chooses, at the hearing. A recording of the hearing will be made to provide the board and the medical advisor with a record for further review. Such recording of the hearing shall be available to the ~~disability applicant~~member and to those individuals who are authorized by the ~~disability applicant~~member to receive such information on the authorization to release medical records form provided by OP&F.
- (4) Following the hearing on appeal, the board may choose to:
 - (a) Affirm the original concurrence in the physician's certification;
 - (b) Reverse the original concurrence in the physician's certification; or
 - (c) Postpone a decision pending additional examinations or documentation.

The board's decision on appeal shall be the final determination of the member's disability.

- (5) The applicant shall be advised of the board's action within thirty days after the board's determination and such notice shall be sent by certified mail, return receipt requested.
 - (6) Benefits shall be terminated pending appeal if a favorable decision on the appeal is not made within ninety days of the board's concurrence with the physician's certification.
- (E) Unless otherwise provided in this rule, all notices provided to the disability benefit recipient under this rules shall be sent by first class U.S. mail, postage prepaid and addressed to the disability benefit recipient at the address on file with OP&F. All notices to OP&F shall be addressed at its principal place of business.

Effective:

Five Year Review (FYR) Dates: 1/4/2024

Certification

Date

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12/10/1998, 07/17/2004, 08/01/2008 (Emer.),
10/16/2008, 08/02/2010 (Emer.), 01/17/2016,
01/01/2019 (Emer.), 03/29/2019

742-3-12

Definition of incapacitated.

For purposes of division (B) of section 742.38 of the Revised Code, a member shall be deemed to be incapacitated if Ohio police and fire pension fund ("OP&F") receives an affidavit from the person acting on the member's behalf for purposes of filing a disability benefit application with OP&F and such person affirms, under oath, that the member is mentally or physically impaired as a result of a mental or physical illness or condition of disability with respect to which the attending physician finds that there is no present indication of recovery and such affidavit is properly notarized.

Five Year Review (FYR) Dates: 3/6/2020 and 01/04/2024

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03/06/2020

Date

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Rule Amplifies: 742.38
Prior Effective Dates: 09/16/1998 (Emer.), 12/10/1998, 07/17/2004,
11/20/2014

742-3-13

Reliance on affidavit.

In processing the disability application of a member who is incapacitated, as defined in rule 742-3-12 of the Administrative Code, Ohio police and fire pension fund ("OP&F") is authorized to rely on the facts stated in any affidavit filed in accordance with division (B) of section 742.38 of the Revised Code and its corresponding rules and the genuineness of the signatures of the person acting on behalf of the incapacitated member and the notary and all fraudulent applications will entitle OP&F and the applicable member to any and all remedies provided by law.

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03/06/2020

Date

| | |
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742-3-15

Procedures for claims asserted under division (J) of section 742.21 of the Revised Code.

- (A) ~~For those claims asserted against~~ If a member makes a claim with the Ohio police and fire pension fund ("OP&F") ~~under~~ pursuant to division (J) of section 742.21 of the Revised Code, the procedures set forth in this rule shall apply.
- (B) In computing a pension or benefit under section 742.37 or 742.39 of the Revised Code, OP&F's board of trustees shall give the member full credit for service credit purchased or transferred under section 742.21 of the Revised Code for service that was less than full-time service if the member files a claim ~~against~~ with OP&F ~~in the form approved by OP&F's board of trustees and after review of the form and documentation filed in support thereof, and~~ OP&F's ~~the~~ board determines that clear and convincing documentary evidence exists to support the finding that all of the following criteria have been met:
- (1) The OP&F member is not receiving a pension or disability benefit from OP&F;
 - (2) Prior to the member changing or ceasing his/her employment, the member received written notice from OP&F indicating that the member would be permitted to purchase or transfer service credit for service that was less than full-time without any limitation or qualification;
 - (3) Based upon the written notification referenced in paragraph (B)(2) of this rule, the member changed or ceased the member's employment, which by virtue of such job assignment made such person an OP&F member; and
 - (4) The member's reliance on OP&F's written notice of the transfer of such service credit resulted in actual damage to the member, including, but not limited to the member's ineligibility for retirement benefits.
- ~~(C) OP&F's review and consideration of claims under division (J) of section 742.21 of the Revised Code and this rule shall be limited to the facts stated in such claims form or provided by the member. OP&F shall also consider and base its findings on all competent evidence made available to it, but rebuttal evidence can be provided by information in the member file maintained by OP&F.~~
- ~~(D)~~(C) Upon receipt of a claim under division (J) of section 742.21 of the Revised Code and in accordance with this rule, OP&F shall schedule such claim for review by the benefits committee of the board or such other committee as the board may designate from time to time. The benefits committee shall then make a written recommendation to the board.

~~(E)~~(D) Based on the written recommendation of the benefits committee or such other committee as the board may designate from time to time, the board shall then review all evidence available and ~~make an initial determination of such claims asserted by such aggrieved member under division (J) of section 742.21 of the Revised Code.~~ The board may decide to:

- (1) Grant the claim;
- (2) Deny the claim; or
- (3) Postpone the determination pending receipt of additional information or the submission of additional facts.

~~(F)~~(E) Any claim granted by the board under division (J) of section 742.21 of the Revised Code and this rule shall be effective as of the date that the board made its ~~initial determination, as referenced in paragraph (E) of this rule~~ decision.

~~(G)~~(F) The member covered by the pending claim asserted in accordance with division (J) of section 742.21 of the Revised Code and this rule shall be notified of the board's ~~initial determination~~ decision within ~~sixty~~ thirty days after the board's final action, ~~and such notice shall inform the member of his/her right to:~~

- (1) ~~Accept the decision granted by the board;~~
- (2) ~~Waive the decision granted by the board; or~~
- (3) ~~Appeal the initial determination of the board.~~

If the claim is denied by the board, OP&F's notice of decision shall also inform the member of his or her right to appeal the board's decision.

~~(H) Not later than ninety days after receipt of the notice of the board provided for in paragraph (G) of this rule, the aggrieved member shall elect, on a form provided by the board, either to accept or waive the board's initial determination for the claim asserted under section 742.21 of the Revised Code and this rule. For purposes of making the determination whether the applicant has accepted or waived the board's determination under this rule, OP&F may conclusively rely upon OP&F's books and records.~~

~~(I) If the election provided for in paragraph (H) of this rule is not filed with OP&F within the time period provided in such paragraph, the award shall be rescinded, effective immediately upon the expiration of the ninety day time period provided for in such paragraph and OP&F shall thereafter refund any amounts to purchase the credit, with interest at a rate determined by the board from the date the member purchased the~~

~~credit to the date of the refund, as provided by division (J)(2) of section 742.21 of the Revised Code. The member shall thereafter be barred from asserting a claim against OP&F under division (J) of section 742.21 of the Revised Code arising out of or related to the same or similar facts.~~

~~(J)~~(G) Appeal of initial determination board's decision.

~~(1) Any member aggrieved by an action of the board with respect to a determination made under division (J) of section 742.21 of the Revised Code and this rule must~~If the member's claim is denied by the board and the member wishes to appeal the board's decision, the member must file a written notice of appeal with OP&F ~~in the form provided by OP&F~~ within ninety days of receipt of the date of the board's initial determination referred to in paragraph (E) of this rule. The notice of appeal must contain the member's name, social security number and a brief description of the decision upon which the appeal is based notice of decision. The member shall also provide OP&F with all materials which he or she desires to submit in support of the appeal.

~~(2) Within ninety days of filing of the notice of appeal, the aggrieved member shall file with OP&F all materials which he or she desires to submit in support of the appeal. Upon application to OP&F, the board, for good cause shown, may grant the aggrieved member an extension of time within which to file supporting materials. Such application must be made before the expiration of the original ninety-day period referred to in this paragraph. Failure to submit supporting materials or to request an extension of time within which to do so will be sufficient cause for the board to dismiss the appeal.~~

~~(3)~~(2) Upon receipt of the notice of appeal and supporting materials, the board shall schedule a hearing on the appeal and shall give the aggrieved member reasonable notice of the date, time and place thereof in writing. Notwithstanding the foregoing, any hearing may be postponed or continued by the board, either upon application of the aggrieved member or on its own motion. The aggrieved member shall be given the opportunity to be present at the hearing, with counsel or other representation if he or she chooses. A ~~tape~~ recording of the hearing will be made to provide the board with a record for further review. Such ~~tape~~ recording of the hearing shall be available to the aggrieved member and to those individuals who are authorized by the member to receive such information, with such authorization in the form required by OP&F.

~~(4)~~(3) Following the hearing on appeal, the board may choose to:

(a) Affirm the original decision;

(b) Reverse the original decision; or

(c) Postpone a decision pending submission of additional documentation or information.

~~(5)~~(4) The board's decision on appeal shall be the final determination of such claim.

~~(6)~~(5) The member shall be advised of the board's action within ~~ninety~~thirty days after the board's final determination under this paragraph and such notice shall inform the member of his/her right to:

(a) Accept the board's decision on appeal; or

(b) File a mandamus action.

~~(K)~~(H) All notices to the member provided for in this rule shall be either delivered personally, sent by express delivery service, certified mail, or first class U.S. mail, postage prepaid and addressed to the member at the most recent address set forth in OP&F's records, or to such other address as the member shall thereafter designate by proper notice in accordance with this paragraph. All notices to OP&F or the board shall be addressed at its principal place of business.

Effective:

Five Year Review (FYR) Dates: 3/6/2020

Certification

Date

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07/05/2007 (Emer.), 11/20/2014

ACTION: Original

DATE: 05/21/2020 10:35 AM

742-7-01

Issue date of pension checks.

The issue date of pension ~~checks-payments~~ to police and fire ~~retirants~~retirees and their eligible survivors shall be the first business day of each month.

Effective:

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Rule Amplifies: 742.37, 742.39
Prior Effective Dates: 01/01/1977, 02/14/2005, 04/23/2015

742-7-08

Cost-of-living allowance.

- (A) The benefits and contributions of any member shall be calculated on the basis of the member's salary as defined by divisions (G) and (L) of section 742.01 of the Revised Code and rule 742-3-02 of the Administrative Code.
- (B) All members having fifteen years of service credit as of January 1, 1989 shall be provided a form upon which they can elect the basis of benefit and contribution calculations under section 742.3716 of the Revised Code. For purposes of this determining a member's eligibility for this election, years of service credit shall include any credit purchased prior to January 1, 1989.
- (C) A beneficiary's "anniversary date" shall be July first, for those eligible for the first cost-of-living allowance on that date or the anniversary of the beneficiary's effective date of retirement or benefits for those not eligible for the first cost-of-living allowance. When a beneficiary's anniversary date does not fall on the first of a month, a pro rata payment of the first month's cost-of-living allowance shall be paid.
- (D) A beneficiary's "base benefit" shall be the amount of a benefit first calculated upon retirement, and shall exclude any medicare reimbursement, any amount by which a member reduces benefits under an optional plan of payment pursuant to section 742.3711 of the Revised Code, any actuarial reduction for early retirement, and any previous cost-of-living increases.
- (E) The benefit paid to an eligible survivor under an optional plan of payment shall be based upon the amount last received by the member, excluding medicare reimbursement and the amount of any reduction chosen by the member, but including any cost-of-living allowance received by the member. Such survivor shall be entitled to cost-of-living adjustments based upon the original base of the survivor under the optional plan of payment.
- (F) Upon the election by an eligible member to cancel an optional plan of payment and to return to a single life annuity, previously awarded cost-of-living allowances shall be adjusted to the amount the member would have received had the member always been paid a single life annuity.

Five Year Review (FYR) Dates: 5/21/2020 and 05/21/2025

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Certification

05/21/2020

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01/10/1988, 02/07/2000 (Emer.), 05/01/2000,
02/14/2005, 04/23/2015

742-8-13

Special penalty provisions.

- (A) In the event any of the following situations occur, which is documented by the employer to the satisfaction of OP&F's director of member services and director of financial services and the other requirements of this rule are met, this rule shall govern how OP&F will administer the penalties provided for in section 742.352 of the Revised Code or section 742.353 of the Revised Code, as permitted by the provisions of division (C) of those sections:
- (1) The employer hired a new clerk within the past year and he/she did not undergo OP&F training prior to the filing that is in question;
 - (2) The employer is a new filer with OP&F within the past year and the employee responsible for the reports and payments to OP&F did not undergo OP&F training prior to the filing that is in question;
 - (3) There is an act of God (i.e. natural disaster, fire, flood.) that adversely impacts the employer's ability to timely file the report or pay the required contributions according to the governing statutory provisions, but this provision is not intended to apply to overall computer problems, a clerk being sick on or around the deadline date, and such other related items; An "act of God" includes the coronavirus pandemic during the period of the emergency declared by Executive Order 2020-01D issued on March 9, 2020, for as long as the period of emergency is in effect."
 - (4) There is a medical leave involved for the person who is responsible for filing the report and contributions with OP&F and the medical leave exceeds ninety days; subject to paragraph (A)(3) of this rule.
 - (5) Theft in office has occurred by the person responsible for the filing;
 - (6) The penalties arising out of the filing in question will result in the employer being declared in fiscal emergency.
 - (7) The employer is a new user of OP&F's online payment/reporting system and as a result of performing the new process, the employer missed the deadline and incurred a penalty.
- (B) In order for the provisions of this rule to apply, the employer must be in "good standing." For purposes of this rule, "good standing" shall mean that the employer has paid all prior penalties in the past year in accordance within the governing statutory provisions so that OP&F did not need to take further action to collect such employer's compliance (i.e. the penalties were paid within the grace period once added to the employer's billing statement).

- (C) In the event that any of the events under paragraph (A) of this rule apply and the employer is in good standing with OP&F, with the exception of the report or payment in question, OP&F shall apply the following reduction in penalties:
- (1) If the employer files the proper report of contributions and properly pays the contributions within six months of OP&F's written notice of deficiency, then OP&F will reduce the statutory penalties by seventy-five per cent;
 - (2) If the employer files the proper report of contributions and properly pays the contributions within twelve months of OP&F's written notice of deficiency, then OP&F will reduce the statutory penalties by fifty per cent; and
 - (3) If the employer files the proper report of contributions and properly pays the contributions more than one year after OP&F's written notice of deficiency, then OP&F will reduce the statutory penalties by twenty-five per cent or such lesser amount established by the board of trustees based on the applicable facts and circumstances.
- (D) This rule shall not adversely impact OP&F's remedies in the event an employer files a report and pays contributions to the wrong retirement system.
- (E) For purposes of this rule, "proper report of contributions" shall mean the report of contributions required under section 742.32 of the Revised Code, as more fully outlined in rule 742-9-10 of the Administrative Code, and "properly pay the contributions" shall mean the payment of contributions due under section 742.32 of the Revised Code and consistent with the terms of rule 742-9-10 of the Administrative Code.

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Prior Effective Dates: 12/22/2005 (Emer.), 03/20/2006, 06/24/2010

742-10-02

Qualified investment manager.

- (A) For the purposes of division (A)(4) of section 742.114 and section 742.116 of the Revised Code, an investment manager may be designated as an "Ohio-qualified investment manager" if the investment manager and/or any parent, affiliates, or subsidiaries of the investment manager meets the requirements of divisions (A)(1) and (A)(2) of section 742.116 of the Revised Code.
- (B) For purposes of sections 742.114 and 742.116 of the Revised Code, "principal place of business" includes an office in which the agent or investment manager regularly provides securities or investment advisory services and solicits, meets with, or otherwise communicates with clients.

Five Year Review (FYR) Dates: 3/6/2020 and 01/04/2024

CERTIFIED ELECTRONICALLY

Certification

03/06/2020

Date

| | |
|------------------------|------------------------------------|
| Promulgated Under: | 111.15 |
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| Rule Amplifies: | 742.114, 742.116 |
| Prior Effective Dates: | 09/26/2005, 10/04/2010, 01/17/2016 |

742-15-01

Rules of compliance with "sunshine law".

- (A) This rule is adopted in compliance with and under the authority of division (F) of section 121.22 of the Revised Code.
- (B) Any person may request the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings for the board of trustees of the Ohio police and fire pension fund (OP&F) by:
- (1) Writing to the following address:

"Ohio Police & Fire Pension Fund, Attention: Executive Director, 140 East Town Street, Columbus, Ohio 43215."
 - (2) Calling one of the following telephone numbers during OP&F's normal business hours:

(614) 228-2975, (888) 864-8363.
 - (3) Sending an email to questions@op-f.org.
- (C) Any representative of the news media may obtain notice of all special meetings by requesting in writing that such notice be provided. Such notice will only be given, however, to one representative of any particular publication or radio or television station. A request for such notification shall be addressed to OP&F's executive director at the address outlined in paragraph (B) of this rule.
- (1) The request shall provide the name of the individual media representative to be contacted, the mailing address and a maximum of two telephone numbers where such representative can be reached. OP&F shall maintain a list of all representatives of the news media who have requested notice of special meetings pursuant to this rule.
 - (2) In the event of a special meeting not of an emergency nature, OP&F shall notify all media representatives on the list of such meeting by doing at least one of the following:
 - (a) Sending written notice, which must be mailed not later than four calendar days prior to the day of the special meeting;
 - (b) Notifying such representatives by telephone no later than twenty-four hours prior to the special meeting, with proper telephone notice if a message has been left for the representatives at the telephone numbers provided to OP&F from such representative or if, after reasonable effort, OP&F has been unable to provide such telephone notice;

Five Year Review (FYR) Dates: 3/6/2020 and 01/04/2024

CERTIFIED ELECTRONICALLY

Certification

03/06/2020

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.22
Prior Effective Dates: 01/01/1977, 06/12/1999, 10/13/2005, 10/04/2010,
12/19/2010, 01/17/2016

742-16-01

Policy for reimbursement of trustee business and educational travel expense.

- (A) Subject to the provisions of section 742.101 of the Revised Code and this rule, board members may receive reimbursement from police and fire pension fund for all proper, reasonable and necessary expenses actually incurred in the performance of their official duties, as more fully described in the board's travel policy. Eligible reimbursable expenses include, but are not limited to reasonable charges for meals, beverages, tips, lodging, airfare, ground transportation, telephone calls, and registration fees, subject to the limitations outlined in the board's travel policy.
- (B) Reimbursement from the fund for out-of-state travel shall require approval in advance by a majority of the board at a regularly scheduled board meeting after review and recommendation by the audit/administration committee, with the following exception. In the case of an emergency, out-of-state travel requires approval by the chairman of the board and the executive director of the fund. In the case of an emergency, reimbursement for in-state travel shall be approved by the chairman of the board or the executive director.
- (C) Official duties may include:
- (1) Attendance at a conference, convention, educational seminar, school or meeting which will serve to help the trustee become a better, more knowledgeable and active trustee.
 - (2) Meetings with OP&F staff, other trustees, members and associates on pension matters.
 - (3) Other travel on fund business, as required by the board or executive director.
- (D) For all travel and business expenses on which reimbursement is sought by a trustee, expense reports must be submitted on forms provided by OP&F.

Five Year Review (FYR) Dates: 5/21/2020 and 05/21/2025

CERTIFIED ELECTRONICALLY

Certification

05/21/2020

Date

| | |
|------------------------|---|
| Promulgated Under: | 111.15 |
| Statutory Authority: | 742.10, 742.102 |
| Rule Amplifies: | 742.08, 742.102 |
| Prior Effective Dates: | 11/30/1995 (Emer.), 02/10/1996, 06/12/1999, 05/19/2005, 04/23/2015 |

3307-1-03

Release of names, addresses and account information.

Information contained in records kept by the retirement system shall be released to third parties or the public only in accordance with section 3307.20 of the Revised Code and this rule.

- (A) Except as otherwise provided by division (E) of section 3307.20 of the Revised Code, the following records may be released to a third party only upon the written authorization of the person to whom the record pertains:

Any part of an individual's personal history record, including but not limited to, any record identifying beneficiary information, account balance, benefit or allowance paid or payable to any person, any record identifying the service history or service credit of a member or benefit recipient, medical reports and recommendations including those related to health care coverage for a disabled adult child as defined in rule 3307:1-11-01 of the Administrative Code, or any record that includes address, e-mail address, telephone number, social security number, appointments, requests, counseling information or correspondence with the retirement system.

- ~~(B) Notwithstanding the restrictions set forth in paragraph (A) of this rule, the retirement system shall provide a complete list of names and mailing addresses of members or benefit recipients at the written request of any person pursuant to division (E)(3) of section 3307.20 of the Revised Code. The retirement system may charge the requestor the costs of compiling and mailing the information.~~

- ~~(E)~~(B) The executive director of the retirement system may designate the staff members who shall serve as custodians of the records of the system for purposes of division (F) of section 3307.20 of the Revised Code, and who are authorized to authenticate copies of records being sent to any court or before any officer of this state.

Effective:

Five Year Review (FYR) Dates: 6/4/2022

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.20
Prior Effective Dates: 12/23/1976, 12/26/1981, 08/28/1982, 04/28/1986,
11/04/1991, 05/08/1998, 07/01/2001 (Emer.),
09/17/2001, 07/18/2003, 07/24/2008, 03/23/2009
(Emer.), 07/16/2009, 06/02/2013, 06/04/2017

3307-2-01

Nomination and election of members of the retirement board.

- (A) The retirement system shall forward notices for the nomination of candidates for "~~contributing~~contributing member" and/or "retired teacher member" of the retirement board to all school superintendents, university presidents and other employers for publication, and furnish notice to retired teacher members through appropriate means. Such notice shall be issued no later than the first of December preceding the election.
- (B) Nomination of candidates shall be made as set forth in section 3307.07 of the Revised Code and shall be on petition forms prepared and distributed by the retirement system. Petition forms shall clearly state the term of office. Petitions filed on forms other than those indicated herein will not be accepted.
- (C) Nominating petitions containing original signatures written in ink must be ~~filed~~withsubmitted to the retirement system on or before the last Friday in February. Petitions must be received by four-thirty p.m., in the "state teachers retirement system, 275 East Broad Street, Columbus, Ohio 43215," on that date.
- (D) At the board's directive the executive director may contract with an independent firm to administer the elections.
- (E) Except where the only nominated candidate takes office pursuant to section 3307.071 of the Revised Code, the retirement system shall list the names of all properly qualified candidates on a ballot, arranging for the orderly rotation of names on the ballot. On or before the fifth of April, ballots and return envelopes shall be sent to all eligible members and retirants of the retirement system at the eligible member's or retirant's last known address.
- (F) Voting shall be permitted by paper, telephone and/or internet ballots.
- (G) All ballots must be received in the retirement system or independent firm office not later than four-thirty p.m., on the first Monday in May.
- (H) The retirement system shall deliver the ballot results to a board of tellers, appointed by the retirement ~~board~~system. The tellers shall meet in person, remotely or a combination of the two on the first Saturday after the first Monday in May to certify the results of the election.

Effective:

Five Year Review (FYR) Dates: 6/4/2022

Certification

Date

Promulgated Under: 119.03
Statutory Authority: 3307.04, 3307.075
Rule Amplifies: 3307.06, 3307.07, 3307.071, 3307.075
Prior Effective Dates: 12/23/1976, 11/28/1977, 12/26/1981, 07/01/2001
(Emer.), 09/17/2001, 07/18/2003, 12/02/2004,
06/02/2013, 06/04/2017

3307-8-01

Payments of benefits.

- (A) As used in this rule, "alternate payee" and "participant" shall be as defined by section 3105.80 of the Revised Code.
- (B) All monthly benefits or partial lump-sum option plan benefits paid directly to the recipient on and after October 1, 2010 shall be paid by electronic funds transfer.
- (C) Notwithstanding paragraph (B) of this rule;
- (1) Benefit recipients or alternate payees whose addresses are outside of the United States may choose to receive benefits by electronic funds transfer to a bank in the United States, but are not required to do so; and
 - (2) The retirement system, in its sole discretion, may issue payment by paper checks to any benefit recipient or alternate payee if determined to be necessary for administrative purposes and/or if payment by electronic funds transfer is impracticable.
- (D) Each benefit recipient and each alternate payee shall notify the retirement system on a form it supplies of:
- (1) The name of the financial institution to which benefits will be transferred electronically; and
 - (2) The mailing address of that financial institution; and
 - (3) The routing number of that financial institution; and
 - (4) The account number to which funds are to be transferred; and
 - (5) Such other information as the retirement system may specify.
- (E) No payment will be made to a benefit recipient or to an alternate payee of estimated or regular monthly benefits until such recipient or alternate payee provides full information about the financial institution to the retirement system.
- (F) Amounts payable under an optional plan of payment selected pursuant to division (B) (1) or (D)(2)(a) of section 3307.60 of the Revised Code or the defined contribution program under section 3307.81 of the Revised Code shall be paid by electronic transfer of funds to the same financial institution to which monthly benefits will be paid except in the case of amounts paid directly to another retirement savings plan eligible to receive rollovers from a qualified plan.

- (G) Selection of a plan of payment pursuant to section 3307.60 of the Revised Code or 6.2(e) of the document establishing the defined contribution program under section 3307.81 of the Revised Code shall become final on the fifteenth day of the month of the first regular benefit payment. Regular benefits begin once a final benefit, as defined by rule, is paid. Retirement may not be canceled thereafter and no change may be made thereafter in the plan of payment selected, the retirement date or the amount of any lump sum option selected pursuant to division (B)(1) of section 3307.60 of the Revised Code or the account to which it is to be deposited. The member's ability to purchase service credit or to replace contributions as outlined in paragraph (C) (2) of rule 3307:1-3-02, paragraph (D)(2)(n) of rule 3307:1-3-13 and paragraph (C)(1) of rule 3307:2-4-01 of the Administrative Code ceases on the fifteenth day of the month following the first regular benefit payment. The repayment of any lump sum must be made no later than the thirtieth day after the fifteenth day of the month of the first regular benefit.
- (H) Selection of an annuitized benefit under section 6.3 of the document establishing the defined contribution program under section 3307.81 of the Revised Code shall become final on the effective date of retirement. Retirement may not be canceled thereafter and no change may be made in the effective date of retirement. Selection of a plan of payment pursuant to section 6.3(c) shall become final on the fifteenth day of the month of the first regular benefit payment and no change may be made thereafter. Regular benefits begin once a final benefit, as defined by rule, is paid.
- (I) The benefit effective date of a benefit paid under section 3307.63 or 3307.631 of the Revised Code shall be final on the fifteenth day of the month of the first regular benefit payment.
- (J) Payment to an alternate payee shall occur no earlier than the sixteenth day of the month of the first regular benefit payment to the participant.
- (K) The right to a benefit, including a lump sum withdrawal, under Chapter 3307. of the Revised Code is a personal right. Benefits may be suspended or terminated by the retirement system in the event the system has good cause to believe that a benefit recipient may be incapacitated and no other person has legal authority to act or receive benefits on the benefit recipient's behalf or in the event the system learns that a benefit recipient is missing and unable to present himself or herself to establish to the retirement system's satisfaction that he or she is in fact alive and entitled to receive benefits.

Effective:

Five Year Review (FYR) Dates: 5/3/2023

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.04, 3307.42
Prior Effective Dates: 07/01/2001 (Emer.), 09/17/2001, 09/17/2002,
07/18/2003, 07/24/2008, 06/11/2010, 06/14/2012,
06/02/2013, 10/18/2013 (Emer.), 01/01/2014 (Emer.),
02/02/2014, 05/03/2018

3307:1-1-01 **Definitions.**

Unless another definition is provided, as used in sections 3307.50 to 3307.79 of the Revised Code and Chapters 3307:1 to 3307:10, Chapters 3307:1-1 to 3307:1-13, and Chapters 3307:2-1 to 3307:2-6 of the Administrative Code:

- (A) "Contributing service" ~~shall mean~~means periods of employment that fall within the definition of employment as a teacher, as defined by section 3307.01 of the Revised Code, and for which contributions were made to this retirement system.
- (B) "Contributing service credit" ~~shall mean~~means the same service credit sections as listed in paragraphs (D)(1)(b)(i), (D)(1)(b)(ii), (D)(2)(a)(i) and (D)(2)(a)(ii) of section 3307.58 of the Revised Code.
- (C) Covered employment ~~shall mean~~means periods of employment that fall within the definition of employment as a teacher, as defined by section 3307.01 of the Revised Code.
- (D) "Did not ~~earn~~have any service credit ~~before July 1, 2013~~on account on June 30, 2013" for purposes of division (A)(2) of section 3307.62 of the Revised Code and "~~had not earned~~did not have service credit ~~before July 1, 2013~~on account on June 30, 2013" for purposes of division (C)(2)(i) of section 3307.66 of the Revised Code ~~shall mean~~means the member had no service credit on account with the state teachers retirement system on June 30, 2013, or the member had service credit on account with the state teachers retirement system but withdrew the account on or after July 1, 2013.
- ~~(E) "Earned service credit before July 1, 2013" for purposes of both division (A)(1) of section 3307.62 of the Revised Code and division (C)(2)(i) of section of 3307.66 of the Revised Code shall mean the member had service credit on account with the state teachers retirement system on June 30, 2013 and did not withdraw the account on or after July 1, 2013.~~
- ~~(F)~~(E) "Effective date" or "effective benefit date" in the case of service retirement ~~shall mean~~means the effective date specified by section 3307.58 of the Revised Code; in the case of a disability benefit shall mean the effective date determined in accordance with section 3307.62 of the Revised Code; and in the case of a survivor benefit shall mean the effective date determined in accordance with section 3307.66 of the Revised Code.
- ~~(G)~~(F) "Estimated benefit" or "partial benefit" ~~shall mean~~means a payment, once eligibility for a benefit has been established, of a portion of the benefit not yet finally calculated or granted during the period between the effective date and the determination of the final benefit.

- (~~H~~)(G) "Final benefit" ~~shall mean~~ means the benefit granted once a final determination has been made as to the actual monthly amount payable by the retirement system.
- (~~H~~)(H) "Full time employment" ~~shall mean~~ means employment for the full normal workday of the employing agency.
- (~~H~~)(I) "Full time service" ~~shall be~~ means as defined by in rule 3307:1-2-01 of the Administrative Code.
- (J) "Had service credit on account on June 30, 2013" for purposes of both division (A)(1) of section 3307.62 of the Revised Code and division (C)(2)(i) of section 3307.66 of the Revised Code means the member had service credit on account with the state teachers retirement system on June 30, 2013 and did not withdraw the account on or after July 1, 2013.
- (K) "Ohio contributing service" ~~shall mean~~ means employment by an Ohio public entity for periods during which contributions were made to the public employees retirement system, the school employees retirement system, the state teachers retirement system, the police and fire pension fund, or the highway patrol retirement system.
- (L) "Part time service" ~~shall be~~ means as defined in rule 3307:1-2-01 of the Administrative Code.
- (M) "Regularly employed" ~~shall mean~~ means a consistent pattern of employment for twelve or more consecutive weeks by the same employer.
- (N) "Total service" and "total service credit" ~~shall be~~ means as defined by section 3307.50 of the Revised Code.
- (O) "Year" ~~shall mean~~ means the year beginning July first and ending June thirtieth, unless a calendar year or period of twelve consecutive months is specified.

Effective:

Five Year Review (FYR) Dates: 2/20/2020

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.50
Prior Effective Dates: 07/01/2001 (Emer.), 09/17/2001, 08/01/2005,
07/01/2013 (Emer.), 09/09/2013, 05/07/2015

3307:1-2-01 **Service credit.**

(A) As used in section 3307.53 of the Revised Code and this rule:

- (1) "Full-time service" means employment as a teacher under a contract that:
 - (a) Requires teaching service that begins and ends on either:
 - (i) The first and last day of a year consisting of three hundred sixty-five days; or
 - (ii) The first and last day of a school year of at least the minimum hours required by sections 3313.48 and 3314.03 of the Revised Code or two semesters; and
 - (b) Provides compensation in an amount equal to the rate paid under an employer's overall salary schedule for teachers of the same experience teaching the entire day for every day of the school year. College and university teachers must be employed under a contract that provides compensation equal to the rate paid to other teachers of the same experience teaching the designated full-time equivalent workload.
- (2) "Part-time service" means employment on any basis other than those identified in paragraph (A)(1) of this rule.

(B) Calculation of service credit for full-time~~Full-time~~ service:

- (1) One hundred twenty or more days or two semesters of contributing service as a teacher for a single employer constitutes one year of service credit to be used in determining total credit for retirement purposes.
- (2) If less than one hundred twenty days of teaching, the annual service credit will be determined in accordance with paragraph (C) of this rule.

(C) Calculation of service credit for part-time~~Part-time~~ service:

- (1) If a teacher has taught in a given year for one employer for at least ninety days or five hundred hours, where hours are used only when the actual number of days of service is not available from the employer's records, service credit shall be calculated as follows, provided that the employment relationship has been in effect for a period of time at least equal to one hundred twenty days of that school year:

- (a) If total compensation for the year is in an amount at least equal to the base amount as defined in section 3317.13 of the Revised Code, annual service credit shall be one year.
- (b) If total compensation for the year is in an amount less than the base amount as defined in section 3317.13 of the Revised Code, annual service credit shall be the lesser of:
 - (i) Actual days of service divided by one hundred eighty; or
 - (ii) Hours of service divided by one thousand, but only if the actual number of days of service is not available from the employer's records; or
 - (iii) Actual compensation for the year divided by twelve thousand dollars.
- (2) If a teacher has taught for one employer for less than ninety days or five hundred hours in a year or the employment relationship has been in effect for a period of time less than one hundred twenty days of that school year:
 - (a) Service credit will be determined by the lesser of:
 - (i) Dividing the number of days or partial days for which compensation was paid for actual teaching service rendered by one hundred eighty; or
 - (ii) Actual compensation for the year divided by twelve thousand dollars.
 - (b) If actual number of days or partial days taught is not available from payroll records and the teacher is compensated for hourly service, service credit will be determined by the lesser of:
 - (i) Dividing the number of hours for which compensation was paid by one thousand; or
 - (ii) Actual compensation for the year divided by twelve thousand dollars.
- (3) If actual number of days or partial days taught is not available from payroll records and the teacher is compensated for per cent based salaried service, service credit granted on a contract which is issued on per cent of full-time employment as a teacher will be determined in accordance with the actual contract percentage averaged over three quarters or two semesters during the year, except that one full year of service credit will be granted when such employment exceeds sixty-six per cent averaged over three quarters or two semesters during the year.

- (D) Supplemental salaried service: Compensation received as a result of reimbursement from a contracted third party or agency for supplemental services rendered in addition to the full-time contracted work period or workload shall not be subject to contributions to the state teachers retirement system as provided in division (B) of section 3307.01 of the Revised Code and section 3307.26 of the Revised Code. As such, no service credit is granted for these services.
- (E) Non-teaching periods: Service credit granted for contribution paid during non-teaching periods authorized in sections 3307.77 and 3345.28 of the Revised Code shall be determined by the amount of contribution actually paid divided by the amount of contribution the member would have paid for full-time employment if the non-teaching period had not occurred.
- (F) Credit for teaching service in and after September 1971 previously reported for all active members on the date of this amendment of this rule may be recalculated in accordance with this rule. Credit for part-time salaried service earned prior to September 1971 may be evaluated and recalculated in accordance with the versions of this rule in effect between December 23, 1976 and the effective date of this amendment.

Effective:

Five Year Review (FYR) Dates: 2/20/2020

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.53
Prior Effective Dates: 12/23/1976, 12/26/1981, 01/19/1996, 07/01/2001
(Emer.), 09/17/2001, 06/11/2010, 05/07/2015,
07/01/2019

3307:1-3-01

Interest rate and cost calculation for restoration and purchased service.

Except to the extent otherwise specified by the Revised Code or the Administrative Code, in any calculation of cost for the restoration or purchase of service credit under sections 3307.50 to 3307.79 of the Revised Code in which interest is to be compounded, the rate used shall be eight per cent compounded annually regardless of whether the restoration or purchase is paid in a single payment or through a payroll deduction plan.

Replaces: 3307:1-3-01

Effective:

Five Year Review (FYR) Dates:

Certification

Date

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Rule Amplifies: 3307.70, 3307.71, 3307.712, 3307.72, 3307.73,
3307.74, 3307.751, 3307.752, 3307.76, 3307.761,
3307.763, 3307.77, 3307.771
Prior Effective Dates: 12/23/1976, 11/28/1977, 01/01/1980, 07/01/1980,
12/26/1981, 11/04/1982, 04/27/1985, 10/01/1986,
09/15/1989 (Emer.), 11/30/1989, 01/01/1995,
10/29/1998 (Emer.), 01/17/1999, 07/01/2000,
07/01/2001 (Emer.), 09/17/2001, 05/24/2004,
03/30/2007 (Emer.), 06/28/2007, 05/14/2009,
01/07/2013 (Emer.), 03/24/2013, 01/01/2014 (Emer.),
02/10/2014, 05/07/2015

3307:1-3-02

Purchase of service credit.

- (A) Members may purchase service credit under sections 3307.71, 3307.72, 3307.752, 3307.761, 3307.763 and 3307.77 of the Revised Code in increments and the cost for purchasing partial service credit shall be calculated as a proportionate part of the total cost at time of purchase.
- (B) Members may not purchase service credit that results in more than one year of total service credit as defined by section 3307.50 of the Revised Code for any year.
- (C) Members applying for service retirement must establish all service credit before the effective date of service retirement if credit for such service is to be included in the benefit calculation, except that:
- (1) Service credit shall be deemed to have been established prior to the effective date of retirement in the event that after the effective date of retirement but prior to the final benefit determination service credit is granted by the public employees retirement system pursuant to section 145.483 of the Revised Code or by this retirement system pursuant to section 3307.75 of the Revised Code.
 - (2) Payment for other purchases or restoration of service credit will be accepted for three months after the effective date of retirement and service credit will be deemed to have been established prior to the effective date, provided:
 - (a) That prior to the effective date of retirement this retirement system approved an application for purchase of service credit on forms provided by this system determining that the service credit qualifies for purchase;
 - (b) That prior to the effective date of retirement this retirement system issued cost statements for each such purchase of service credit; and
 - (c) That payment in full is received by the retirement system no later than the earlier of the last day of the third month after the effective date of service retirement wherein the first month of the three months is the month of retirement, or the day the retirement has become final pursuant to paragraph (G) of rule 3307-8-01 of the Administrative Code.
 - (3) An estimated or partial benefit may be paid prior to the final determination only if a member qualifies for retirement without regard to a purchase or restoration of service credit for which payment in full has not been received.
 - (4) That if payment in full is not received by the last day of the third month after the effective date of service retirement;
 - (a) The application to purchase service credit shall be cancelled;

- (b) The final benefit shall be calculated for a member eligible for retirement without the service credit that could have been obtained had timely payment been made;
 - (c) The application for retirement shall be cancelled for any member not eligible to retire without the service credit that could have been obtained had timely payment been made.
- (D) Members applying for disability benefits must complete all purchases of service credit before the first benefit payment if the service credit is to be included in the disability benefit calculation.
- (E) Except for purchases of service credit by payroll deduction, a member may purchase all or part of eligible service credit under sections 3307.71, 3307.72, 3307.752, 3307.761, 3307.763 and 3307.77 of the Revised Code, provided that the minimum payment shall be the greater of the amount needed to establish one per cent of a year of service credit or two hundred dollars. But in all cases the member shall pay the full cost if less than either two hundred dollars or the amount needed to establish one percent of a year of service credit.
- (F) For purposes of sections 3307.72 and 3307.74 of the Revised Code, qualifying service for a full-year as a graduate teaching assistant or other graduate assistant work may be purchased up to a maximum of fifty per cent of a year if the employer at the time provides evidence of the teaching work load assigned. In the absence of such evidence, a maximum of thirty-four per cent of a year may be purchased.
- (G) Payments for purchased or restored service credit may be refunded upon the request of the member and such service credit will be cancelled,
 - (1) If the service credit established under all Ohio public retirement systems for the year in which the service purchased was performed totals one year without credit for the period purchased; or
 - (2) If a benefit calculated without credit for the period purchased is equal to or greater than one hundred per cent of final average salary; or
 - (3) For any reason upon application for retirement.
- (H) If disability benefits were paid pursuant to section 3307.63 or 3307.631 of the Revised Code, a member shall not receive a refund of any payments for a purchase of service credit included in the calculation of benefits paid pursuant to section 3307.63 or 3307.631 of the Revised Code.-

(I) A qualified survivor as defined in division (B) of section 3307.66 of the Revised Code shall not receive a refund of any payments for a purchase of service credit.

Effective:

Five Year Review (FYR) Dates: 2/20/2020

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.71, 3307.72, 3307.73, 3307.74,
3307.751, 3307.752, 3307.76, 3307.761, 3307.763,
3307.77, 3307.771
Prior Effective Dates: 12/23/1976, 04/26/1980, 12/26/1981, 05/08/1995,
05/27/1995, 05/08/1998, 07/01/2001 (Emer.),
09/17/2001, 09/17/2002, 08/01/2005, 06/11/2010,
06/14/2012, 01/07/2013 (Emer.), 03/24/2013,
01/01/2014 (Emer.), 02/10/2014, 05/07/2015

3307:1-3-03

Determination of purchasable service credit under sections 3307.70 and 3307.74 of the Revised Code.

The following rule shall be utilized to determine a member's eligibility to purchase service credit under sections 3307.70 and 3307.74 of the Revised Code:

(A) Factors to be used to determine eligibility and cost:

- (1) The service credit must be properly certified by the official employer or custodian of records on a form provided by the retirement system. This certification shall be taken from a legitimate source of documentation, such as payroll or retirement records of the state, municipality, institution, or public school. When records have been destroyed, an affidavit from the member may be used, but only in conjunction with other documented evidence establishing proof and amount of service. The determination of acceptable documentation shall reside solely with the retirement system and its decision shall be final.
- (2) To be eligible to purchase service credit under section 3307.74 of the Revised Code, the member must have been regularly employed. Part-time service may be purchased if the member was regularly employed.
- (3) Service credit to be purchased shall be determined as follows:
 - (a) The service credit earned with a school shall be determined by dividing the number of days of regular full-time service by one hundred eighty days, or dividing the number of full-time months of regular service by nine months. Should the actual number of days or partial days taught not be available from payroll records and the teacher is compensated for hourly service, service credit will be determined by dividing the number of hours for which compensation was paid by one thousand hours.
 - (b) The credit for all other types of eligible service shall be determined by dividing the number of days of regular service by two hundred forty days, or dividing the number of full-time months of regular service by twelve months. Should the actual number of days or partial days of employment not be available from payroll records and the individual is compensated for hourly service, service credit will be determined by dividing the number of hours for which compensation was paid by nineteen hundred fifty hours.
- (4) The cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.74 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

(B) Factors to be used to determine the type of service that may be purchased under section 3307.74 of the Revised Code:

- (1) Public school, college or university teaching service - service in a public school located outside the state of Ohio. Type of service will qualify if such school had been located in Ohio and retirement contributions had been amenable to the state teachers retirement system.

Teaching service performed at a public university or college when the member was also a student at the public university or college qualifies for purchase only if the teaching service was performed prior to July 1, 1978, or after that date if performed after membership in the state teachers retirement system of Ohio was first established, or after that date if performed after membership was first established in the state retirement system of the state where the service was rendered and that retirement system covers public teaching service.

- (2) Other public service - paid employment by a governmental agency or subdivision of another state, or the United States federal government. Type of service will qualify if such governmental unit had been with Ohio and service rendered was amenable to retirement contributions covered by the public employees retirement system, the school employees retirement system, the Ohio police and fire pension fund, or state highway patrol retirement system. Services compensated by funds not appropriated for use by that governmental entity or fee-based services shall not constitute public service for the purposes of section 3307.74 of the Revised Code.

Service, other than teaching service, performed at a public university or college when the member was also a student qualifies for purchase only if the service:

- (a) Is not purchasable with the Ohio public employees retirement system; and,
 - (b) Was performed prior to July 1, 1978, or after that date if performed after membership in the state teachers retirement system of Ohio was first established, or after that date if performed after membership was first established in the state retirement system of the state where the service was rendered and that retirement system covers such public service.
- (3) School or entity operated primarily for United States citizens - service in any school operated by the direct control of the United States government, or by contract of a third party but under control of the United States government, or primarily a school for employees of the United States government or their dependents. As used in this paragraph, primarily for United States citizens shall

be defined as a school where at least fifty per cent of the students are United States citizens.

(4) Private school, college or university - teaching service at the time performed in a private school, college or university must meet all of the following categories:

(a) The school, college or university must:

- (i) Be recognized by an established accrediting association or governmental agency. The determination of what qualifies as an established accrediting association or governmental agency shall reside solely with the retirement system and its decision shall be final.
- (ii) Have the educational credits recognized by a public school, college or university in Ohio.
- (iii) Be primarily oriented toward preparation for high school graduation, an advanced degree in higher education, or an advanced certification in higher education. Pre-schools, day care centers, community organizations, private schools oriented primarily to trades and occupations, or self-improvement schools do not qualify under section 3307.74 of the Revised Code.

(b) The position:

- (i) On the school level, must be in a position determined by this retirement system as comparable to a position in a public school in Ohio.
- (ii) On the college or university level, must have had faculty rank or status.
- (iii) On the private university or college level when the member was also a student at the private university or college, will qualify for purchase only if the teaching service:
 - (a) Had faculty rank or status and such rank or status is confirmed by the private university or college for which the service was performed on a form provided by the state teachers retirement system; and
 - (b) Was performed prior to July 1, 1978 or after that date if performed after membership in the state teachers retirement system of Ohio was first established.

- (C) Service credit may not be purchased for any service that was already used in the calculation or payment of a retirement benefit or that is used in the calculation of a retirement benefit that has been paid, is currently being paid or is payable in the future to such member under any other retirement program, except social security, provided:
- (1) If participation was in a defined benefit plan, otherwise qualifying service may be purchased upon certification by the plan administrator that there has been a total withdrawal and cancellation of all service credit for the member.
 - (2) If participation was in a defined contribution plan, otherwise qualifying service may be purchased upon certification by the plan administrator that the member received a total withdrawal of the account, including member contributions and any employer contributions to which the member was entitled.
 - (3) If the plan is a non-contributory plan where only employer contributions were paid to the retirement plan, the member is eligible to purchase the service only if the member is not vested in the plan and not entitled to any portion of the funds contributed to the plan on ~~their~~the member's behalf.
- (D) Service credit may not be purchased under section 3307.74 of the Revised Code for service in an amount that exceeds the sum of service credit the member has earned under section 3307.53 of the Revised Code, restored under section 3307.71 of the Revised Code, granted under section 3307.75 of the Revised Code or purchased under section 3307.72, 3307.751 or 3307.752 of the Revised Code.

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3307:1-3-04 **Military service credit.**

- (A) For purposes of sections 3307.70 and 3307.75, divisions (A)(1) and (B) of section 3307.751, and section 3307.752 of the Revised Code:
- (1) Effective July 1, 2011, a member shall be granted one-twelfth of a year of service credit for each month purchased.
 - (2) A full month of service credit shall be granted for the month of entry and the month of discharge for only one period of service.
 - ~~(3) Separate costs shall be calculated for multiple non-consecutive periods of military service.~~
 - ~~(4)~~(3) Except for purchases under section 3307.752 of the Revised Code, military service must be certified on an application provided by the retirement system and accompanied by a DD214 military separation form or an NA form 13038.
- (B) For purposes of division (A)(2) of section 3307.751 of the Revised Code:
- (1) Service credit eligible for purchase shall be determined by dividing the actual number of days of active military service in the Ohio national guard or reserves by three hundred sixty-five. In all cases, the determination of the amount of service eligible for purchase resides solely with the retirement system and its decision shall be final.
 - (2) Active duty with the Ohio national guard or active duty reserve service must be certified on an application provided by the retirement system and accompanied by a military form stating the dates of service that is acceptable documentation by the retirement system. The determination of acceptable documentation shall reside solely with the retirement system and its decision shall be final.
- (C) For purposes of sections 3307.75 and 3307.751 of the Revised Code, time spent as a student enrolled at a military service academy does not constitute active duty and does not qualify under those sections.
- (D) To qualify for a grant of or purchase of service credit under sections 3307.75 and 3307.752 of the Revised Code, a member must have entered uniformed services within five months of leaving employment covered by this retirement system.
- (E) For purposes of sections 3307.751, 3307.752, 3307.761 and 3307.763 of the Revised Code the amount of military service credit that can be purchased under each section cannot exceed five years, except that service credit purchased for periods as a prisoner of war under division (B) of section 3307.751 of the Revised Code cannot exceed an additional five years.

- (F) To qualify for a grant of service credit under section 3307.75 of the Revised Code:
- (1) A member who entered military service within five months of leaving employment covered by this retirement system and who subsequently withdrew contributions made prior to the military service must restore at least the lesser of one year of service credit or the total amount of service credit cancelled upon the withdrawal.
 - (2) A member must return to service as a teacher as defined in section 3307.01 of the Revised Code or to a position covered by the public employees retirement system or the school employees retirement system within two years of the effective date of military discharge and must thereupon establish at least one year of service credit. If the member thereafter withdrew Ohio public service that meets this requirement, at least one full year of withdrawn service credit must be restored to qualify as a return to service.
- (G) Effective January 1, 2014, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.751 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code. Service credit may not be purchased under section 3307.751 of the Revised Code for service credit in an amount that exceeds the sum of service credit the member has earned under section 3307.53 of the Revised Code, restored under section 3307.71 of the Revised Code or purchased under section 3307.72 of the Revised Code.
- (H) For purchases of service credit for service in the uniformed services under section 3307.752 of the Revised Code:
- (1) The cost shall be equal to the sum of the member and employer contributions that would have been made pursuant to sections 3307.26 and 3307.28 of the Revised Code if the member had not been out of active service as a teacher by reason of service in the uniformed services.
 - (2) The cost shall be without interest for a period which is the lesser of five years or three times the member's period of service beginning from the later of the member's date of reemployment or October 29, 1996. If interest is applied, it is applicable to the member contributions only.
 - (3) The member must have returned to covered employment as a teacher by the same employer within three calendar months after honorable discharge or release from the uniformed service.

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3307:1-3-05

Non-paid professional leaves approved by the retirement board.

A member may complete retirement contributions and ~~secure retirement~~obtain service credit for non-paid professional leaves as approved by the retirement board by complying with the following requirements:

(A) Eligibility requirements:

- (1) An annual contract for service covered by this system during the year within which the absence occurred.
- (2) A leave granted by the employer for the purpose of accepting an assignment during such absence. Leaves will not be recognized for a period greater than a total of two school years for each period of leave.
- (3) Assignments ~~which that~~ will be considered for ~~retirement~~service credit under this rule are those related to professional duties and responsibilities of members or activities which may be expected to improve the service rendered by a member upon return to employment.
- (4) Not later than twelve months following termination of the leave the member must resume contributing service covered by this system, the public employees retirement system or the school employees retirement system.
- (5) Approval of the employer for the payment of the employer cost without reimbursement from the member.
- (6) Retirement board approval for the member to make retirement contributions covering the period of absence.

(B) Procedural requirements:

- (1) Subsequent to the termination of the leave the member must ~~file with~~submit to the retirement board:
 - (a) A statement showing the nature and purpose of the assignment during such absence.
 - (b) A written request to the retirement board for approval of payment by the member of member contributions.
 - (c) Certifications of member's employer as follows:
 - (i) Member's annual contract salary in effect for each year or part of year (first of July to thirtieth of June) in which there was such absence.

- (ii) Official action of the employer granting the leave stating the beginning date and the termination date.
 - (iii) Official action of the employer approving the payment of the employer cost without reimbursement from the member.
- (2) If ~~within sixty days of notice that the retirement board has approved the request~~ the member pays to the employer the amounts specified by paragraph (C)(1) of this rule within sixty days of notice that the retirement board has approved the request, the employer shall within thirty days of payment by the member pay to the retirement system the amount specified by paragraph (C)(2) of this rule along with the amounts paid by the member.

(C) Cost calculation:

(1) Member costs:

- (a) If payment is received by the retirement system by June thirtieth of the year in which the leave occurred, the member shall pay the difference between the contributions deducted from salary payments during the leave period, if any, and the contributions due based on the contract salary.
 - (b) If payment is received by the retirement system after June thirtieth of the year in which the leave occurred, the member shall pay the sum of the following for each year of credit purchased:
 - (i) An amount determined by multiplying the employee rate of contribution in effect at the time the leave commenced by the contract salary the member would have received for the leave less salary payments made during the leave period, if any.
 - (ii) Interest compounded annually, at a board determined rate, on the amount determined under paragraph (C)(1)(b)(i) of this rule from the day following the last day of the year in which the leave terminated and ending through the month of payment.
 - (iii) Interest compounded annually, at a board determined rate, on the employer contribution determined under paragraph (C)(2) of this rule from the day following the last day of the year in which the leave terminated and ending through the month of payment.
- (2) Employer contribution: the employer shall pay to the system for each year of credit purchased under this rule an amount determined by multiplying the employer contribution rate in effect at the time the leave commenced by the contract

salary the member would have received for the leave less salary payments made during the leave period, if any.

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3307:1-3-06

Contributions during non-teaching periods.

Section 3307.77 of the Revised Code permits a teacher who is under contract the right to complete contributions for a period during which the teacher was prevented by illness, injury, a leave granted pursuant to section 3319.13, 3319.131, or 3345.28 of the Revised Code, or other reasons approved by the state teachers retirement board, from making regular retirement contributions.

To facilitate crediting of such contributions, employer contributions, and associated service credit, the following rule ~~shall apply~~ applies:

(A) In the event of absences for non-teaching periods caused by illness, injury, or leave pursuant to section 3319.13, 3319.131 or 3345.28 of the Revised Code; absences caused by school closings for weather conditions or other emergency conditions that alter the regular school year and which are beyond the control of the member; or leave pursuant to the Family and Medical Leave Act of 1993, Pub. L. 103-3, 107 Stat. 6, 29 U.S.C. 2601:

- (1) Employee contributions shall be made at the member's option.
- (2) The employer may make such deductions from other payrolls during the year in which the absence occurred as authorized in division (C) of section 3307.77 of the Revised Code.
- (3) Nothing herein shall be construed as authorizing the employer to make additional deductions from payrolls during a year other than the year in which the absence occurred.
- (4) Employer contributions from the member's employer at such time as the leave commenced shall be due based upon the date the member has contributions deducted or pays contributions to the employer.
- (5) As authorized in division (D) of section 3307.77 of the Revised Code, if a member has changed employment, the employer responsible for accepting and forwarding contributions for the leave period shall be the member's employer at such time as the absence or leave commenced.
- (6) "Date of payment," as used under divisions (D)(2) and (D)(3) of section 3307.77 of the Revised Code, ~~shall be defined to mean~~ means the end of the month in which payment is made.
- (7) "Last day of the year in which the absence or leave terminated," as used under divisions (D)(2) and (D)(3) of section 3307.77 of the Revised Code, ~~shall be~~

~~defined to mean~~means the last day of the fiscal year in which there is service credit certified with the retirement system as eligible for purchase.

- (B) Contributions may be submitted for purchases of service credit for absences that result in limitation of compensation that may be included in final average salary pursuant to section 3307.501 of the Revised Code, subject to approval by the executive director or the director's designee.
- (C) Contributions may be submitted after the effective date of retirement for purposes of service credit for absences under section 3307.77 of the Revised Code, if the additional contributions will reduce or eliminate limitation of the compensation that may be included in final average salary under section 3307.501 of the Revised Code.
- (D) Members purchasing leaves of absence pursuant to section 3307.77 of the Revised Code to meet the two year or one year disability eligibility application requirement pursuant to division (D) of section 3307.62 of the Revised Code shall purchase at a minimum, the time period extending from the date the leave began through the date required to meet eligibility.
- (E) Members shall not be permitted to purchase leaves of absence pursuant to section 3307.77 of the Revised Code for: ~~leave periods granted retroactively, that if purchased, would qualify the member to apply for disability benefits with the retirement system.~~
- (1) Leave periods granted retroactively, that if purchased, would qualify the member to apply for disability benefits with the retirement system; or
 - (2) Leave periods during which the member received disability benefits from the retirement system.

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(Emer.), 03/24/2013, 01/01/2014 (Emer.), 02/10/2014,
05/07/2015

3307:1-3-07

Other Ohio public service.

(A) To be eligible for purchase of service credit under sections 3307.70 and 3307.76 of the Revised Code, service credit must:

(1) Be non-teaching service with an Ohio public school, college or university or be service with the state of Ohio or its agencies, instrumentalities or subdivisions; and

~~(1)~~(2) Be properly certified by the official employer or custodian of records on a form ~~provided~~approved by the retirement system. This certification shall be based upon a legitimate source of documentation such as payroll or retirement records of the state, municipality, public institution, or public school. When records have been destroyed, an affidavit from the member may be used, but only in conjunction with other documented evidence establishing proof and amount of ~~employment~~service. The determination of acceptable documentation shall reside solely with the retirement system and its decision shall be final, ~~and,~~

~~(2) Be non-teaching service with an Ohio public school, college or university or be service with the state of Ohio or its agencies, instrumentalities or subdivisions.~~

(B) Effective January 1, 2014, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.76 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

(C) A member is ineligible to purchase credit under section 3307.76 of the Revised Code if credit for the service may be obtained from the public employees retirement system or the school employees retirement system or if the credit is for service that is used in the calculation of any retirement benefit that has been paid, is currently being paid, or is payable in the future to the member.

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01/01/2014 (Emer.), 02/10/2014, 05/07/2015

3307:1-3-08

Establishment of service credit for leaves of absence and resignations due to pregnancy or adoption.

Service credit for periods of absence due to pregnancy leave or pregnancy resignation or adoption of a child may be purchased, subject to sections 3307.70 and 3307.771 of the Revised Code and the following requirements and procedures:

(A) Eligibility requirements:

- (1) A member must have resigned from a teaching position covered under Chapter 3307. of the Revised Code before July 1, 1982 due to pregnancy or adoption of a child or prior to that date, must have been granted an official leave of absence from such a position due to pregnancy or adoption.
- (2) A member may not purchase service credit under section 3307.771 of the Revised Code if service credit for the absence has already been purchased or established under any other section of Chapter 3307. of the Revised Code.
- (3) A resignation or leave shall qualify as an absence due to the adoption of a child for the purposes of section 3307.771 of the Revised Code if:
 - (a) A child was placed in the member's home within twelve months of the effective date of the resignation or leave; and
 - (b) A final court order granting adoption to the member has been entered for the same child.

(B) Procedural requirements:

- (1) An employer that granted a leave must provide the retirement system with a certification stating the period and purpose of the leave.
- (2) An employer that accepted a resignation must provide the retirement system with a certification indicating the date of and the reason for the resignation.
- (3) If the employer is not able to certify the reason for the leave or resignation was due to pregnancy, the member must provide one of the following:
 - (a) A photocopy of the child's birth certificate if the member's pregnancy resulted in birth; or ~~the~~
 - (b) A statement based on medical records if the member's pregnancy did not result in birth.

- (4) If the employer is not able to certify that the reasons for the leave or resignation was due to adoption, documentation establishing that the child was placed in the member's home within twelve months after the effective date of the leave or resignation shall be provided by the member.
- (5) Certifications and applications for the purchase of service credit must be completed on forms approved ~~or provided~~ by the ~~state teachers~~ retirement system.
- (6) Effective January 1, 2014, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.771 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

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3307:1-3-09

Purchase of credit for service as a school board or governing board member.

- (A) Application for the purchase of service credit pursuant to section 3307.78 of the Revised Code shall be made on a form ~~provided~~approved by the ~~state teachers~~ retirement system and shall include certification of the service.
- (B) A member may purchase credit for service as a school board or governing board member prior to July 1, 1991 ~~as a school board member who~~if the member meets the requirements set forth in section 3307.78 of the Revised Code. A member may purchase credit for concurrent service as a member of more than one school board or governing board of education, provided that the total of all service credit earned or purchased for any school year shall not exceed one year.
- (C) Effective January 1, 2014, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.78 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

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3307:1-3-10

Purchase of credit for waived service.

- (A) A member may make application for the purchase of service credit under section 3307.73 of the Revised Code if a total of at least one and one-half years of contributing service under this system or eighteen months of contributing service credit under the public employees retirement system or the school employees retirement system has been established. A member who is also a member of the public employees retirement system or the school employees retirement system is ineligible to purchase service credit under this system if the unadjusted service credit established under either one of those systems exceeds the service credit established under this system.
- (B) The member shall request that the employer for whom the service was performed certify such service to this system. Once certification is received from the employer, the amount of service credit otherwise qualifying for purchase shall be determined as follows:
- (1) If the service credit to be purchased is for service waived or exempted under Chapter 3307. of the Revised Code or denied pursuant to rule 3307-4-01 of the Administrative Code, upon receipt of the certification of the employer, the system shall determine the amount of service credit that would have been earned had the service not been waived, exempted or denied.
 - (2) If the service credit to be purchased is for service that would have been covered under Chapter 145. or Chapter 3309. of the Revised Code, the system shall contact the applicable retirement system and shall request certification from that retirement system that the service was exempt.
 - (3) Service credit may not be purchased for any service:
 - (a) Which is concurrent with any other service credit that will be used in calculating a benefit under Chapter 145., Chapter 3307., or Chapter 3309. of the Revised Code; or
 - (b) If the purchase would result in the establishment of total service credit under Chapter 145., Chapter 3307., and Chapter 3309. of the Revised Code which exceeds a year of service credit in any year.
- (C) Once service qualifying for purchase has been certified and determined pursuant to paragraph (B) of this rule, the cost for the purchase of service credit under section 3307.70 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

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3307:1-3-11

Payroll deductions for purchase and restoration of service credit.

The following plan for restoration or purchase of service credit by payroll deduction is hereby established pursuant to section 3307.701 of the Revised Code:

(A) Service credit eligible for payment by payroll deduction shall be determined as follows:

- (1) Effective January 1, 2014, a member who has applied for restoration of service credit pursuant to section 3307.71 or division (C) of section 3307.761 of the Revised Code or purchase of service credit pursuant to section 3307.72 of the Revised Code may elect to make payment for all or a portion of such restoration or purchase by payroll deduction over a period of up to five years ~~for each full or partial year of qualifying service credit~~ if the member will receive regular periodic payments of salary or wages by the employer over that period in an amount after taxes and other deductions that is at least equal to the payment to be deducted.
- (2) Where eligible service has been certified, the retirement system will provide to the member:
 - (a) A statement setting forth the total cost of such restoration or purchase; and
 - (b) A statement setting forth the cost of such restoration or purchase on a cost per year basis, ~~and~~
- (3) Upon request, the retirement system will provide a form for the member's use in initiating restoration or purchase by payroll deduction, which shall include a statement of the monthly deductions necessary to spread payment over periods ranging from one to five years ~~for each full or partial year of service credit~~.

Such statement shall be based upon the assumption that the interest rate then in effect under rule 3307:1-3-01 of the Administrative Code remains constant throughout each such period; however, the statement shall inform the member that the actual cost of restoration or purchase shall be subject to any change, during the period of deduction, in the interest rate applicable to such restoration or purchase.

- (4) If a member wishes to elect payment by payroll deduction, the member shall complete and sign the form so provided to indicate the amount to be deducted monthly and file it with the member's employer.

(B) A form so filed with an employer shall be completed by the employer to indicate the date deductions will begin, which date shall be agreed upon by the member and the

employer but in no case shall it be later than three months after the form is filed with the employer, and the monthly amount to be deducted. The employer shall transmit the form to the retirement system no later than the last day of the month preceding the month in which deductions will begin, except that the form may be transmitted with the first month's payroll deduction if the monthly deduction equals or exceeds the minimum payment specified in paragraph (D) of this rule.

- (C) Amounts deducted by an employer shall be transmitted monthly to the retirement system no later than the fifteenth day of the month following deduction. Employers will be charged interest on amounts not received by such time at the rate specified in rule 3307:1-3-01 of the Administrative Code.
- (D) Monthly payments shall not be less than the minimum amount specified to restore or purchase service credit over the maximum period allowable under paragraph (A) of this rule, and shall not be less than fifty dollars. Deducted payments in an amount less than the applicable minimum will be returned to the employer and that payroll deduction plan will be cancelled.
- (E) Except for purchase under a tax-deferred plan as provided in paragraph (L) of this rule, the amount of deduction selected by a member may be changed by written notice given by the member to the employer; however, the monthly amount deducted shall not be less than the minimum monthly payment specified in paragraph (D) of this rule.
- (F) Except for purchases under a tax-deferred plan as provided in paragraph (L) of this rule, a member may elect to terminate payroll deduction at any time by notice to the employer in such manner as the employer may specify. Termination of employment or the grant of a disability benefit under section 3307.63 or 3307.631 of the Revised Code shall terminate deduction. In the event a member who has been restoring or purchasing service credit by payroll deduction terminates employment and becomes employed as a teacher by a different employer, a new application for payroll deduction will be required and it shall be the member's responsibility to file such application with the new employer to complete the restoration or purchase during the time period specified under the original payment schedule. The new cost calculation shall be based on the applicable cost criteria and interest rate in effect at the time of such application under rule 3307:1-3-01 of the Administrative Code.
- (G) A member will be eligible for payroll deduction by any employer for restoration or purchase under only one cost statement at any given time. If employed by more than one employer, a member may not simultaneously participate in more than one payroll deduction plan. No portion of qualifying service credit being purchased pursuant to this rule under a tax-deferred plan as provided in paragraph (L) of this rule shall be purchasable under provisions of rule 3307:1-3-02 of the Administrative Code unless payroll deductions under this rule are first terminated.

- (H) Changes in the interest rate applicable under rule 3307:1-3-01 of the Administrative Code will result in the recalculation of a new payroll deduction schedule for the remaining balance of service credit as of the effective date of the change in interest rate. A member participating in payroll deduction will be sent a recalculation in the event of such a change and may then either reselect the amount to be deducted in order to maintain the original payment schedule or alter the period of time involved, up to a maximum of five years for each full or partial year of qualifying service credit. In all cases, the member must pay at least the minimum monthly payment as specified in paragraph (D) of this rule.
- (I) A new application is required for restoration or purchase of additional service credit. The employer will be billed annually by fiscal year for employer contributions required for member purchases under sections 3307.72 and 3307.77 of the Revised Code. If the payroll deduction payments are terminated or paid-off within the year, the employer will be billed after the final payroll deduction payment. Any amounts unpaid by the first day of October of any year may be certified for payment under section 3307.31 of the Revised Code. The Ohio police and fire pension fund or state highway patrol retirement system will be notified annually by fiscal year of the amount purchased from the state teachers retirement system under section 3307.761 of the Revised Code. If the payroll deduction payments are terminated or paid-off within the year, the other retirement system will be notified of the amount of purchase after the final payroll deduction payment.
- (J) The retirement system will prepare a monthly listing of participating employees based upon the payroll deduction forms and designated changes thereto previously submitted by an employer. Such listing shall be sent to the employer monthly and shall set forth the expected deduction for each participant. The employer shall enter the amount actually deducted and return the listing and deducted amounts to the retirement system by the fifteenth of each month.
- (1) If the actual deduction is less than the minimum deduction, the payroll deduction plan will be terminated and the service credit purchased to date will be credited to the member's account. Purchase of additional service credit by payroll deduction will require a new application.
 - (2) Participating members may be added by an employer if accompanied by the application form and the actual deduction equals or exceeds the minimum deduction as of the month the deduction begins.
- (K) Accumulated deductions for the purchase or restoration of service credit shall be refundable only upon termination of covered employment and withdrawal of accumulated contributions pursuant to section 3307.56 of the Revised Code, except that upon the request of the member, the cost of service credit purchased by payroll

deduction may be refunded for the reasons set forth in ~~division~~paragraph (G) of rule 3307:1-3-02 of the Administrative Code.

- (L) An employer may adopt a plan in compliance with section 414(H)(2) of the Internal Revenue Code for the purchase of service credit by payroll deduction with payments designated as picked-up by the employer. An employer shall notify the retirement system of its adoption of any such plan at least sixty days before it goes into effect on a form provided by the retirement system. A member who has chosen to participate in such a plan may not terminate or alter payroll deduction until the service credit is fully purchased or employment is terminated.
- (M) In lieu of payroll deduction, the retirement system will accept from the employer lump-sum payments for certified purchasable service credit for a member. The employer must submit a document indicating if the payment is from after-tax or tax-deferred funds. Tax-deferred funds will only be accepted by the retirement system if the employer has adopted a plan in compliance with section 414(H)(2) of the Internal Revenue Code as specified in paragraph (L) of this rule.
- (N) If there is a refund of only the purchased service credit within two years of receipt, the funds will be returned to the employer unless the employer requests distribution to the member; ~~otherwise~~upon such request by the employer, the funds will be returned to the member and federal taxes will be withheld as required under federal law and regulations, if the money was tax-deferred.
- (O) If a member purchasing service through payroll deduction ~~files~~applies for service retirement, the retirement system will notify the employer to stop the deductions the month before the member's benefit effective date and will send the member a cost statement for any remaining service credit eligible for purchase.

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01/01/2014 (Emer.), 02/10/2014, 05/07/2015

3307:1-3-13

Determination of cost for service credit purchased under section 3307.70 of the Revised Code.

- (A) As provided in section 3307.73, 3307.74, 3307.751, 3307.76, 3307.771, or 3307.78 of the Revised Code, a member may purchase service credit at a cost that is equal to one hundred percent of the actuarial liability resulting from the purchase. The cost for each year shall be calculated separately and sequentially and shall be based on the factors outlined in paragraph (B) of this rule.
- (B) The member shall pay the retirement system for credit to the member's accumulated account an amount equal to one hundred per cent of the actuarial liability resulting from the purchase of the service credit as determined by an actuary employed by the state teachers retirement board based on the following factors at the time the cost statement is issued:
- (1) The member's age as of the previous July first.
 - (2) The member's years of service credit, which shall include all of the following, except that such total combined service credit shall not exceed one year of credit for any one year, and which shall be determined by the retirement system in its sole discretion:
 - (a) Total service credit as defined by section 3307.50 of the Revised Code as of the previous June thirtieth unless such service credit reporting is adjusted after that date, then the total service credit as of June thirtieth will be changed to reflect the adjustment made. Should the adjustment in service credit occur after the cost statement is issued but before the payment is completed, a new cost statement reflecting the adjustment in service credit will be issued to the member.
 - (b) All service credit established after June thirtieth or being purchased through payroll deduction as outlined in this rule and rule 3307:1-3-11 of the Administrative Code under sections 3307.71, 3307.72, 3307.73, 3307.74, 3307.75, 3307.751, 3307.752, 3307.76, 3307.761, 3307.763, 3307.77, 3307.771, and 3307.78 of the Revised Code. Should the amount of service credit in this paragraph change due to other purchases of service credit after the cost statement is issued but before the payment is completed, the member's years of service credit will be adjusted to reflect the change in the years of service credit and a new cost statement will be issued to the member.
 - (c) All service credit eligible for restoration under section 3307.71 of the Revised Code.

- (d) All service credit established in the public employees retirement system of Ohio and the school employees retirement system of Ohio including total service credit as defined in sections 145.01 and 3309.01 of the Revised Code and service credit eligible for restoration under sections 3309.26, 3309.261, 145.31 and 145.311 of the Revised Code.
- (3) The member's salary base for determining the cost of service credit purchased under section 3307.70 of the Revised Code shall be the ~~compensation for the most recent year in which the member had~~ compensation as described in paragraphs (B)(3)(a), (B)(3)(b), and (B)(3)(c) of this rule, and if the compensation is adjusted after the cost statement is issued but before the payment is completed, the salary base will be changed to reflect the adjustment made and a new cost statement will be issued to the member. The salary base shall be determined by the retirement system in its sole discretion.
- (a) Compensation is defined the same as division (L) of section 3307.01 of the Revised Code.
- (b) ~~If compensation was not based on full-time service then the~~ The calculation of cost shall be based upon the greater of the salary base amount as defined in section 3317.13 of the Revised Code, final average salary or the most recent year in which the member had compensation upon which contributions were made, adjusted to full-time equivalence if less than full-time.
- (c) The salary base shall also include all compensation with the public employee's retirement system and school employee's retirement system for the same year in which the member had compensation as described in paragraphs (B)(3)(a) and (B)(3)(b) of this rule.
- (C) A purchase of service credit shall be applied sequentially to the member's existing service credit as follows:
- (1) If the member has one year of service credit eligible for purchase, the member will receive one year of service once the payment for one hundred percent of the actuarial liability created by the purchase has been paid in full.
- (2) If the member is only eligible to purchase less than one year of service credit, the member will receive that amount of service credit once the payment for one hundred percent of the actuarial liability created by the purchase has been paid in full. If the member certifies additional service credit as eligible for purchase, the member will receive service credit for the balance of the year, if any balance

is remaining for the last year, at no additional cost. A member will not receive more service credit than he or she is eligible to purchase.

(D) Service credit may be purchased by one of the following methods:

(1) Lump sum purchase. In order for a member to purchase service credit through a lump sum purchase all of the following shall apply:

(a) The retirement system will provide the member with a cost statement indicating the amount of service credit eligible for purchase and the current cost based on the factors described in paragraph (B) of this rule.

(b) The member must return the completed and signed cost statement with the first payment.

(c) A member must complete the service credit purchase on the cost statement by the earlier of the end of the month following the ninetieth day after the retirement system receives the first payment or June thirtieth.

(d) No service credit will be posted to a member's account until all funds for the total purchase of service credit have been received by the retirement system.

(e) If the member does not complete the purchase by the deadline established under paragraph (D)(1)(c) of this rule and indicated on the cost statement, then all payments received by the retirement system will be returned.

(2) Installment purchase plan. The following plan for purchase of service credit by payroll deduction is hereby established pursuant to sections 3307.70 and 3307.701 of the Revised Code:

(a) A member who has applied for the purchase of service credit pursuant to section 3307.73, 3307.74, 3307.751, 3307.76, or 3307.771 of the Revised Code may elect to make payment to purchase one year of service credit, or the full amount of service credit eligible for purchase if the member is only eligible to purchase less than one year of service credit, by payroll deduction over a period of up to three years if the member will receive regular periodic payments of salary or wages by the employer over that period in an amount after taxes and other deductions that is at least equal to the payment to be deducted.

(i) Where eligible service has been certified, the retirement system will provide to the member a form for the member's use in initiating purchase of service credit by payroll deduction and a statement

setting forth the total cost of such purchase and a statement of the monthly deductions necessary to spread payment over periods ranging from one to three years.

- (ii) If a member wishes to elect payment by payroll deduction, the member shall complete and sign the form so provided to indicate the amount to be deducted monthly and file it with the member's employer.
- (b) A form so filed with an employer shall be completed by the employer to indicate the date deductions will begin, which date shall be agreed upon by the member and the employer but in no case shall it be later than three months after the form is filed with the employer, and the monthly amount to be deducted. The employer shall transmit the form to the retirement system no later than the last day of the month preceding the month in which deductions will begin, except that the form may be transmitted with the first month's payroll deduction if the monthly deduction equals or exceeds the minimum payment specified in paragraph (D)(2)(d) of this rule.
- (c) Amounts deducted by an employer shall be transmitted monthly to the retirement system no later than the fifteenth day of the month following deduction. Employers will be charged interest on amounts not received by such time at the rate specified in rule 3307:1-3-01 of the Administrative Code.
- (d) Monthly payments shall not be less than the amount specified to purchase service credit over the maximum period allowable under paragraph (D)(2)(a) of this rule, and shall not be less than fifty dollars. Deducted payments in an amount less than the applicable minimum will be returned to the employer and that payroll deduction plan will be cancelled.
- (e) Except for purchase under a tax-deferred plan as provided in paragraph (D)(2)(k) of this rule, the amount of deduction selected by a member may be changed by written notice given by the member to the employer; however, the monthly payment deducted shall not be less than the minimum specified in paragraph (D)(2)(d) of this rule.
- (f) Except for purchases under a tax-deferred plan as provided in paragraph (D)(2)(k) of this rule, a member may elect to terminate payroll deduction at any time by notice to the employer in such manner as the employer may specify. Termination of employment or the grant of a disability benefit under section 3307.63 or 3307.631 of the Revised Code shall

terminate payroll deduction. In the event a member who has been purchasing service credit by payroll deduction terminates employment and becomes employed as a teacher by a different employer, a new application for payroll deduction will be required and it shall be the member's responsibility to file such application with the new employer to complete the purchase during the time period specified under the original payment schedule. The member shall have until the end of the month after the ninetieth day following termination of employment to file the application with the new employer. If the member does not resume the payroll deduction plan with a new employer or complete the purchase through a lump-sum payment by the deadline specified in this paragraph, then all funds will be returned as specified in paragraph (D)(2)(m) of this rule.

- (g) A member will be eligible for payroll deduction by any employer for restoration or purchase under only one cost statement at any given time. If employed by more than one employer, a member may not simultaneously participate in more than one payroll deduction plan. No portion of qualifying service credit being purchased pursuant to this rule under a tax-deferred plan as provided in paragraph (D)(2)(k) of this rule shall be purchasable under provisions of rule 3307:1-3-02 ~~or 3307:1-3-13~~ of the Administrative Code unless payroll deductions under this rule are first terminated.
- (h) Changes in the interest rate applicable under rule 3307:1-3-01 of the Administrative Code will result in the recalculation of a new payroll deduction schedule for the remaining balance of service credit as of the effective date of the change in interest rate. A member participating in payroll deduction will be sent a recalculation in the event of such a change and may then either reselect the amount to be deducted in order to maintain the original payment schedule or alter the period of time involved, up to a maximum of three years from the date the original payroll deduction plan began. In all cases the member must pay at least the minimum monthly payment as specified in paragraph (D)(2)(d) of this rule.
- (i) The retirement system will prepare a monthly listing of participating employees based upon the payroll deduction forms and designated changes thereto previously submitted by an employer. Such listing shall be sent to the employer monthly and shall set forth the expected deduction for each participant. The employer shall enter the amount actually deducted and return the listing and deducted amounts to the retirement system by the fifteenth of each month.

- (i) If the actual deduction is less than the minimum deduction, the payroll deduction plan will be terminated. Purchase of additional service credit by payroll deduction will require a new application. Should the payroll deduction plan not resume with an employer or the payment for the service credit not be completed with the retirement system by the earlier of the end of the month following the ninetieth day from the last payment made by payroll deduction or June thirtieth, then all funds will be returned as specified in paragraph (D)(2)(m) of this rule.
- (ii) Participating members may be added by an employer if accompanied by the application form and the actual deduction equals or exceeds the minimum deduction as of the month the deduction begins.
- (j) Accumulated deductions for the purchase of service credit shall be refundable only upon termination of covered employment and withdrawal of accumulated contributions pursuant to section 3307.56 of the Revised Code, except that upon the request of the member, the cost of service credit purchased by payroll deduction may be refunded for the reasons set forth in paragraph (G) of rule 3307:1-3-02 of the Administrative Code.
- (k) An employer may adopt a plan in compliance with section 414(H)(2) of the Internal Revenue Code for the purchase of service credit by payroll deduction with payments designated as picked-up by the employer. An employer shall notify the retirement system of its adoption of any such plan at least sixty days before it goes into effect on a form provided by the retirement system. A member who has chosen to participate in such a plan may not terminate or alter payroll deduction until the service credit at a cost of one hundred percent of the actuarial liability is fully purchased or employment is terminated.
- (l) In lieu of payroll deduction, the retirement system will accept from the employer lump-sum payments for certified purchasable service credit for a member. The employer must submit a document indicating if the payment is from after-tax or tax-deferred funds. Tax-deferred funds will only be accepted by the retirement system if the employer has adopted a plan in compliance with section 414(H)(2) of the Internal Revenue Code as specified in paragraph (D)(2)(k) of this rule.
- (m) If there is a refund of only the purchased service credit within two years of receipt, the funds will be returned to the employer unless the employer requests distribution to the member; otherwise upon such request by the

employer, the funds will be returned to the member and federal taxes will be withheld as required under federal law and regulations, if the money was tax-deferred.

- (n) If a member purchasing service credit through payroll deduction ~~files~~applies for service retirement, the retirement system will notify the employer to stop the deductions the month before the member's benefit effective date and will send the member a cost statement for any remaining amount due to complete the purchase of service credit at a cost of one hundred per cent of the actuarial liability created by such purchase. Should the payroll deduction plan not be completed with the retirement system within three months of the retirement date, then all funds will be returned as specified in paragraph (D)(2)(m) of this rule.

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06/07/2019

3307:1-4-01 **Compensation includible in the determination of final average salary.**

The following criteria and procedures are established by the ~~state teachers~~ retirement board pursuant to section 3307.501 of the Revised Code.

(A) As used in section 3307.501 of the Revised Code and this rule, a percentage increase shall be considered to be generally applicable if:

- (1) It is paid by a school board of education or governing board, school district, or governing authority of a community school or a science, technology, engineering, and mathematics school pursuant to a teacher salary schedule with the same employer including performance based payments that are paid in accordance with uniform criteria applicable to all members employed by the employer without regard to supplemental or extended pay contracts; or
- (2) It is paid by a school board of education or governing board, school district, or governing authority of a community school or a science, technology, engineering, and mathematics school to an employee not paid under the teacher salary schedule up to the amount payable under the teacher salary schedule including performance based payments that are paid in accordance with uniform criteria applicable to all members employed by the employer to teachers with equivalent service and education without regard to supplemental or extended pay contracts; or
- (3) It is paid by a university or college as an average salary increase attributable to academic services as certified by an authorized representative of the university or college; or
- (4) It is paid by a school board of education or governing board, school district, or governing authority of a community school or a science, technology, engineering, and mathematics school that does not use a teacher salary schedule as an average salary increase as certified by an authorized representative of the employer.

(B) In determining the highest percentage increase in compensation under division (B)(1) of section 3307.501 of the Revised Code, increases in compensation from one fiscal year earnings to another for which a member has not performed full-time service as defined in paragraph (A)(1) of rule 3307:1-2-01 of the Administrative Code in either or both year(s) shall be the greater of:

- (1) The projected salary increase established by an actuary for the retirement board based on the member's attained age at the beginning of the fiscal year used in calculating the member's final average salary, or

- (2) The percentage increase considered generally applicable to members employed by the employer.
- (C) Where the two highest years of compensation certified for an applicant for service retirement include a percentage increase otherwise excluded by division (B) of section 3307.501 of the Revised Code, the executive director of the ~~state teachers~~ retirement system or his or her designee may include all or part of such percentage increase in the calculation of final average salary, up to a maximum of seventy-five hundred dollars, if:
- (1) The increase is related to a diminution of compensation as the result of illness or incapacitation, provided that completion of contributions is not authorized under the terms of section 3307.77 of the Revised Code; or
 - (2) The executive director of the ~~state teachers~~ retirement system or his or her designee determines that other good cause exists for inclusion.
- (D) Where a percentage increase is excluded from compensation used to determine final average salary under the provisions of division (B) of section 3307.501 of the Revised Code and paragraph (A) or (B) of this rule, the applicant shall be given written notice of the right to an appeal pursuant to this paragraph, provided:
- (1) The maximum of seventy-five hundred dollars has not already been included under paragraph (C) of this rule.
 - (2) Requests for an appeal shall be made by the applicant in writing within thirty days of such notice.
 - (3) The applicant shall be afforded the opportunity to present written information explaining the arguments for making an exception to the statutory limitation and to appear before a review committee designated by the ~~state teachers~~ retirement board. The applicant shall be informed of the date the committee will review and consider the appeal. An applicant who has requested a personal appearance before the committee may for good cause request delay of consideration, provided that no ~~more than one~~ prior request for delay has been granted.
 - (4) All information supporting an applicant's assertion that good cause exists for making an exception to the statutory limitation shall be received by the retirement system at least two weeks before the committee's scheduled review.
 - (5) After consideration of the information presented by the applicant, the committee shall submit its recommendation to the board.

(E) In determining final average salary under division (C) of section 3307.501 of the Revised Code if disability benefits to a member began before August 1, 2015, the benefits beginning date shall be the effective date disability benefits were granted, provided that monthly benefits continue without any interruption in the monthly stream of benefits to the member pursuant to section 3307.57, 3307.58 or 3307.59 of the Revised Code or to a survivor of the member pursuant to section 3307.66 of the Revised Code.

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05/02/2013, 05/07/2015

3307:1-5-01

Selection and reselection of plan of payment for retirees on or before September 1, 1989.

By authority of section 3307.04 and section 3307.60 of the Revised Code, the following rule shall apply to the plans of payment provided in section 3307.58 and 3307.60 of the Revised Code:

(A) The provisions for reselection of a plan of payment set forth in this paragraph shall be applicable to all service retirants granted retirement effective on or before September 1, 1989, except a retirant who elected recalculation of benefits pursuant to section three of Am. H.B. 293 of the 118th General Assembly or a retirant whose application is made on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter, who meet the requirements set forth in division (F) or (G) of section 3307.60 of the Revised Code.

(1) Application for a change of plan of payment must be ~~filed with~~submitted to the ~~state teachers~~ retirement system on a form approved by the retirement board. Payment under a reselected plan of payment shall be effective as follows:

(a) Death of a beneficiary -first of the month following death of beneficiary regardless of when the application is ~~filed~~received, provided such beneficiary was designated at the time of retirement. The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule.

(b) Divorce, annulment or marriage dissolution – the later of the first of the month following date application is ~~filed with~~received by the ~~state teachers~~ retirement system or the first of the month after the divorce, annulment or marriage dissolution, provided:

(i) The spouse was designated as beneficiary under the plan of payment selected at retirement; and

(ii) A spousal consent form ~~provided~~approved by the retirement system or court order specifically authorizing the reselection of plan of payment on the basis of the marriage termination is ~~filed with~~received by the retirement system; and

(iii) The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule.

(c) Marriage or remarriage – the later of either the first of the month following the date a completed application on a form ~~provided~~approved by the

retirement system is ~~filed with~~received by the ~~state teachers~~ retirement system or the first of the month after the marriage or remarriage, except if the marriage or remarriage occurs on or after June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage. The spouse must be selected as beneficiary as set forth in division ~~(G)~~(H) of section 3307.60 of the Revised Code and the benefit must be calculated as stipulated in paragraph (A)(3) of this rule.

- (2) The single lifetime benefit equivalent to which a retirant may elect to return shall be the gross benefit that the retirant would currently be receiving had the retirant selected a single lifetime benefit at retirement.
- (3) Option plans shall be based on the single lifetime benefit actuarially reduced based on the ages in effect when such plan is selected and the option factors in effect on the later of January 1, 1983, or the effective date of retirement. All previously granted cost of living adjustments and ad hoc increases shall also be reduced by such option factor.

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3307:1-5-02

Selection and reselection of plan of payment for retirees on or after October 1, 1989.

By authority of sections 3307.04 and 3307.60 of the Revised Code, the following rule shall apply to the plans of payment provided in sections 3307.58, 3307.59 and 3307.60 of the Revised Code:

(A) The provisions for reselection of a plan of payment set forth in this paragraph shall be applicable to all service retirants granted retirement effective on or after October 1, 1989, or a retirant who elects recalculation of benefits pursuant to section three of Am. H.B. 293 of the 118th General Assembly, or a retirant whose application is made on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter, and who meet the requirements set forth in section 3307.60 of the Revised Code.

(1) Application for a change of plan of payment must be ~~filed with~~submitted to the ~~state teachers~~ retirement system on a form approved by the retirement board. Payment under a reselected plan of payment shall be effective as follows:

(a) Death of a beneficiary – first of the month following death of beneficiary regardless of when the application is ~~filed~~received, provided such beneficiary was designated at the time of retirement. The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule or as specified in division (A)(4) of section 3307.60 of the Revised Code if a joint and survivor plan of payment with multiple primary beneficiaries was elected.

(b) Divorce, annulment or marriage dissolution – the later of the first of the month following date application is ~~filed with~~received by the ~~state teachers~~ retirement system or the first of the month after the divorce, annulment or marriage dissolution, provided:

(i) The spouse was designated as beneficiary under the plan of payment selected at retirement; and

(ii) A spousal consent form ~~provided~~approved by the retirement system or court order specifically authorizing the reselection of plan of payment on the basis of the marriage termination is ~~filed with~~received by the retirement system; and

(iii) The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A) (2) of this rule or as specified in division (A)(4) of section 3307.60 of the Revised Code if a joint and survivor plan of payment with multiple primary beneficiaries was elected.

- (c) Marriage or remarriage – the later of either the first of the month following the date a completed application on a form ~~provided~~ approved by the retirement system is ~~filed with~~ received by the ~~state teachers~~ retirement system or the first of the month after the marriage or remarriage, except if the marriage or remarriage occurs on or after June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage. The spouse must be selected as beneficiary under division (A)(1), (A)(2), (A)(3), (A)(4) or (A)(6) of section 3307.60 of the Revised Code and the benefit must be calculated as stipulated in paragraph (A)(3) of this rule.
- (d) For those retirants whose benefit is commenced under a single lifetime benefit in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder, not later than one year after the date that the benefit described in this paragraph commences, a retirant who was married on the effective date of the benefit may elect a plan of payment under division (A)(1), (A)(2), (A)(3), or (A)(6) of section 3307.60 of the Revised Code and calculated as stipulated in paragraph (A)(3) of this rule provided the spouse is named as the beneficiary. The election shall be made on a form approved by the retirement system and shall be effective on the effective date of the benefit paid under a single life annuity. Any benefit overpayment may be recovered as provided in section 3307.47 of the Revised Code.
- (2) The single lifetime benefit equivalent to which a retirant who elected a plan of payment under division (A)(3) of section 3307.60 of the Revised Code or a plan of payment consisting of both a lump sum payment under division (B)(1) of section 3307.60 of the Revised Code and a benefit payable to a beneficiary under division (A)(3) of section 3307.60 of the Revised Code may elect to return shall be the gross benefit that the retirant would currently be receiving had the retirant selected a single lifetime benefit at retirement less any reductions, if applicable, for a lump-sum payment made under division (B)(1) of section 3307.60 of the Revised Code.
- (3) Optional plans of payment shall be based on the single lifetime benefit less any reductions, if applicable, for a lump-sum payment made under division (B)(1) of section 3307.60 of the Revised Code actuarially reduced based on the ages in effect as of the effective benefit date when ~~such plan becomes effective~~ each beneficiary is added as a joint survivor and the option factors in effect on the effective date of retirement. All previously granted cost of living adjustments and ad hoc increases shall also be reduced by such option factor.

(B) Pursuant to division (H)(1) of section 3307.60 of the Revised Code, a retirant married on the effective date of service retirement effective on or after October 1, 1989, a retirant married at the time of an election for recalculation of benefits pursuant to section three of Amended House Bill No. 293 of the 118th General Assembly, or a retirant who applies on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter who is married at the time of such application, shall be deemed to have elected the plan of payment under option 3 as provided under division (A)(3) of section 3307.60 of the Revised Code with half of the retirant's benefit continuing for the lifetime of the spouse, unless:

- (1) The applicant elects a plan of payment which provides more than fifty per cent of the benefit payable during the lifetime of the retirant will continue after the retirant's death to the spouse.
- (2) The spouse consents on a form ~~provided~~approved by the ~~state teachers~~ retirement system to the retirant's election of a single life annuity or payment pursuant to an optional plan under which, after the death of the retirant, the spouse will receive less than fifty per cent of the benefit payable during the lifetime of the retirant.
- (3) The retirement board waives the deemed election of option ~~23~~ after receipt of one of the following:
 - (a) If the retirement system receives the written statement of a physician certifying that the spouse is medically incapable of acknowledging the plan of payment elected by the applicant, and receives consent by and through a duly appointed guardian, as specified by rule 3307-7-01 of the Administrative Code, or
 - (b) If the affidavits of the applicant and at least two other persons, one of whom must be unrelated to the applicant, are received by the retirement system attesting that the whereabouts of the spouse is unknown.

(C) Spousal consent to a member's plan of payment shall not be required if:

- (1) The member is required to elect a plan of payment pursuant to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property and the member designates the member's current spouse as a beneficiary to receive a survivor annuity of at least fifty percent or the remaining available survivor benefits, if less, under that plan, or

- (2) The amount specified pursuant to a court order or orders under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property is the maximum amount payable to a joint and survivor beneficiary or beneficiaries.
 - (3) The retirement system is required to commence a benefit in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder.
- (D) A member's current spouse must consent to the election of a plan of payment described in division (A)(4) of section 3307.60 of the Revised Code if either of the following apply:
- (1) The member selects a plan of payment described in division (A)(4) of section 3307.60 of the Revised Code, but the member is not subject to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that requires the member to make such election;
 - (2) The member is ordered to designate a former spouse as beneficiary of a specified portion of the benefit, but also designates a beneficiary or beneficiaries other than the member's current spouse under that plan of payment.
- (E) A member may elect a plan of payment pursuant to division (A)(6) of section 3307.60 of the Revised Code that is equivalent to a single lifetime benefit in a lesser amount, payable for life, with the following provisions:
- (1) The plan of payment shall include:
 - (a) Continuing monthly benefits of either one hundred per cent or fifty per cent of the benefit payable during the lifetime of the retirant are paid after the retirant's death to a sole primary beneficiary named at retirement; and
 - (b) Continuing benefits for any months remaining in a certain period that begins on the effective date of retirement and continues for a specific number of years chosen at retirement to a secondary beneficiary or beneficiaries; where
 - (i) The certain period may be a minimum number of years; or
 - (ii) The certain period is an extended number of years elected by the member with an additional reduction in the benefit amount as determined by the actuary employed by the retirement board.

- (2) Monthly benefits shall not be paid to joint secondary beneficiaries, but joint secondary beneficiaries may receive a lump-sum amount equal to the present value of the benefits remaining in the certain period.
- (3) If all beneficiaries die before the expiration of the certain period, the present value of the benefits remaining in the certain period may be paid to the estate of the beneficiary last receiving benefits.
- (4) The present value of the benefits remaining in the certain period shall be calculated at the assumed rate of return in effect at the time of payment.

Effective:

Five Year Review (FYR) Dates: 2/20/2020

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.58, 3307.59, 3307.60
Prior Effective Dates: 12/23/1976, 10/02/1978, 09/15/1989 (Emer.),
11/30/1989, 10/29/1998 (Emer.), 01/17/1999,
07/01/2001 (Emer.), 09/17/2001, 08/01/2005,
10/27/2006, 01/22/2009 (Emer.), 04/29/2009 (Emer.),
07/16/2009, 06/11/2010, 01/07/2013 (Emer.),
03/24/2013, 05/07/2015

3307:1-5-03

Court orders.

- (A) All retirants subject to division (H)(1)(b) of section 3307.60 of the Revised Code shall indicate such requirement on ~~their~~his or her application ~~applications~~ application for service retirement benefits ~~filed with~~submitted to the ~~state teachers~~ retirement system and shall provide a copy of the court order or court orders when making application for benefits pursuant to section 3307.57, 3307.58 or 3307.59 of the Revised Code.
- (1) The ~~state teachers~~ retirement system in its sole discretion shall determine whether a retirant elects a plan of payment on the application for service retirement benefits that complies with any court orders.
- (2) The ~~state teachers~~ retirement system may request the retirant to provide additional court orders or other information, as determined solely by the ~~state teachers~~ retirement system, to clarify the plan of payment that the retirant is required to elect.
- (a) The ~~state teachers~~ retirement system shall not commence payment of retirement benefits until it receives the requested additional court orders or other information.
- (b) If the ~~state teachers~~ retirement system does not receive the requested additional court orders or other information within twelve months of the date of the initial request, the retirant's application for service retirement benefits shall be cancelled.
- (B) At any time, before or after monthly benefits begin, a former spouse may waive his or her rights to any part of a lump-sum payment paid before or after the member's death or any portion of a continuing benefit payable after the retirant's death as required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property. Such waiver shall be effective upon receipt of a notarized statement ~~prepared~~approved by the ~~state teachers~~ retirement system and signed by the affected former spouse. Such waiver shall be a full discharge and release to the board and system from any future claim for such payment.
- (C) For purposes of determining the priority of court orders issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that require a member to elect the plan of payment set forth in division (A)(4) of section 3307.60 of the Revised Code and designate a former spouse as a beneficiary, the ~~state teachers~~ retirement system shall process such court orders in the order in which they were filed with the clerk of courts.

Effective:

Five Year Review (FYR) Dates: 2/20/2020

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.60
Prior Effective Dates: 10/27/2006, 06/11/2010

3307:1-5-04

Amounts due and unpaid at death of benefit recipient.

Amounts due to a retirant receiving retirement benefits under a plan described in division (A) of section 3307.60 of the Revised Code and unpaid at death shall be paid to the retirant's surviving beneficiary or beneficiaries under the plan on a prorated basis. The amount payable to each surviving beneficiary shall be determined by multiplying the amount due the retirant by a fraction whose numerator is the gross monthly amount the beneficiary will be paid and whose denominator is the total gross monthly amount all beneficiaries will be paid.

In the event that a deceased retirant's named beneficiary dies after the necessary paperwork has been received by the retirement system, the system will make payment directly to the beneficiary (or beneficiaries) of the retirant's beneficiary in the following order of precedence: 1) surviving spouse, 2) children, share and share alike, 3) parents, share and share alike, 4) estate.

In the event that a deceased retirant's named beneficiary has died and no paperwork has been received by the retirement system, the system will make equal payments to any surviving named beneficiaries of the deceased retirant. If there are no surviving named beneficiaries, the system will make payments in the following order of precedence to the deceased retirant: 1) surviving spouse, 2) children, share and share alike, 3) parents, share and share alike, 4) estate.

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Statutory Authority: 3307.04
Rule Amplifies: 3307.562, 3307.60
Prior Effective Dates: 10/27/2006, 05/07/2015

3307:1-5-05

Early retirement reduction factors.

- (A) For purposes of division (E)(2) of section 3307.58 of the Revised Code, the percentage for reducing the annual single lifetime benefit of a member described in division (B) (2) of section 3307.58 of the Revised Code shall be the percentage that provides the member the greatest benefit when using:
- (1) Any of the percentages calculated as of each July first occurring on or after July 1, 2016, through July 1, 2026, that immediately precedes the member's effective benefit dates, assuming the member was eligible to retire on that July first; or,
 - (2) The percentage calculated on the member's effective benefit date.
- (B) For purposes of determining eligibility for retirement benefits pursuant to section 3307.58 of the Revised Code, a member shall be considered to continually maintain retirement ~~eligibility~~eligibility upon first meeting age and service eligibility, ~~through July 1, 2026. On or after August 1, 2026, members are only eligible for retirement benefits when they meet the age and service credit requirements outlined in division (B) of section 3307.58 of the Revised Code.~~

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Five Year Review (FYR) Dates: 2/20/2020

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Date

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Statutory Authority: 3307.04
Rule Amplifies: 3307.58
Prior Effective Dates: 07/01/2013 (Emer.), 09/14/2013, 05/07/2015

3307:1-6-01

Determination of temporary supplementary benefit fund.

By authority provided in section 3307.671 of the Revised Code, the state teachers retirement board shall establish the following rule for determining the amount of the temporary supplementary benefit fund, if allocated:

- (A) A temporary supplementary benefit will be paid to a person granted and paid a benefit by this system upon meeting the eligibility requirements of section 3307.57, 3307.58, 3307.59, 3307.60, 3307.63, 3307.631, or 3307.66 of the Revised Code, if during the year in which a payment is awarded the person received twelve monthly benefit payments including that paid for December.
- (B) If more than one person is receiving a benefit under section 3307.66 of the Revised Code from the account of a deceased member the temporary supplementary benefit payable to the account shall be divided into equal payments to each benefit recipient who is sharing in the account at the time of payment. If such division of the temporary supplementary benefit results in a payment of less than twenty-five dollars, the amount shall be increased to twenty-five dollars to each affected recipient.
- (C) A retirant who has been re-employed in violation of the restrictions of section 3307.35 of the Revised Code during a calendar year is ineligible to receive a temporary supplementary benefit for that year. If a determination of violation of section 3307.35 of the Revised Code is made after the payment of a temporary supplementary benefit is paid for the year in which the violation occurred, such benefit shall be repaid or collected along with any other benefits overpaid.
- (D) The amount of the temporary supplementary benefit will be determined according to the number of units accumulated by each account, as follows:
 - (1) One unit is accumulated for each full calendar year that the benefit has been paid from the account.
 - (2) One unit is accumulated for each year of total service credit as defined by division (D) of section 3307.01 of the Revised Code and rule 3307:1-1-01 of the Administrative Code. Partial units are accumulated for partial years of such Ohio credit.
 - (3) Units shall not be accumulated by recipients of disability benefits under section 3307.63 of the Revised Code for years of projected credit used in the calculation of a benefit.
 - (4) Units shall not be accumulated by recipients of service retirement benefits under section 3307.59 of the Revised Code for any period of time during which a disability allowance was paid under section 3307.631 of the Revised Code.

- (E) For each year in which a temporary supplementary benefit is paid, the state teachers retirement board shall assign a monetary value to each unit, based upon the total amount allocated within the limits established in section 3307.671 of the Revised Code.
- (F) The total value of all units actually paid will establish the amount of the temporary supplementary benefit fund for that year.
- (G) Any temporary supplemental benefit calculated under this rule shall be reduced by any amounts due to be repaid to the retirement system on an account, without regard to the individual primarily responsible for such repayment.

Five Year Review (FYR) Dates: 2/20/2020 and 02/20/2025

CERTIFIED ELECTRONICALLY

Certification

02/20/2020

Date

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Rule Amplifies: 3307.671
Prior Effective Dates: 12/27/1980, 04/04/1987, 05/25/2000, 07/01/2001
(Emer.), 09/17/2001

3307:1-12-01

Distributions.

(A) Notwithstanding any provision in Chapter 3307. of the Revised Code or in the rules governing the state teachers retirement system to the contrary, distributions to members and beneficiaries shall be made in accordance with section 401(a)(9) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 401, as amended, and applicable regulations thereunder and with the following rules.

(1) The entire interest of a member shall be distributed to such member:

(a) Not later than the required beginning date; or

(b) Beginning not later than the required beginning date, in accordance with applicable regulations, over the life of such member or the lives of such member and a designated beneficiary (or over a period not extending beyond the life expectancy of such member) within the meaning of section 401(a)(9) of the Internal Revenue Code.

(2) ~~The required~~Required beginning date, ~~means April first of the calendar year following the later of:~~

(a) ~~The calendar year in which the member attains age seventy and one-half;~~
~~or~~If the member attains the age of seventy and one-half prior to January 1, 2020, the required beginning date means April first of the calendar year following the later of:

(i) The calendar year in which the member attains age seventy and one-half; or

(ii) The calendar year in which the member retires; or

(b) ~~The calendar year in which the member retires.~~If the member does not attain the age of seventy and one-half prior to January 1, 2020, the required beginning date means April first of the calendar year following the later of:

(i) The calendar year in which the member attains age seventy-two (or any such later age specified in section 401(a)(9)(C) of the Internal Revenue Code); or

(ii) The calendar year in which the member retires.

(3) If distribution of a member's benefit has begun pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code and the applicable regulations and the member dies, any survivor benefits will be distributed at least as rapidly

as under the plan of payment selected and effective as of the date of the member's death.

- (4) ~~If a member dies before the distribution of the member's interest has begun pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code and the applicable regulations, the entire interest of the member will be distributed by the end of the calendar year which contains the fifth anniversary of the date of such member's death. However, if a benefit is payable to or for the benefit of a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed, in accordance with applicable regulations, over the life of such beneficiary, provided that such distributions begin not later than the end of the calendar year immediately following the calendar year in which the member died. If the beneficiary is the surviving spouse of the member, distributions shall begin, pursuant to this section, not later than the end of the calendar year in which the member would have attained age seventy and one half; provided, however, that if the surviving spouse dies before such distributions begin, the provisions set forth in this section shall be applied as if the surviving spouse were the member.~~ Beneficiary distributions.

(a) If a member dies before the distribution of the member's interest has begun pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code and the applicable regulations, the entire interest of the member will be distributed by the end of the calendar year which contains the fifth anniversary of the date of such member's death.

(b) Furthermore, if a benefit is payable to or for the benefit of a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the entire interest of the member will be distributed by the end of the calendar year which contains the tenth anniversary of the date of such member's death.

(c) However, if a benefit is payable to or for the benefit of an eligible designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed, in accordance with applicable regulations, over the life of such beneficiary or, in the case of an eligible designated beneficiary who is younger than eighteen at the time of the member's death, such other amount of time as set forth in section 401(a)(9)(E)(iii) of the Internal Revenue Code, provided that in all cases, such distributions begin not later than the end of the calendar year immediately following the calendar year in which the member died.

(d) If the beneficiary is the surviving spouse of the member, distributions shall begin, pursuant to this section, not later than the end of the calendar year

in which the member would have attained age seventy and one-half (if the member would have attained age seventy and one-half prior to January 1, 2020), or age seventy-two (if the member would not have attained age seventy and one-half prior to January 1, 2020); provided, however, that in either case, if the surviving spouse dies before such distributions begin, the provisions set forth in this section shall be applied as if the surviving spouse were the member.

- (5) Any death benefit amounts payable under Chapter 3307. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code and regulations thereunder.
 - (6) Any amount paid to a qualified child as defined in section 3307.66 of the Revised Code shall be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse upon such child ceasing to be a qualified survivor.
- (B) No payment in an amount of two hundred dollars or more shall be made to any person until any applicable requirements of sections 401(a)(31), 402(c), 402(f), 408A, and 3405 of the Internal Revenue Code or any provision of federal law governing withholding from or rollover of distributions from a qualified trust have been satisfied, provided that:
- (1) The state teachers retirement system shall give notice of options available to any such person as required by federal law.
 - (2) The state teachers retirement system will permit any such person, except a trust or an estate, to direct that an amount at least equal to the entire payment due from the state teachers retirement system or five hundred dollars, whichever is less, be paid as a direct rollover to one eligible retirement plan or Roth IRA designated by the person. Effective September 21, 2007, a nonspouse beneficiary of a deceased member may only rollover directly to an individual retirement plan that shall be treated as an inherited individual retirement account or annuity to the extent permitted by section 402(c)(11) of the Internal Revenue Code.
 - (3) Application by the person to have all or part of a payment paid as a direct rollover shall be on a form provided by the state teachers retirement system which shall contain the name and address of the retirement plan or Roth IRA to which the payment or portion thereof is to be made. The form provided by the system shall further contain the person's representation and certification that, if the person is rolling an amount over to a retirement plan, such retirement plan is an eligible retirement plan.

- (4) Any part of a payment that is a required minimum distribution, as that term is defined in section 401(a)(9) of the Internal Revenue Code and the applicable regulations thereunder, is ineligible to be paid as a direct rollover.
- (C) When a member applies for the restoration of service credit under section 3307.71 of the Revised Code or the purchase of service credit under section 3307.72, 3307.73, 3307.74, 3307.751, 3307.752, 3307.76, 3307.761, 3307.763, division (D) of section 3307.77, 3307.771 or 3307.78 of the Revised Code, to the extent permitted by federal law, the member may also apply to have the state teachers retirement system accept, in full or partial payment of the cost of such restoration or purchase, pretax funds transferred to the state teachers retirement system as a direct rollover on and after July 2, 2002 from a plan or account eligible under the terms of the Internal Revenue Code to roll funds over to a trust qualified under the terms of section 401(a) of the Internal Revenue Code provided the funds were not commingled in the individual retirement plan with funds from any source other than a trust qualified under section 401(a) of the Internal Revenue Code. Acceptance of a direct rollover under this paragraph shall be subject to the following:
- (1) Application shall be on a form approved by the state teachers retirement system;
 - (2) Application shall be subject to determination by the state teachers retirement system of the amount that will be accepted;
 - (3) The amount accepted by the state teachers retirement system shall in no case exceed the cost of restoration or purchase determined by the system.
- (D) For purposes of section 3307.563 of the Revised Code, interest rates on amounts to be paid under section 3307.56 or 3307.562 of the Revised Code shall be determined by the board not to exceed four per cent, compounded annually, for members with less than three full years of qualifying service credit and not to exceed six per cent, compounded annually, for members with three or more full years of qualifying service credit. Interest for all years withdrawn shall begin to accrue in the fiscal year following deposit. No interest will be payable if a former member applies to withdraw an account consisting only of contributions made during the current fiscal year. Interest stops accruing as of the end of the month immediately preceding withdrawal.
- (E) For purposes of division (A)(3)(b) of section 3307.563 of the Revised Code, contributions restored under section 3307.712 of the Revised Code shall be considered the same as contributions restored under section 3307.71 of the Revised Code to the extent that the amount paid to restore the credit included amounts received by the member under division (A)(3)(b) of section 3307.563 of the Revised Code.

(F) Pursuant to division (A)(2) of section 3307.56 of the Revised Code, consent of a spouse shall not be required for withdrawal:

(1) If the retirement system receives the written statement of a physician certifying that the spouse is medically incapable of acknowledging the request for withdrawal by the applicant, and receives consent by and through a duly appointed guardian, as specified by rule 3307-7-01 of the Administrative Code or

(2) If the affidavits of the applicant and at least two other persons, one of whom must be unrelated to the applicant, are received attesting that the whereabouts of the spouse are unknown.

(G) If a superannuate fails to elect a benefit as provided in section 3307.352 of the Revised Code by February first in the calendar year immediately following the later of the calendar year of the superannuate's attainment of age seventy and ~~one-half~~one-half (if the member would have attained age seventy and one-half prior to January 1, 2020), or the calendar year of the superannuate's attainment of age seventy-two (if the member would not have attained age seventy and one-half prior to January 1, 2020), or the calendar year of retirement, the state teachers retirement board shall make a lump sum distribution to the superannuate no later than the required beginning date for the superannuate.

Effective:

Five Year Review (FYR) Dates: 6/10/2021

Certification

Date

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3307.74, 3307.751, 3307.752, 3307.76, 3307.761,
3307.77, 3307.771, 3307.78
Prior Effective Dates: 01/01/1993, 03/18/1993, 07/01/2001 (Emer.),
09/17/2001, 07/01/2002 (Emer.), 09/17/2002,
01/01/2006 (Emer.), 04/01/2006, 09/21/2007 (Emer.),
12/20/2007, 01/22/2009 (Emer.), 04/29/2009 (Emer.),
07/16/2009, 01/07/2013 (Emer.), 03/24/2013,
06/10/2016

3307:2-5-02

Distributions from the defined contribution plan.

Upon termination of teaching service, a participant in the defined contribution plan may apply for a distribution, as follows:

(A) Application may be made for withdrawal of the amount determined under the plan document and this rule.

- (1) The amount payable upon withdrawal shall be paid in a lump sum, except to the extent as otherwise provided by section 3307.87 of the Revised Code and the plan document ~~and rule 3307:2-5-08 of the Administrative Code.~~
- (2) Membership and participation in the retirement system shall terminate upon withdrawal. Any credit for periods of service paid out upon withdrawal shall be cancelled.
- (3) Participation in the defined contribution plan shall resume in the event the participant thereafter returns to teaching service, except to the extent that upon the return to teaching service the participant meets the requirements specified by rule 3307:2-3-01 of the Administrative Code to qualify as a new member.
- (4) Payment from an account in the defined contribution plan shall be based upon the closing net asset value as of the day an application for distribution is processed by using the investment choices made by the participant to determine the amount accumulated by reason of contributions.

(B) Application may be made for a monthly benefit by a participant who has attained at least fifty years of age, as follows:

- (1) Benefits shall be effective on the first of the month following the later of termination of covered teaching service or the first application for a distribution received by the retirement system.
- (2) Subject to the requirements of section 3307.87 of the Revised Code and Chapter 3307:2-5 of the Administrative Code, the participant may elect a plan of payment pursuant to rule 3307:2-5-09 of the Administrative Code. The minimum monthly benefit amount shall be one hundred dollars.
- (3) Membership in the retirement system shall terminate as of the effective benefit date. On and after that date, the participant shall be a superannuate as defined by section 3307.01 of the Revised Code.

Effective:

Five Year Review (FYR) Dates: 6/7/2024

Certification

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Rule Amplifies: 3307.01, 3307.35, 3307.81
Prior Effective Dates: 07/01/2001 (Emer.), 09/17/2001, 09/17/2002,
06/07/2019

3307:2-5-03

Distributions from the combined plan.

Upon termination of teaching service, a participant in the combined plan may apply for a distribution, as follows:

(A) Application may be made for withdrawal of the amounts determined under the plan document and this rule.

(1) An application to withdraw the defined benefit portion of an account will not be accepted unless application is also made to withdraw the defined contribution portion.

(2) Prior to attainment of age fifty:

(a) A participant who has terminated covered employment may leave contributions on deposit in the plan or may apply for withdrawal, but is not eligible for retirement or retirement distributions.

(b) An application to withdraw the defined contribution portion of an account will not be accepted unless application is also made to withdraw the defined benefit portion;

(c) The amounts payable upon withdrawal shall be paid in a lump sum except as otherwise provided by section 3307.87 of the Revised Code and the plan document ~~and rule 3307:2-5-08 of the Administrative Code.~~

(3) After attainment of age fifty:

(a) A participant in the combined plan who has established at least five years of qualifying service credit may apply to withdraw the defined contribution portion but leave the defined benefit portion on deposit to provide benefits at a future date.

(b) If a participant has established less than five years of qualifying service credit, an application to withdraw the defined contribution portion of an account will not be accepted unless an application is also made to withdraw the defined benefit portion.

(4) Regardless of age or when the withdrawal payment was made, in the event a participant who has received a payment under paragraph (A) of this rule subsequently returns to teaching service:

(a) The member shall participate in the combined plan if the withdrawal payment was made under paragraph (A)(1), (A)(2) or (A)(3)(b) of this

rule, unless the participant meets the requirements specified by rule 3307:2-3-01 of the Administrative Code to qualify as a new member.

(b) The participant shall be a superannuate as defined by section 3307.01 of the Revised Code if the withdrawal payment was made under paragraph (A) (3)(a) of this rule.

(5) Payment from the defined contribution portion of an account in the combined plan shall be based upon the closing net asset value as of the day an application for distribution is processed by using the investment choices made by the participant to determine the amount accumulated by reason of contributions.

(B) A participant who has terminated covered employment and attained at least fifty years of age may apply for a monthly benefit of the defined contribution portion of the account, whether or not the participant is eligible and applying for a benefit under the defined benefit portion of the account. If the participant has established less than five years of qualifying service credit, an application to receive a monthly benefit of the defined contribution portion of an account will not be accepted unless application is also made to withdraw the defined benefit portion.

(1) Benefits shall commence the later of the first of the month following the termination of covered employment, the first of the month following receipt of an application for payment under paragraph (B) of this rule, or the retirement date, which shall be a first of a month, specified on the application received for payment under paragraph (B) of this rule. Active membership in the retirement system shall terminate as of that date and the participant shall on and after that date be a superannuate as defined by section 3307.01 of the Revised Code.

(2) Benefits are subject to the requirements of section 3307.87 of the Revised Code and Chapter 3307:2-5 of the Administrative Code. The participant shall elect on the application form to annuitize such balance.

(3) The minimum monthly benefit amount shall be one hundred dollars.

(C) Application for retirement under the defined benefit portion of an account may be made by a participant who has terminated covered employment and who meets the defined benefit age and service eligibility requirements specified by the plan document, whether or not the participant is applying for a distribution of the defined contribution portion of the account, provided:

(1) Benefits shall commence as of the effective date specified by the application, which shall in no case be earlier than the first of the month following the last day of covered employment.

- (2) Membership shall terminate as of the effective date of retirement and the participant shall thereafter be a superannuate as defined by section 3307.01 of the Revised Code.
- (3) The minimum monthly benefit amount shall be one hundred dollars.
- (D) A participant who has attained age fifty, has at least five years of qualifying service credit and who has elected either to take a withdrawal of the defined contribution portion of the account pursuant to paragraph (A)(3)(a) of this rule or to receive a monthly retirement benefit from the defined contribution portion of the account pursuant to paragraph (B) of this rule may apply to withdraw the defined benefit portion of the account any time prior to receiving a monthly retirement benefit under the defined benefit portion of the account.
- (E) Retirement shall be effective on the earlier of the dates benefits or payments commence under paragraph (A)(3)(a), (B)(1) or (C)(1) of this rule.

Effective:

Five Year Review (FYR) Dates: 6/7/2024

Certification

Date

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Statutory Authority: 3307.80
Rule Amplifies: 3307.01, 3307.35, 3307.81
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07/16/2004, 06/18/2009, 07/01/2013 (Emer.),
09/09/2013, 06/12/2014, 06/07/2019

3309-1-09

Federal taxation.

- (A) For purposes of this rule, "benefit" refers to a payment from the accumulated contributions of the member or the employer, or both, under Chapter 3309. of the Revised Code and includes an account refund, pension, annuity, disability benefit, or survivor benefit.
- (B) Notwithstanding any provision in rules of school employees retirement system ("SERS") or Chapter 3309. of the Revised Code to the contrary, distributions to members and beneficiaries shall be made in accordance with section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C. 401(a)(9), and the following:
- (1) The entire interest of a member shall be distributed to the member:
 - (a) Not later than the required beginning date; or
 - (b) Beginning not later than the required beginning date over the life of the member and a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code.
 - (2) The required beginning date means April first of the calendar year following the later of:
 - (a) The calendar year in which the member attains ~~age seventy and one half~~seventy-two years of age; or
 - (b) The calendar year in which the member retires.
 - (3) If distribution of a member's benefit has begun in accordance with section 401(a)(9) of the Internal Revenue Code, and the member dies, any survivor benefits will be distributed at least as rapidly as under the plan of payment selected and effective as of the date of the member's death.
 - (4) If a member dies before the distribution of the member's interest has begun in accordance with section 401(a)(9) of the Internal Revenue Code, the entire interest of the member will be distributed within five years after the death of such member. However, if a benefit is payable to or for the benefit of a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed, in accordance with applicable regulations, over the life of such beneficiary, or over a period not extending beyond the life expectancy of the beneficiary, provided that such distributions begin not later than one year after the date of the member's death. If the beneficiary is the surviving spouse of the member, distributions shall not be required to begin, pursuant to this section, until the end of the calendar year

in which the member would have attained age ~~seventy and one-half~~seventy-two. When the beneficiary is the surviving spouse and the surviving spouse dies before distributions commence, then the surviving spouse shall be treated as the member for purposes of this rule.

- (5) Any death benefit amount payable under Chapter 3309. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code.
- (C) When the retirement system is required to make a distribution in accordance with section 401(a)(9) of the Internal Revenue Code, and a member or retirant does not respond after notification of such event, the following shall apply notwithstanding any provision in SERS rules or Chapter 3309. of the Revised Code to the contrary.
- (1) If the member is not eligible for a retirement allowance pursuant to section 3309.34 or 3309.35 of the Revised Code, the retirement system shall refund the member's account as authorized in section 3309.42 of the Revised Code.
- (2) If the member is eligible for a retirement allowance pursuant to section 3309.34 or 3309.35 of the Revised Code, the retirement system shall calculate and pay a benefit as authorized in section 3309.36 or 3309.343 of the Revised Code, as a plan B, effective on the required beginning date as provided in paragraph ~~(A)~~ (2)(B)(2) of this rule.
- (a) The member cannot purchase or receive any service credit after the effective date of the retirement allowance.
- (b) A member who commences receipt of a retirement allowance under this rule, and who is married, may, not later than one year after the payment commenced, elect a plan of payment under division (B)(1), (B)(3)(b), or (B)(3)(c) of section 3309.46 of the Revised Code provided the spouse is named as the beneficiary. The election shall be made on a form provided by the retirement system and shall be effective on the later of the effective date of the retirement allowance or the marriage. Any overpayment may be recovered as provided in section 3309.70 of the Revised Code.
- (c) If the member also was eligible for health care coverage pursuant to SERS rules and Chapter 3309. of the Revised Code, the member may, not later than sixty days after the commencement of payment of the retirement allowance, enroll for such health care coverage on a form provided by the retirement system. The effective date shall be no earlier than the first of the month after the retirement system receives the member's enrollment form.

- (3) If the retirant is eligible for a benefit pursuant to section 3309.344 of the Revised Code, the retirement system shall calculate and pay a single lump sum benefit as authorized in section 3309.344 of the Revised Code. If such retirant also is eligible for an annuity, the retirant may return the lump sum payment within sixty days of the receipt of the payment and request an annuity on a form provided by the retirement system.
- (4) If the benefit payment of a deceased member's spouse is subject to section 401(a)(9) of the Internal Revenue Code, then the retirement system shall treat the spouse as if the spouse was the member for the purposes of this rule.

(D)

- (1) Effective for the limitation year beginning on January 1, 2012, the final regulations promulgated April 5, 2007 with respect to section 415 of the Internal Revenue Code, 26 U.S.C. 415 are incorporated herein by reference. The 5.5 per cent interest rate assumption established by the Pension Funding Equity Act of 2004, which is applicable to any actuarial adjustments required because the member or retirant elects a form of payment to which section 415(b)(2)(E) of the Internal Revenue Code and section 417(e)(3) of the Internal Revenue Code, 26 U.S.C. 417(e)(3) apply based on the form of benefit and not the status of the plan, shall be effective as of that same date.
- (2) "Limitation year" is the year used in determining whether the limits set forth in section 415 of the Internal Revenue Code have been exceeded with respect to a member or retirant in the plan describe in sections 3309.18 to 3309.70 of the Revised Code. The limitation year for the plan is the calendar year.

- (E) Effective January 1, 2007, to the extent required by section 401(a)(37) of the Internal Revenue Code, 26 U.S.C. 401(a)(37) and notwithstanding any provision in Chapter 3309. of the Revised Code to the contrary, the survivor of a member on a leave of absence to perform military service with reemployment rights described in section 414(u) of the Internal Revenue Code, 26 U.S.C. 414(u), where the member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under Chapter 3309. of the Revised Code had the member resumed employment and then terminated employment on account of death.
- (F) If there is a termination of the plan described in Chapter 3309. of the Revised Code or a complete discontinuance of contributions to the plan, the rights of each affected member, retirant, and beneficiary to the pension, annuity, or benefits accrued at the date of termination or discontinuance of contributions, to the extent then funded, are non-forfeitable.

Effective:

Five Year Review (FYR) Dates: 2/1/2023

Certification

Date

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3309.45, 3309.46, 3309.50
Prior Effective Dates: 01/06/2009 (Emer.), 04/03/2009, 09/26/2010,
04/01/2013, 04/10/2014, 05/01/2018

3309-1-32

Cost-of-living; base allowance change.

(A) For purposes of this rule:

- (1) "Base allowance" means the benefit amount due a benefit recipient on the later of July 1, 1979 or the effective date of such benefit, as adjusted pursuant to this rule. A base allowance excludes subsequent allowances for cost-of-living pursuant to section 3309.374 of the Revised Code, reimbursements for medicare part "B" pursuant to section 3309.69 of the Revised Code, or additional annuity payments pursuant to section 3309.47 of the Revised Code.
- (2) "Benefit" means a periodic payment under an allowance, pension, or benefit granted under Chapter 3309. of the Revised Code, other than an annuity paid under section 3309.341 of the Revised Code.
- (3) "Benefit amount" means the amount due a benefit recipient on the effective date of such benefit.
- (4) "Benefit recipient" means an age and service retirant, disability benefit recipient, or a beneficiary as defined in section 3309.01 of the Revised Code, who is receiving monthly benefits due to the death of a member, age and service retirant or disability benefit recipient.
- (5) "CPI-W" means the consumer price index for urban wage earners and clerical workers, not seasonally adjusted, U.S. city average, "All items 1982-84=100."

(B) A base allowance upon which a cost-of-living is calculated shall be adjusted when any of the following occur:

- (1) The enactment of any statutory ad hoc allowance increase but only if such statutory authority provides that such increase become part of the base allowance.
- (2) Recalculation of a retirant's benefit due to a change in a plan of payment as permitted in section 3309.46 of the Revised Code.
- (3) Recalculation of a benefit recipient's benefit amount after an audit.
- (4) If a benefit recipient waives any portion of a benefit amount pursuant to section 3309.662 of the Revised Code, the base allowance shall be the portion being paid. If a waiver is revoked, the base allowance shall be the amount allowed under this rule.

(C) For purposes of this rule and section 3309.374 of the Revised Code, the percentage increase in the CPI-W shall be determined by calculating the percentage change

between the CPI-W for June of the immediately preceding calendar year and the CPI-W for June of the next preceding calendar year.

~~(C)~~(D)

- (1) The recipient of any allowance, pension, or benefit that was effective before April 1, 2018 shall be eligible to receive an increase under section 3309.374 of the Revised Code upon receiving an allowance, pension, or benefit for twelve months.
- (2)
 - (a) The recipient of any allowance, pension, or benefit that becomes effective on or after April 1, 2018 shall be eligible to receive an increase under section 3309.374 of the Revised Code upon attainment of the fourth anniversary of the allowance, pension, or benefit.
 - (b) For purposes of paragraph ~~(C)(2)(a)~~(D)(2)(a) of this rule, a recipient shall be credited with anniversaries for any previous allowance, pension, or benefit attributable to the same member account in the retirement system that occurred on or after January 1, 2018.

Effective:

Five Year Review (FYR) Dates: 2/1/2024

Certification

Date

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04/02/2010, 03/26/2018

3309-1-35

Health care.**(A) Definitions**

As used in this rule:

- (1) "Benefit recipient" means an age and service retiree, disability benefit recipient, or a beneficiary as defined in section 3309.01 of the Revised Code, who is receiving monthly benefits due to the death of a member, age and service retiree or disability benefit recipient.
- (2) "Member" has the same meaning as in section 3309.01 of the Revised Code.
- (3) "Age and service retiree" means a former member who is receiving a retirement allowance pursuant to section 3309.34, 3309.35, 3309.36 or 3309.381 of the Revised Code. A former member with an effective retirement date after June 13, 1986 must have accrued ten years of service credit, exclusive of credit obtained after January 29, 1981 pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code.
- (4) "Disability benefit recipient" means a member who is receiving a benefit or allowance pursuant to section 3309.35, 3309.39, 3309.40 or 3309.401 of the Revised Code.
- (5) "Dependent" means an individual who is either of the following:
 - (a) A spouse of an age and service retiree, disability benefit recipient, or member,
 - (b) A biological, adopted or step-child of an age and service retiree, disability benefit recipient, member, deceased age and service retiree, deceased disability benefit recipient, or deceased member or other child in a parent-child relationship in which the age and service retiree, disability benefit recipient, member, deceased age and service retiree, deceased disability benefit recipient, or deceased member has or had custody of the child, so long as the child:
 - (i) Is under age twenty-six, or
 - (ii) Regardless of age is permanently and totally disabled, provided that the disability existed prior to the age and service retiree's, disability benefit recipient's, or member's death and prior to the child reaching age twenty-six. For purposes of this paragraph "permanently and totally disabled" means the individual is unable to engage in any substantial gainful activity by reason of any

medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than twelve months.

- (6) "Health care coverage" means any of the following group plans offered by the system:
- (a) A medical and prescription drug plan;
 - (b) Limited wraparound coverage, which provides limited benefits that wrap around an individual health insurance plan; or
 - (c) An excepted benefit health reimbursement arrangement, which provides reimbursement of medical expenses incurred under an individual health insurance plan.
- (7) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment for health care coverage for the recipient or the recipient's eligible dependents.
- (8) "Employer" and "public employer" have the same meaning as in section 3309.01 of the Revised Code.

(B) Eligibility

- (1) A person is eligible for health care coverage under the school employees retirement system's health care plan so long as the person qualifies as one of the following:
- (a) An age and service retiree or the retiree's dependent,
 - (b) A disability benefit recipient or the recipient's dependent,
 - (c) The dependent of a deceased member, deceased age and service retiree, or deceased disability benefit recipient, if the dependent is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code,
 - (d) The dependent child of a deceased member, deceased disability benefit recipient, or deceased age and service retiree if the spouse is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code and the spouse elects to be covered.
- (2) Eligibility for SERS health care coverage shall terminate when the person ceases to qualify as one of the persons listed in paragraph (B)(1) of this rule, except

that a dependent described in paragraph (A)(5)(b)(i) of this rule shall cease to qualify on the first day of the calendar year following the dependent's twenty-sixth birthday.

- (3) Except for a dependent described in paragraph (A)(5)(b) of this rule, eligibility for SERS health care coverage shall terminate when the person is not enrolled in medicare part B and on or after January 1, 2016 commences employment that provides access to a medical plan with prescription coverage through the employer, or if employees of that employer in comparable positions have access to a medical plan available through the employer, provided the medical plan with prescription drug coverage available through the employer is equivalent to the medical plan with prescription coverage at the cost available to fulltime employees as defined by the employer. For purposes of this paragraph, employer means a public or private employer.
- (4) On or after January 1, 2021, eligibility for SERS health care coverage shall terminate when a person listed in paragraph (B)(1) of this rule becomes eligible for medicaid and is ineligible for medicare. For purposes of this rule, a benefit recipient and their dependent(s) shall be presumed to be eligible for medicaid if their gross monthly SERS benefit is less than the percentage of the federal poverty level used by the Ohio Department of Medicaid to determine medicaid eligibility under Chapters 5160 and 5160:1 of the Administrative Code. Upon request, a benefit recipient presumed to be eligible for medicaid must provide SERS with satisfactory proof of ineligibility for medicaid in their state of residence within ninety days from the date of SERS' request.

(C) Enrollment

- (1) Except as otherwise provided in this rule, an eligible benefit recipient may enroll in school employees retirement system's health care coverage only at the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefits pursuant to section 3309.45 of the Revised Code.
- (2) An eligible spouse of an age and service retirant or disability benefit recipient may only be enrolled in the system's health care coverage at the following times:
 - (a) At the time the retirant or disability benefit recipient enrolls in school employees retirement system's health care coverage.
 - (b) Within thirty-one days of the eligible spouse's:
 - (i) Marriage to the retirant or disability benefit recipient; or

~~(ii) Voluntary or involuntary termination of health care coverage under medicaid; or~~

~~(iii)~~(ii) Involuntary termination of health care coverage under another plan, including a medicare advantage plan, or medicare part D plan.

(c) Within ninety days of becoming eligible for medicare.

(3) An eligible dependent child of an age and service retirant, disability benefit recipient, or deceased member may be enrolled in the system's health care coverage at the following times:

(a) At the time the retirant, disability benefit recipient, or surviving spouse enrolls in school employees retirement system's health care coverage.

(b) Within thirty-one days of the eligible dependent child's:

(i) Birth, adoption, or custody order; or

~~(ii) Voluntary or involuntary termination of health care coverage under medicaid;~~

~~(iii)~~(ii) Involuntary termination of health care coverage under another plan, including a medicare advantage plan, or medicare part D plan.

(c) Within ninety days of becoming eligible for medicare.

(D) Cancellation of health care coverage

(1) Health care coverage of a person shall be cancelled when:

(a) The person's eligibility terminates as provided in paragraph (B)(2) of this rule;

(b) The person's eligibility terminates as provided in paragraph (B)(3) of this rule;

(c) The person's eligibility terminates as provided in paragraph (B)(4) of this rule;

~~(e)~~(d) The person's health care coverage is cancelled for default as provided in paragraph (F) of this rule;

~~(d)~~(e) The person's health care coverage is waived as provided in paragraph (G) of this rule;

- ~~(e)~~(f) The person's health care coverage is cancelled due to the person's enrollment in a medicare advantage plan or medicare part D plan as provided in paragraph (H) of this rule;
- ~~(f)~~(g) The health care coverage of a dependent is cancelled when the health care coverage of a benefit recipient is cancelled; or
- ~~(g)~~(h) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45 of the Revised Code, division (F) of section 3309.39 of the Revised Code, division (D) of section 3309.41 of the Revised Code, or division (D) of section 3309.392 of the Revised Code.

(E) Effective date of coverage

- (1) The effective date of health care coverage for persons eligible for health care coverage as set forth in paragraph (B) of this rule shall be as follows:
 - (a) For a disability benefit recipient or dependent of a disability benefit recipient, health care coverage shall be effective on the first of the month following the determination and recommendation of disability to the retirement board or on the benefit effective date, whichever is later.
 - (b) For an age and service retirant or dependent of an age and service retirant, health care coverage shall be effective on the first of the month following the date that the retirement application is filed with the retirement system or on the benefit effective date, whichever is later.
 - (c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retirant, health care coverage shall be effective on the effective date of the benefit if the appropriate application is received within three months of the date of the member's or retirant's death, or the first of the month following the date that the appropriate application is received if not received within three months of the date of the member's or retirant's death.

(F) Premiums

- (1) Payment of premiums for health care coverage shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.

- (2) Premium payments billed to a benefit recipient shall be deemed in default after the unpaid premiums for coverage under this rule and supplemental health care coverage under rule 3309-1-64 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums. The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage.
- (3) After cancellation for default, health care coverage can be reinstated as provided in paragraph (I) of this rule, or upon submission of an application for reinstatement supported by medical evidence acceptable to SERS that demonstrates that the default was caused by the benefit recipient's physical or mental incapacity. "Medical evidence" means documentation provided by a licensed physician of the existence of the mental or physical incapacity causing the default. Health care coverage reinstated after termination for default shall be effective on the first of the month following the date that the application for reinstatement is approved and payment for the total amount in default is received.
- (4) A person enrolled in SERS' health care plan cannot receive a premium subsidy unless that person is:
 - (a) A dependent child.
 - (b) An age and service retiree:
 - (i) An age and service retiree with an effective retirement date before August 1, 1989; or
 - (ii) An age and service retiree with an effective retirement date on or after August 1, 1989 and before August 1, 2008 who had earned fifteen years of service credit; or
 - (iii) An age and service retiree with an effective retirement date on or after August 1, 2008 who had earned twenty years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, and who;

- (a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.
- (c) A disability benefit recipient:
 - (i) A disability benefit recipient with an effective benefit date before August 1, 2008; or
 - (ii) A disability benefit recipient with an effective benefit date on or after August 1, 2008 who:
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding separation from SERS service.
- (d) A spouse:
 - (i) A spouse or surviving spouse of an age and service retiree or disability benefit recipient with an effective retirement date or benefit date before August 1, 2008 who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code;
 - (ii) A spouse or surviving spouse of an age and service retiree or disability benefit recipient with an effective retirement date or benefit date on or after August 1, 2008 who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, and who:
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or

- (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.
- (iii) A surviving spouse of a deceased member who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, with an effective benefit date before August 1, 2008; or
- (iv) A surviving spouse of a deceased member who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, with an effective benefit date on or after August 1, 2008, and the member;
- (a) Was eligible to participate in the health care plan of his or her employer at the time of death or separation from SERS service; or
- (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding the member's death or separation from SERS service.
- (e) For purposes of determining eligibility for a subsidy under paragraph (F) (4) of this rule, when the last contributing service of an age and service retiree, disability benefit recipient, or member was as an employee as defined by division (B)(2) of section 3309.01 of the Revised Code, the health care plan participation requirement shall be if the individual would have been eligible for the public employer's health care plan if the individual were an employee as defined by division (B)(1) of section 3309.01 of the Revised Code.
- (f) Any other individual covered under a SERS health care plan shall be eligible for a premium subsidy under the standard set forth for spouses.
- (g) In all cases of doubt, the retirement board shall determine whether a person enrolled in a SERS health care plan is eligible for a premium subsidy, and its decision shall be final.

(G) Waiver

- (1) A benefit recipient may waive health care coverage by completing and submitting a SERS waiver form to SERS.
- (2) The health care coverage of a benefit recipient's dependent may be waived as follows:
 - (a) For non-medicare eligible dependents, the benefit recipient may waive their coverage by completing and submitting a signed written request to SERS on their behalf.
 - (b) For medicare eligible dependents, the dependent may waive their coverage by completing and submitting a signed written request to SERS.

(H) Medicare advantage or medicare part D

SERS shall cancel the health care coverage of a benefit recipient or dependent who enrolls in a medicare advantage or medicare part D plan that is not offered by the system.

(I) Reinstatement to SERS health care coverage

- (1) An eligible benefit recipient, or dependent of a benefit recipient with health care coverage, whose coverage has been previously waived or cancelled may be reinstated to SERS health care coverage by filing a health care enrollment application as follows:
 - (a) The application is received no later than ninety days after becoming eligible for medicare. Health care coverage shall be effective the later of the first day of the month after becoming medicare eligible or receipt of the enrollment application by the system;
 - (b) The application is received no later than thirty-one days after ~~voluntary~~ or involuntary termination of coverage under medicaid. Health care coverage shall be effective the later of the first day of the month after termination of coverage or receipt of proof of termination and the enrollment application by the system; or
 - (c) The application is received no later than thirty-one days after involuntary termination of coverage under another plan, medicare advantage plan, or medicare part D plan with proof of such termination. Health care coverage shall be effective the later of the first day of the month after termination of the other plan or receipt of proof of termination and the enrollment application by the system.

- (2) An eligible person whose coverage was cancelled pursuant to paragraph ~~(D)(1)~~
~~(g)(D)(1)(h)~~ of this rule shall be reinstated to SERS health care plan when benefit payments are reinstated.
- (3) An eligible person whose coverage was cancelled pursuant to paragraph (D)(1)(b) of this rule may be reinstated to SERS health care plan when they no longer have access to the medical plan of an employer by filing a health care enrollment application within thirty-one days of the employment ending.
- (4) An eligible benefit recipient or dependent of a benefit recipient with health care coverage, whose coverage has been previously cancelled and who is enrolled in medicare parts A and B or medicare part B only on December 31, 2007 may be reinstated to SERS health care coverage by filing a healthcare enrollment application during the period of time beginning October 1, 2007 and ending November 30, 2007. Health care coverage shall be effective January 1, 2008.
- (5) An eligible benefit recipient or dependent of a benefit recipient with health care coverage, whose coverage has been previously cancelled pursuant to paragraph (H) of this rule and who is enrolled in medicare parts A and B or medicare part B only on June 30, 2009 may be reinstated to SERS health care coverage by filing a health care enrollment application during the period of time beginning May 21, 2009 and ending July 15, 2009.
- (6) An eligible benefit recipient who had an effective retirement or benefit date on or after August 1, 2008, who qualifies for a premium subsidy under paragraph (F) (4) of this rule, and whose coverage has previously been waived as provided in paragraph (G) of this rule, may be reinstated to school employees retirement system health care coverage by submitting a complete health care enrollment application on or before December 14, 2012. Health care coverage shall be effective January 1, 2013.
- (7) An eligible benefit recipient for whom SERS is transferring funds to another Ohio retirement system in accordance with paragraph (G) of rule 3309-1-55 of the Administrative Code may be reinstated to SERS health care coverage by submitting a health care enrollment application during open enrollment periods for health care coverage starting January 1, 2015 or January 1, 2016.

(J) Medicare part B

- (1) A person who is enrolled in SERS' health care shall enroll in medicare part B at the person's first eligibility date for medicare part B.
- (2)

- (a) The board shall determine the monthly amount paid to reimburse an eligible benefit recipient for medicare part B coverage. The amount paid shall be no less than forty-five dollars and fifty cents, except that the board shall make no payment that exceeds the amount paid by the recipient for the coverage.
- (b) As used in paragraph (J) of this rule, an "eligible benefit recipient" means:
 - (i) An eligible person who was a benefit recipient and was eligible for medicare part B coverage before January 7, 2013, or
 - (ii) An eligible person who is a benefit recipient, is eligible for medicare part B coverage, and is enrolled in SERS' health care.
- (3) The effective date of the medicare part B reimbursement to be paid by the board shall be as follows:
 - (a) For eligible benefit recipients who were a benefit recipient and were eligible for medicare B coverage before January 7, 2013 the later of:
 - (i) January 1, 1977; or
 - (ii) The first of the month following the date that the school employees retirement system received satisfactory proof of coverage.
 - (b) For eligible benefit recipients not covered under paragraph (J)(3)(a) of this rule, the later of:
 - (i) The first month following the date that the school employees retirement system received satisfactory proof of coverage, or
 - (ii) The effective date of SERS health care.
- (4) The board shall not:
 - (a) Pay more than one monthly medicare part B reimbursement when a benefit recipient is receiving more than one monthly benefit from this system; nor
 - (b) Pay a medicare part B reimbursement to a benefit recipient who is eligible for reimbursement from any other source.

Effective:

Five Year Review (FYR) Dates: 2/1/2024

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.69
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3309-1-64

Supplemental health care coverage.

(A) Definitions

- (1) "Benefit recipient," "Member," "Age and service retirant," "Disability benefit recipient," and "Dependent" shall have the meanings set forth in paragraph (A) of rule 3309-1-35 of the Administrative Code.
- (2) "Supplemental health care coverage" means any dental or vision plan offered by the school employees retirement system.
- (3) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment for the supplemental health care coverage for the recipient or the recipient's eligible dependents.

(B) Eligibility

- (1) A person is eligible for supplemental health care coverage under this rule so long as the person meets the eligibility requirements in section 3309.69 of the Revised Code and rule 3309-1-35 of the Administrative Code for the retirement system's health care coverage.
- (2) Eligibility for supplemental health care coverage shall terminate when the person ceases to qualify as one of the persons listed in paragraph (B)(1) of rule 3309-1-35 of the Administrative Code. A person described in paragraph (B) (4) of rule 3309-1-35 of the Administrative Code shall remain eligible for supplemental health care coverage under this rule.

(C) Enrollment

- (1) An eligible benefit recipient may only enroll in one or more supplemental health care plans as follows:
 - (a) At the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefit pursuant to section 3309.45 of the Revised Code;
 - (b) At the time the benefit recipient reinstates previously waived or cancelled health care coverage as provided in paragraph (I) of rule 3309-1-35 of the Administrative Code;
 - (c) Within thirty-one days after involuntary termination of another dental or vision plan; or,
 - (d) During the retirement system's open enrollment period.

- (2) An eligible dependent of an age and service retiree or disability benefit recipient may only enroll in one or more supplemental health care plans as follows:
- (a) At the time the age and service retiree or disability benefit recipient enrolls in the supplemental health care plan;
 - (b) During the retirement system's open enrollment period so long as the age and service retiree or disability benefit recipient is also enrolled in the supplemental health care plan; or
 - (c) Within thirty-one days after involuntary termination of another medical, dental, or vision plan, so long as the age and service retiree or disability benefit recipient is also enrolled in the supplemental health care plan.

(D) A person's supplemental health care coverage shall be cancelled when:

- (1) The person's eligibility for health care coverage terminates as provided in paragraph (B)(2) of rule 3309-1-35 of the Administrative Code;
- (2) The supplemental health care coverage of a dependent is cancelled when the supplemental health care coverage of a benefit recipient is cancelled;
- (3) The person's supplemental health care coverage is cancelled for default as provided in paragraph (F) of this rule;
- (4) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45 of the Revised Code, division (F) of section 3309.39 of the Revised Code, or division (D) of section 3309.41 of the Revised Code;
- (5) The benefit recipient elects to cancel the supplemental health care coverage for the following calendar year during the open enrollment period; or
- (6) The benefit recipient elects to cancel health care coverage under paragraph (D) of rule 3309-1-35 of the Administrative Code.

(E) Effective date of coverage

- (1) When a benefit recipient elects to enroll in supplemental health care coverage during an open enrollment period, the effective date of coverage shall be the first day of the calendar year following the open enrollment period.
- (2) When a benefit recipient elects to enroll in supplemental health care coverage upon receipt of a benefit, the effective date of coverage shall be as follows:

- (a) For a disability benefit recipient or dependent of a disability benefit recipient, the supplemental health care coverage shall be effective on the first day of the month following approval of the benefit or the benefit effective date, whichever is later.
- (b) For an age and service retiree or dependent of an age and service retiree, the supplemental health care coverage shall be effective on the first day of the month following the date that the retirement application is filed with the retirement system or the benefit effective date, whichever is later.
- (c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retiree, the supplemental health care coverage shall be effective on the effective date of the benefit if the appropriate application is received within three months of the date of the member's or retiree's death, or the first day of the month following the date that the appropriate application is received if not received within three months of the date of the member's or retiree's death.

(F) Premiums

- (1) Payment of premiums for supplemental health care coverage shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.
- (2) Premium payments billed to a benefit recipient shall be deemed in default after the unpaid premiums for coverage under this rule and health care coverage under rule 3309-1-35 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums. The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage. The benefit recipient shall be ineligible for reinstatement of coverage until payment for the total amount in default is received.

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5505-5-06

Service credit purchases by payroll deduction.

- (A) A member of the state highway patrol retirement system (HPRS) may purchase service credit pursuant to this rule, rule 5505-5-02 of the Administrative Code, rule 5505-5-03 of the Administrative Code, and sections 5505.16, 5505.17, 5505.20, 5505.201, 5505.25, and 5505.40 of the Revised Code through:
- (1) Post-tax payroll deduction, lump sum payment, partial payment, or any combination thereof.
 - (2) Pre-tax payroll deductions designated by the state highway patrol as picked-up contributions in compliance with Internal Revenue Code section 414(h)(2). HPRS will accept new elections to purchase service credit through pre-tax payroll deduction only if the election is received by December 31, 2014.
- (B) Upon a member's request to HPRS to purchase service credit by payroll deduction for service credit, HPRS will prepare an application form which states the following:
- (1) The service to be purchased, including the total years of service and the type of service;
 - (2) The total cost of the service credit to be purchased through payroll deduction;
 - (3) The total number of payroll deductions in the stated amount, starting with the proposed start date and ending on the proposed completion date; provided, however, that the payroll deduction cannot exceed the member's net compensation after all deductions and withholdings required by law.
- (C) The payroll deduction plan shall not be effective until it is signed by the member and filed with HPRS.
- (D) Upon receipt of a signed payroll deduction application, HPRS shall report to the state highway patrol the amount of the payroll deduction and when the deductions shall begin.
- (E) HPRS will grant the service credit to the member only upon receipt of the applicable payroll deduction or lump sum payment.
- (F) All payroll deduction plans may last no longer than five years for each year of service that is to be purchased.
- (G) No member may participate in more than one payroll deduction plan to purchase service credit provided for in section 5505.203 of the Revised Code and this rule.

- (H) Pre-tax payroll deduction plans (i.e. pick-up plans) shall be irrevocable and may only be terminated upon the member's termination of employment with the employer who is implementing the member's payroll deduction plan.
- (I) Except for pre-tax payroll deduction plans (i.e. pick-up plans), a member can increase or decrease the member's payroll deduction by written notice to the state highway patrol and HPRS, except that in no event shall a deduction be decreased to less than fifty dollars per pay period.
- (J) Except for pre-tax payroll deduction plans (i.e. a pick-up plan), a payroll deduction plan may be terminated or suspended upon any of the following events:
- (1) The failure of the state highway patrol to forward to HPRS the payroll deduction for four consecutive pay periods;
 - (2) Upon the member's termination of employment with the state highway patrol;
 - (3) In cases where a payroll deduction exceed the member's net pay after all deductions and withholdings required by law; or
 - (4) When the payroll deductions received by HPRS equal the total cost of the eligible service credit, as originally outlined in HPRS' application form duly signed by the member.

Five Year Review (FYR) Dates: 2/25/2020 and 02/25/2025

CERTIFIED ELECTRONICALLY

Certification

02/25/2020

Date

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