

**Amendment Ten to the  
Public Employees Retirement System of Ohio  
Combined Plan**

WHEREAS, the Public Employees Retirement System of Ohio Combined Plan ("Plan") was originally effective January 1, 2003;

WHEREAS, the Public Employees Retirement Board, as Trustees of the Plan ("Trustees"), reserved the right to amend the Plan pursuant to Article XXV of the Plan;

WHEREAS, the Trustees now desire to amend the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows, effective as of January 7, 2013:

1. **Preamble**, describing the establishment of the Combined Plan is hereby enacted to be and read as follows:

Now, therefore, effective January 1, 2003, the Public Employees Retirement Board hereby establishes ~~The~~ the Public Employees Retirement System of Ohio Combined Defined Benefit/Defined Contribution Plan under Code Section 401(a). The Plan is a defined benefit arrangement that provides retirement benefits to a Participant based in part on contributions to a Member's individual Accounts and the earnings therein and in part on a Final Average Salary defined benefit formula. The Plan consists of the provisions set forth in this document, the following sections of Chapter 145. of the Ohio Revised Code, and any rules adopted pursuant to section 145.80 of the Ohio Revised Code: 145.80 through 145.98; 145.22, 145.221 [145.22.1], 145.23, 145.25, 145.26, 145.27, 145.296 [145.29.6], 145.38, ~~145.382~~ [145.38.2], ~~145.383~~ [145.38.3], 145.384 [145.38.4], 145.391 [145.39.1], 145.43, 145.431 [145.43.1], 145.47, 145.48, 145.483 [145.48.3], 145.51, 145.52, 145.53, 145.54, 145.55, 145.56, 145.563 [145.56.3], 145.57, 145.571 [145.57.1], 145.572 [145.57.2], 145.573 [145.57.3], 145.574 [145.57.4], 145.69, and 145.70.

2. **Section 1.21 of the Plan**, describing Final Average Salary is hereby enacted to be and read as follows:

**1.21 "Final Average Salary"** has the same meaning as set forth in section 145.01 of the Ohio Revised Code. The number of years used in calculating Final Average Salary shall be determined under Section 3.10.

3. **Section 1.41 of the Plan**, describing Contributing Service is hereby enacted to be and read as follows:

**1.41 "Year of Contributing Service"** means a period of twelve calendar months during which contributions were made pursuant to Sections 3.02, 3.03, and 3.09 and includes Years of Participation purchased in this Plan under Section 6.02 of the Member-Directed Plan Document. For purposes of determining Total Service Credit in the Plan, Contributing Service shall be calculated in ~~the same manner as described in division (F) of~~ accordance with section 145.01 145.016 of the Revised Code.

4. **Section 2.01(a) of the Plan**, describing elections to participate in the Plan is hereby enacted to be and read as follows:

(a) Except as provided in subsection (c), an individual who becomes employed in a position subject to Chapter 145. of the Ohio Revised Code on or after the Effective Date may elect to become a Participant in this Plan not later than one hundred eighty (180) days after the date on which the individual's employment begins. An election shall be made ~~in writing~~ on an Applicable Form filed with the System or, if designated by the Administrator, the Service Manager. An election shall be effective as of the date

employment begins and, except as provided in Section 2.03 and section 145.814 of the Ohio Revised Code, is irrevocable on receipt.

5. Section 2.01(c) of the Plan, describing elections to participate in the Plan is hereby enacted to be and read as follows:

(c) An individual is ineligible to make an election to participate in this Plan under this Section if one of the following ~~apply~~ applies:

(1) ~~At the time employment begins, the~~ The individual is a PERS retiree or other system retiree, as those terms are defined in section 145.38 of the Ohio Revised Code, or is retired under section 145.383 of the Ohio Revised Code;

(2) The individual is participating in an alternative retirement plan under Chapter 3305. of the Ohio Revised Code and is employed in a position described in section 3305.05(E) of the Ohio Revised Code;

(3) ~~At the time employment begins, the~~ The individual has contributions standing to the individual's credit in the Employees' Savings Fund or Defined Contribution Fund;

(4) The individual is employed in a position covered under Chapter 145. of the Ohio Revised Code to which section 145.193 of the Ohio Revised Code applies;

(5) The individual is a PERS Law Enforcement Officer or PERS Public Safety Officer.

6. Section 2.06 of the Plan, describing elections to participate in the Plan is hereby enacted to be and read as follows:

**2.06 Election Procedure.** All elections to participate are governed by sections 145.19, 145.191, 145.192, 145.193, 145.194, and 145.814 of the Ohio Revised Code and rules adopted by the Board.

7. Section 3.02 of the Plan, describing employer contributions to the Plan is hereby enacted to be and read as follows:

**3.02 Employer Contributions.** The Employer contribution to the Plan shall be a percentage of Earnable Salary as determined by the Board under sections 145.48 and 145.86 of the Ohio Revised Code less both of the following: (i) any amount required under section 145.87 of the Ohio Revised Code to mitigate any negative financial impact on the System of Members participation in this Plan, as determined by the Actuary, and (ii) ~~any amount established pursuant to section 145.88 of the Ohio Revised Code to fund a program established under section 145.83 of the Ohio Revised Code~~ any administrative fee established under Section 24.03. Contributions under this Section shall be deposited in the Employers' Accumulation Fund. For each Employee granted disability leave under a program sponsored by an Employer, the Employer shall make contributions pursuant to section 145.296 of the Ohio Revised Code.

8. Section 3.06 of the Plan, describing restoring service credit in the Plan is hereby enacted to be and read as follows:

**3.06 Restoration.** Subject to rules adopted under section 145.80 of the Ohio Revised Code, a Participant may redeposit amounts withdrawn from this Plan in order to restore service credit in this Plan, as provided in section 145.97(B) of the Ohio Revised Code and rules adopted by the Board. Amounts paid under this Section shall be deposited to the Member's credit in the Employees' Savings Fund or any other appropriate fund under section 145.23 of the Ohio Revised Code. Any amounts paid by the Participant under this Section, other than the amount distributed under Section 8.02, shall be considered the Accumulated Contributions of the Participant. Amounts paid by the member and credited to the

Employees' Savings Fund shall earn interest in accordance with section 145.471 of the Ohio Revised Code.

9. **Section 3.08 of the Plan**, describing additional contributions by elected or appointed officials to the Plan is hereby enacted to be and read as follows:

**3.08 Elected or Appointed Officials.** When a Participant has been elected or appointed to an office, the term of which is two or more years, for which an annual salary is established, and in the event that the salary of the office is increased and the Participant is denied the additional salary by reason of any constitutional provision prohibiting an increase in salary during a term of office, the Participant may elect to have the amount of the Participant's and Employer's contributions calculated upon the basis of the increased salary for the office. At the Participant's request and on notification to the System, the Board shall compute the total additional amount the Participant and the Employer would have contributed, or the amount by which each of the Participant's and Employer's contributions would have increased, had the Participant received the increased salary for the office the Participant holds. If the Participant elects to have the combined amount by which the Participant's and Employer's contribution would have increased withheld from the Participant's salary, the Participant shall notify the Employer, and the Employer shall make the withholding commensurate with the period of denied salary and transmit it to the System.

~~A Participant who has not elected to have that amount withheld may elect at any time to make a payment to the System equal to the amount the Participant's contribution would have increased, plus interest on that contribution, compounded annually at a rate established by the Board and computed from the date on which the last contribution would have been withheld from the Participant's salary to the date of payment. A Participant may make a payment for part of the period for which the increased contribution was not withheld, in which case the interest shall be computed from the date the last contribution would have been withheld for the period for which the payment is made. For purposes of Article IV, the Participant's compensation shall only include those amounts actually paid to the Participant.~~

~~Contributions under this Section will~~ The payment of the amount by which the Participant's contribution would have increased shall be credited to the Participant Contribution Account and the payment of the amount by which the Employer's contribution would have increased shall be credited to the appropriate fund under section 145.23 of the Ohio Revised Code Employers' Accumulation Fund and pursuant to any applicable Board rules. If a Participant dies or withdraws from service, the payment of the amount by which the Employer's contribution would have increased shall be considered the Accumulated Contributions of the Participant.

If the payment of the increased contributions is made in accordance with this Section, the increased annual salary as provided by law for the office for the period for which the Participant paid increased contributions shall be used in determining the Participant's Earnable Salary for the purpose of computing the Participant's Final Average Salary.

10. **Section 3.09 of the Plan**, describing delinquent contributions to the Plan is hereby enacted to be and read as follows:

**Delinquent Contributions.** Upon a finding that an Employer failed to deduct contributions pursuant to section 145.85 of the Ohio Revised Code during a period of employment for which such contributions were required, a statement of delinquent contributions shall be prepared showing the amount the Contributor and Employer would have contributed had regular payroll deductions been taken. Simple interest from the end of each calendar year at a rate set by the Board equal to the assumed actuarial rate of interest at the time the statement is prepared shall be included. If delinquent contribution statements are paid later than thirty (30) days after the end of the calendar month in which they become an obligation of the Employer, any balance remaining shall be collected with penalties and interest pursuant to section 145.51 of the Ohio Revised Code, and subject to Article IV, as applicable.

11. Section 3.10 of the Plan, describing the number of years used to determine Final Average Salary under the Plan is hereby enacted to be and read as follows:

3.10 Final Average Salary. For a Participant eligible for a Retirement Allowance under Section 9.01(a) and (b), the number of years used in the calculation of Final Average Salary shall be three and the sum of the earnable salary for those years shall be divided by three. For a Participant eligible for a Retirement Allowance under Section 9.01(c), the number of years used in the calculation of Final Average Salary shall be five and the sum of the earnable salary for those years shall be divided by five. For purposes of calculating Final Average Salary for a benefit under Article X or XI, the number of years used to calculate those benefits shall be based on the Participant's attained age and years of service as of the effective date of the benefit or date of death.

12. Section 4.02(c) of the Plan, describing the Internal Revenue Code limits under section 415 is hereby enacted to be and read as follows, effective January 1, 2008:

(c) If the annual addition for a Participant under the Plan, determined without regard to the limitation of paragraph (a), would have been greater than the annual addition for such Participant as limited by paragraph (a), then the excess, if due to a reasonable error in estimating compensation or such other circumstances as found by the Secretary of the Treasury to justify application of this paragraph, shall be reduced, to the extent necessary to satisfy such limitation by holding the excess unallocated in a suspense account and using it to reduce Employer contributions in subsequent Plan Years corrected in accordance with the Internal Revenue Service correction procedures under Revenue Procedure 2008-50, or any successor thereto.

13. Section 4.02(h) of the Plan, defining compensation for purposes of Internal Revenue Code section 415 is hereby enacted to be and read as follows, effective January 1, 2008:

(h) For purposes of this Section, "compensation" means compensation as defined in Code Section 415(c)(3). In general, Code Section 415(c)(3) defines compensation as all of a Participant's wages as defined in Code Section 3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)); provided, however, compensation shall also include the amount of any elective deferrals, as defined in Code Section 402(g)(3); any amount contributed or deferred by the Employer at election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 132(f), or 457; and effective January 1, 2009, differential wage payments as defined in section 3401(h)(2) of the Internal Revenue Code. "Compensation" for purposes of this Section shall not include any picked-up Employee contributions to this Plan.

In addition, compensation shall include the following amounts:

- (1) Regular Compensation for Services. Compensation shall include regular compensation for services that, absent a severance from service, would have been paid to the Participant if the Participant continued in employment with the Employer, in accordance with regulation section 1.415(c)-2(e)(3)(ii), to the extent required under regulation section 1.415(c)-2(e)(3)(i).
- (2) Payments to Reservists. Compensation shall include payments to a Participant who does not currently perform services for an Employer by reason of qualified military service made in accordance with the Employer's current policy with regard to such qualified military service, to the extent these payments do not exceed the amount the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service, in accordance with regulation section 1.415(c)-2(e)(4).

- (3) Back Pay. Compensation shall include payments of back pay within the meaning of regulation section 1.415(c)-2(g)(8).

"Compensation" shall not include the following amounts:

- (1) Foreign Compensation. Compensation shall not include amounts paid as compensation to a nonresident alien, as defined in Code Section 7701(b)(1)(B), who is not a Participant, to the extent the compensation is excludable from gross income and is not effectively connected with the conduct of a trade or business within the United States, in accordance with regulation section 1.415(c)-2(g)(5)(ii).
- (2) Scheduled Deferred Compensation Payments. Compensation shall not include payments to a Participant in accordance with a nonqualified unfunded deferred compensation plan, even if such amount would have been paid at the same time if employment had continued, in accordance with regulation section 1.415(c)-2(e)(3)(iii)(B).
- (3) Disability Payments. Compensation shall not include amounts received on account of the Participant's permanent and total disability (as defined in Code Section 22(e)(3) and described in regulation section 1.415(c)-2(g)(4)).
- (4) Cross-Over Year Payments. Compensation shall not include amounts earned during the limitation year but not paid during that limitation year solely because of the timing of pay periods and pay dates if these amounts are paid during the first few weeks of the next limitation year as permitted under regulation section 1.415(c)-2(e)(2).

14. Section 6.01 of the Plan, describing transfers from the Plan is hereby enacted to be and read as follows:

**6.01 Transfer from this Plan to the Defined Benefit Plan.** Not later than one hundred eighty (180) days after the effective date of an election to transfer under Section 2.03, a Participant in this Plan who has elected to become a participant in the Defined Benefit Plan under Section 2.03 may transfer funds from this Plan to the Defined Benefit Plan in order to purchase service credit in the Defined Benefit Plan for the Participant's Years of Contributing Service in this Plan. The Actuary shall determine the total amount of additional liability for each Year of Contributing Service which is eligible for purchase.

A Participant may transfer funds from the following Accounts to purchase service credit in the Defined Benefit Plan as calculated under this Section: Participant's Contribution Account, Miscellaneous Contribution Account, or Rollover Account. For each Participant who elects to transfer funds to purchase service credit under this Section and who, as of the effective date of an election to transfer under Section 2.03, meets the service credit requirements specified in Section 8.02(a) or (b), excluding service credit purchased or transferred to this Plan under sections 145.20, 145.295, section 145.302, or 145.44 of the Ohio Revised Code, the System shall transfer an additional amount from the Employers' Accumulation Fund to the Defined Benefit Plan. Except as provided in Section 8.02, the additional amount shall equal the amount the Participant would have been entitled to receive under Section 8.02 had the Participant terminated public service and met all other requirements of Article VIII. All transfers under this Section shall be made in accordance with section 145.814 of the Revised Code and are subject to the applicable provisions of the Defined Benefit Plan and any rules adopted by the Board. ~~For each Year of Contributing Service in this Plan that is purchased in the Defined Benefit Plan, the Administrator shall cancel a corresponding Year of Contributing Service in this Plan.~~ If a Participant who elected a transfer of ~~accumulated contributions~~ Accumulated Contributions under Section 2.02(a)(1) of this Plan or the Defined Contribution Plan also transfers funds from this Plan to the Defined Benefit Plan under this Section, all or a portion of the Participant Contribution Account shall be used to restore the cancelled service credit described in Section 2.02(a)(3) in accordance with rules adopted by the Board.

For each Participant who elects to transfer funds under this Section, any amounts paid or transferred under Section 3.05 or 3.06 shall be credited to the Defined Benefit Plan and deposited into the Employees' Savings Fund. If the amounts paid by the Participant under those Sections are less than the amounts that would have been paid had the Participant made the payments as a Participant in the Defined Benefit Plan, the Participant may elect to receive a pro-rated amount of service credit under the Defined Benefit Plan or may make an additional payment to equal the difference in order to receive the full amount of service credit.

15. **Section 7.02 of the Plan**, describing vesting under the Plan is hereby enacted to be and read as follows:

**7.02 Vesting Upon Grant of Benefit.** The Except as provided in this Section and in section 145.95 of the Revised Code, the granting of a Retirement Allowance, pension, or other benefit under Section 9.03 of this Plan to any person pursuant to action of the Administrator vests a right in such person, so long as the person remains the recipient of any benefit so granted, to receive such Retirement Allowance, at the rate fixed at the time of granting such Retirement Allowance. This Section does not apply to an increase made under Section 9.03(d) for a recipient whose benefit effective date is on or after January 7, 2013.

16. **Section 8.02 of the Plan**, describing amounts paid on a refund of contributions to the Plan is hereby enacted to be and read as follows:

**8.02 Employers' Accumulation Fund.** A Participant who elects a lump-sum distribution under Section 8.01 is entitled to an amount, paid from the Employers' Accumulation Fund, determined as follows:

(a) For a Participant with at least five (5) years but less than ten (10) years of service credit, an amount equal to thirty-three per cent (33%) of the Participant's eligible contributions.

(b) For a Participant with ten (10) or more years of service credit, an amount equal to sixty-seven per cent (67%) of the Participant's eligible contributions.

As used in this Section, "eligible contributions" means all of the following: the amounts contributed under Section 3.03; except as provided in this Section, amounts received from the Participant ~~or transferred to purchase or restore credit under section 145.20, 145.295, 145.302, or 145.44~~ of the Ohio Revised Code or Section 3.06 of this Plan, if applicable, and interest calculated in the same manner as the Defined Benefit Plan under section 145.471 or 145.472 of the Ohio Revised Code. For each Participant who elects to transfer funds to the Defined Benefit Plan under Section 6.01, "eligible contributions" does not include amounts received from the Participant ~~or transferred to purchase credit under section 145.20, 145.295, 145.302~~ of the Ohio Revised Code. "Eligible contributions" does not include contributions that were used in the payment of a disability benefit or, as provided in rules adopted by the Board, were refunded to the Participant because the Administrator was not authorized to accept the contributions. Except as provided in Section 6.01, "service credit" means service credit earned for periods for which contributions were made under Section 3.03 and, if applicable, periods for which service credit was purchased or ~~transferred restored~~ restored under section ~~145.20, 145.295, 145.302, or 145.44~~ of the Ohio Revised Code or Section 3.06 of this Plan.

A Participant who receives a payment under this Section shall forfeit all rights to benefits under Articles IX, X, XI, and XII.

17. **Section 9.01 of the Plan**, describing eligibility for retirement under the Plan is hereby enacted to be and read as follows:

**9.01 Eligibility.** A Participant whose Public Service Terminates and who has left on deposit the amounts described in Article VIII may, on becoming eligible as described in this Section, be paid benefits as described in Sections 9.02 and 9.03.

(a) A Participant is eligible for age and service retirement under Section 9.01(a) if, not later than January 7, 2018, the Participant meets one of the following requirements:

- (1) Has five or more years of total service credit and has attained age sixty;
- (2) Has twenty-five or more years of total service credit and has attained age fifty-five;
- (3) Has thirty or more years of total service credit at any age.

(b)(1) A Participant who would be eligible to retire not later than January 7, 2023, if the requirements of Section 9.01 as they existed immediately prior to January 7, 2013, were still in effect is eligible to retire under Section 9.01(b) if the Participant meets one of the following requirements:

- (i) Has five or more years of total service credit and has attained age sixty;
- (ii) Has twenty-five or more years of total service credit and has attained age fifty-five;
- (iii) Has thirty-one or more years of total service credit and has attained age fifty-two;
- (iv) Has thirty-two or more years of total service credit at any age.

(2) A Participant who on January 7, 2013, has twenty or more years of total service credit is eligible for age and service retirement under Section 9.01(b) on meeting one of the requirements of Section 9.01(b)(1), regardless of when the Participant meets the requirement unless, between January 7, 2013, and the date the member meets the requirement, the member receives a refund under Article VIII.

(c) A Participant who is not eligible for age and service retirement under Section 9.01(a) or (b), or who became a Member on or after January 7, 2013, is eligible for age and service retirement under Section 9.01(c) if the Participant meets one of the following requirements:

- (1) Has five years or more of total service credit and has attained age sixty-two;
- (2) Has twenty-five years or more of total service credit and has attained age fifty-seven;
- (3) Has thirty-two years or more of total service credit and has attained age fifty-five.

(d) Service credit purchased or obtained under Section 3.05 or 3.06 shall be used in determining whether a Participant has the number of years of total service credit required under Section 9.01(a) or (b) only if the Participant was a Member on January 7, 2013, or obtains credit under Section 3.09 that would have made the Participant a Member on that date and one of the following applies:

(1) Except as provided in Section 9.01(d)(ii): (i) For Section 9.01(a), the service credit purchase is completed or the service credit is obtained not later than January 7, 2018; (ii) For Section 9.01(b), the service credit purchase is completed or the service credit is obtained not later than January 7, 2023.

(2) In the case of service credit that has been or will be purchased or obtained under section 145.295 or 145.37 of the Revised Code or is for service covered by the Cincinnati retirement system: (i) For Section 9.01(a), the service for which the credit has been or will be purchased or obtained occurs not

later than January 7, 2018; (ii) For Section 9.01(b), the service for which the credit has been or will be purchased or obtained occurs not later than January 7, 2023.

~~(e)~~ A Participant who has five (5) years of Total Service Credit and has attained age sixty (60), or has twenty five (25) years of Total Service Credit and has attained age fifty-five (55), or has thirty (30) or more years of Total Service Credit, regardless of age, may be paid, on application of the Participant, one or both of the following, at the Participant's election:

~~(a)(1)~~ The sum of the Participant's Accounts under a payment option described in Section 9.02, subject to Article XIV.

~~(b)(2)~~ A Retirement Allowance determined under Section 9.03, subject to Article XIV.

Retirement under this Article shall be effective on the earlier of the date a Participant receives a distribution under either Section 9.02 or 9.03.

18. Section 9.02(a) of the Plan, describing the payment options for the defined contribution portion of the Plan is hereby enacted to be and read as follows:

**9.02 Payment Options for Accounts under Section 9.01(a)(e)(1).**

(a) Subject to Article XIV, section 145.92 of the Ohio Revised Code, and this Section, a Participant may select from one of the following options: (i) a lump sum; (ii) monthly annuity payments; or (iii) monthly annuity payments and a portion of the Participant's Accounts paid as a lump sum. An unmarried Participant who fails to select a payment option under this Section shall be paid in accordance with Section 8.01. The amendment to this Section dated April 1, 2012, applies to all payment options effective on or after April 1, 2012. Unless the Participant is eligible to or required to elect another payment option as described in this Section, a married Participant shall receive a monthly joint and survivor annuity, which shall consist of the actuarial equivalent of the Participant's single life annuity based on the Participant's Accounts in a lesser amount payable for life and one-half of such allowance continuing after death to the Participant's spouse for the life of the spouse. The effective date of a payment option provided under this Section shall be the first of the month following the later latest of: (1) ~~a date determined by the Participant;~~ (2) the attainment of minimum age eligibility under Section 9.01; ~~(3)~~(2) the attainment of minimum service credit eligibility under Section 9.01; ~~(4)~~(3) the last day for which Earnable Salary was paid; or ~~(5)~~(4) the date the ~~system~~ System receives an application for a payment option under this Section.

Notwithstanding any provision of this Section to the contrary, a Participant may not select a monthly annuity payment if the selection would result in a monthly annuity payment of less than twenty-five dollars. If a Participant's distribution required by Code Section 401(a)(9) and the regulations thereunder would result in a monthly annuity of less than twenty-five dollars, the Administrator shall calculate and issue the Participant's distribution as a lump sum payment per this Article.

19. Section 9.02(d) of the Plan, describing the payment options under the defined contribution portion of the Plan is hereby enacted to be and read as follows:

(d) The death of a spouse or any designated Beneficiary following commencement of benefits under this Section shall cancel the portion of the monthly annuity plan of payment providing continuing lifetime benefits to the deceased spouse or deceased designated Beneficiary. The retired Participant shall receive the actuarial equivalent of the retired Participant's single life annuity, as determined by the Board, based on the number of remaining Beneficiaries, with no change in the amount payable to any remaining Beneficiary. The change shall be effective the month following ~~receipt by the Board of notice of the~~ date of death.



20. Sections 9.03(a) and (b) of the Plan, describing the retirement allowance under the defined benefit portion of the Plan is hereby enacted to be and read as follows:

**9.03 Payment of Retirement Allowance**

(a) ~~A Participant with at least five (5) years of Total Service Credit who has attained age sixty (60) or who has thirty (30) years of Total Service Credit who is eligible to retire under Section 9.01(a) or (b) may apply for a Retirement Allowance that shall consist of one percent (1.0%) of the Participant's Final Average Salary for each of the first thirty (30) years of service plus one and one-quarter percent (1.25%) of the Participant's Final Average Salary for each year of service in excess of thirty (30) years. A Participant who is eligible to retire under Section 9.01(c) may apply for a Retirement Allowance that shall consist of one percent (1.0%) of the Participant's Final Average Salary for each of the first thirty-five (35) years of service plus one and one-quarter percent (1.25%) of the Participant's Final Average Salary for each year in excess of thirty-five (35) years. The~~

For a Participant who is eligible to retire under Section 9.01(a), the Retirement Allowance shall be adjusted by the factors of attained age or years of service to provide the greater amount as determined by the schedule described in division (A)(5)(b)(2) of section 145.33 of the Ohio Revised Code. For a Participant who is eligible to retire under Section 9.01(b) and (c), the Retirement Allowance shall be adjusted by a percentage determined by the Board's actuary based on the number of years the commencement of benefits precedes the Participant's eligibility for unreduced retirement. The actuary may use an actuarially based average percentage reduction for purposes of this section. The

The total annual single lifetime allowance that a Participant shall receive under this Section shall not exceed the lesser of the following: (1) Any limit established under Section 9.04; (2) one hundred percent (100%) of the Participant's Final Average Salary; or (3) the limit described in Article IV. The

(b) The effective date of a Retirement Allowance under this Section shall be the first of the month following the later latest of: (1) the last day for which Earnable Salary was paid; (2) the attainment of minimum age eligibility under Section 9.01; (3) the attainment of minimum service credit eligibility under Section 9.01; or (4) a date determined by the Participant ninety (90) days prior to receipt by the System of the Participant's completed application for retirement; or (5) February 1, 2013, for applications received by the System on or after January 7, 2013.

~~(b) A Participant with at least twenty-five (25) years of Total Service Credit who has attained age fifty-five (55) shall be paid a commuted Retirement Allowance, which shall consist of a Retirement Allowance calculated under division (a) of this Section to which is applied a factor, determined by an Actuary, to reduce the Retirement Allowance to reflect the commencement of the Retirement Allowance at age fifty-five (55).~~

21. Section 9.03(d) of the Plan, describing the cost-of-living allowance payable on the retirement allowance under the defined benefit portion of the Plan is hereby enacted to be and read as follows:

(d)(1) The Except as provided in this Section, the Administrator shall annually increase each allowance payable under this Section by three (3) per cent. Until the December 31, 2018, the increase shall be three per cent, subject to Article IV. For each succeeding calendar year, the increase shall be as follows: (i) For each allowance, pension, or benefit granted prior to January 7, 2013, three per cent; (ii) For each allowance, pension, or benefit granted on or after January 7, 2013, the percentage increase in the Consumer Price Index, not exceeding three per cent, as determined by the United States Bureau of Labor Statistics (U.S. city average for urban wage earners and clerical workers: "all items 1982-84=100") for the twelve-month period ending on the thirtieth day of June of the immediately preceding calendar year. If the Consumer Price Index for that period did not increase, no increase shall be made under this Section.

No allowance, pension, or benefit shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 415, as amended.

The first increase is payable upon a Participant receiving a Retirement Allowance for twelve (12) months. The increased amount is payable for the ensuing twelve-month period or until the next increase is granted under this Section, whichever is later. In the case of an allowance being paid to a Beneficiary under one of the options specified in this Section, subsequent increases shall be determined from the date of the first increase paid to the former Member. The date of the first increase under this Section becomes the anniversary date for any future increases. The Retirement Allowance used in the first calculation of an increase shall remain as the base for all future increases, unless a new base is established.

(2) If payment of a portion of an allowance is made to an alternate payee under section 145.571 of the Ohio Revised Code, increases under this Section granted while the order is in effect shall be apportioned between the alternate payee and the Participant in the same proportion that the amount being paid to the alternate payee bears to the amount paid to the Participant.

If payment of a portion of an allowance is made to one or more Beneficiaries under "plan F" as described in this Section, each increase under this Section granted while the plan of payment is in effect shall be divided among the designated Beneficiaries in accordance with the portion each Beneficiary has been allocated.

**22. Section 9.03(f) of the Plan,** describing the plan of payment for the retirement allowance after a designated beneficiary dies is hereby enacted to be and read as follows:

(f) The death of a spouse or any designated Beneficiary following Retirement shall cancel the portion of the plan of payment providing continuing lifetime benefits to the deceased spouse or deceased designated Beneficiary. The retired Participant shall receive the actuarial equivalent of the retired Participant's single lifetime allowance, as determined by the Board, based on the number of remaining Beneficiaries, with no change in the amount payable to any remaining Beneficiary. The change shall be effective the month following ~~receipt by the Board of notice of the~~ date of death.

**23. Section 9.04 of the Plan,** describing the contribution-based benefit cap for the retirement allowance is hereby enacted to be and read as follows:

**9.04 Contribution-Based Benefit Cap.**

(a) As used in this section:

(1) "Retirement allowance" means an allowance calculated under Section 9.03 prior to any reduction for early retirement or election of a plan of payment;

(2) "CBBC" means the contribution based benefit cap, a limit established by the Board on the Retirement Allowance a member may receive.

(b) Based on the advice of an actuary appointed by the Board, the Board shall designate a number as the CBBC factor. The Board may revise the factor pursuant to advice from an actuary appointed by the Board.

(c) Prior to paying a retirement allowance, the Administrator shall make the following calculations:

(1) Determine an amount equal to the value of the Participant's Accumulated Contributions, including any contributions made under Section 3.09 that represent Participant contributions;

(2) Determine the amount of a single life annuity that is the actuarial equivalent of the amount determined under Section 9.04(c)(1), adjusted for age of the Participant at the time of retirement or, when appropriate, the age at the time of the Participant's death.

(3) Multiply the annuity amount determined under Section 9.04(c)(2) by the CBBC factor.

(d) The amount determined under Section 9.04(c)(3) is the Participant's CBBC. Except as provided in Section 9.04(e), if the Retirement Allowance the Participant would receive exceeds the Participant's CBBC, the Allowance shall be reduced to an amount equal to the Participant's CBBC.

(e) The Retirement Allowance of a Participant eligible for age and service retirement under Section 9.01(a) shall not be reduced under this Section by more than five per cent of the Participant's single lifetime Retirement Allowance computed under Section 9.03, unless during any full month of service earned after January 1, 1987, the Participant's monthly Earnable Salary was less than one thousand dollars.

24. Section 10.01 of the Plan, describing eligibility for disability benefits is hereby enacted to be and read as follows:

**10.01 Eligibility.** A Participant who has at least five (5) years of Total Service Credit in this Plan or sixty (60) months of contributing service in this Plan, as defined in section 145.01 of the Ohio Revised Code, shall be entitled to disability coverage under section 145.35 of the Revised Code and in accordance with the provisions of section 145.36 or, 145.361, 145.362, or 145.363 of the Ohio Revised Code, as applicable, and rules adopted by the Board. The coverage shall extend only to illness or injury that occurs before the Participant's contributing service terminates or, in the case of illness or injury that results from contributing service, becomes evident not later than two years after the date the contributing service ends. The coverage shall not extend to disability resulting from elective cosmetic surgery other than reconstructive surgery.

25. Section 20.06 of the Plan, describing confidentiality of records is hereby enacted to be and read as follows:

**20.06 Confidentiality.**

(a) As used in this Section, "personal history record" means information maintained by the Administrator on an individual who is a Participant, former Participant, Member, former Member, Contributor, former Contributor, retirant, or Beneficiary that includes the address, telephone number, social security number, record of contributions, correspondence with the Administrator, or other information the Administrator determines to be confidential.

(b) The records of the Administrator shall be open to public inspection and may be made available in printed or electronic format, except for the following, which shall be excluded, except with the written authorization of the individual concerned:

(1) The individual's statement of previous service and other information as provided for in section 145.16 of the Ohio Revised Code;

(2) The amount of a benefit paid to the individual;

(3) The individual's personal history record.

(c) All medical reports and recommendations required by this Plan are privileged, except that copies of such medical reports or recommendations shall be made available to the personal physician, attorney, or authorized agent of the individual concerned upon written release from the individual or the

individual's agent, or when necessary for the proper administration of the Plan, to the Board assigned physician.

(d) Notwithstanding the exceptions to public inspection in Section 20.06(b), the Administrator may furnish the following information:

(1) If a Participant, former Participant, Member, former Member, Contributor, former Contributor, or retirant is subject to an order issued under section 2907.15 of the Ohio Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Ohio Revised Code, on written request of a prosecutor, as defined in section 2935.01 of the Ohio Revised Code, the Administrator shall furnish to the prosecutor the information requested from the individual's personal history record.

(2) Pursuant to a court or administrative order issued pursuant to Chapter 3119., 3121., 3123., or 3125. of the Ohio Revised Code, the Administrator shall furnish to a court or child support enforcement agency the information required under that section.

(3) At the written request of any person, the Administrator shall provide to the person a list of the names and addresses of Participants, former Participants, Members, former Members, Contributors, former Contributors, retirants, or Beneficiaries. The costs of compiling, copying, and mailing the list shall be paid by such person.

(4) Within fourteen (14) days after receiving from the Director of Job and Family Services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Ohio Revised Code, the Administrator shall inform the Auditor of State of the name, current or most recent employer address, and social security number of each Member whose name and social security number are the same as that of a person whose name or social security number was submitted by the Director. The Administrator shall, except for purposes of furnishing the Auditor of State with information required by this Section, preserve the confidentiality of recipients of public assistance in compliance with section 5101.181(A) of the Ohio Revised Code.

The Administrator shall comply with orders issued under section 3105.87 of the Ohio Revised Code.

On the written request of an alternate payee, as defined in section 3105.80 of the Ohio Revised Code, the Administrator shall furnish to the alternate payee information on the amount and status of any amounts payable to the alternate payee under an order issued under section 3105.171 or 3105.65 of the Ohio Revised Code.

(6) At the request of any person, the Board shall make available to the person copies of all documents, including resumes, in the Board's possession regarding filling a vacancy of an employee member or retirant member of the Board. The person who made the request shall pay the cost of compiling, copying, and mailing the documents. The information described in Section 20.06(d)(6) is a public record.

(7) The System shall provide the notice required by section 145.573 and 145.574 of the Revised Code to the prosecutor assigned to the case.

(8) The System may provide information requested by the United States social security administration, United States centers for medicare and medicaid, Ohio public employees deferred compensation program, Ohio police and fire pension fund, school employees retirement system, state teachers retirement system, state highway patrol retirement system, or Cincinnati retirement system.

(e) A statement that contains information obtained from the Administrator's records that is signed by the executive director or an officer of the System and to which the System's official seal is affixed, or

copies of the Administrator's records to which the signature and seal are attached, shall be received as true copies of the Administrator's records in any court or before any officer of this State.

(f) For purposes of this section, the Board may maintain records in printed or electronic format.

(g) Any Service Manager shall be bound by the provisions of this Section. Any Service Manager must obtain approval from the Administrator prior to the release of any information under Section 20.06(d)(1)-(5) and (7)-(8).

**26. Section 24.03(a) of the Plan, describing the Board's duties and powers over the Plan is hereby enacted to be and read as follows:**

(a) The Board shall have such power and authority (including discretion with respect to the exercise of that power and authority) as may be necessary, advisable, desirable, or convenient to enable the Board to carry out its duties under the Plan. By way of illustration and not limitation, the Board is empowered and authorized:

(1) To establish rules, regulations, and procedures with respect to administration of the Plan, not inconsistent with the Plan and the Code, and to amend or rescind such rules, regulations, or procedures;

(2) To establish an administrative fee, which shall be used to pay reasonable expenses of the Plan and shall may be withheld from contributions under Section 3.02 or 3.03;

(3) To establish an administrative fee, which shall be used to pay reasonable expenses of the Plan ~~for Inactive Participants~~ and shall may be withheld from the Participant's Contribution Account or the Employers' Accumulation Fund;

(4) To determine, consistently with the Plan, applicable law, rules, or regulations, all questions of law or fact that may arise as to the eligibility for participation in the Plan and eligibility for distribution of benefits from the Plan, and the status of any person claiming benefits under the Plan, including without limitation, Participants, former Participants, Beneficiaries, Employees, and former Employees;

(5) Pursuant to Articles VIII, IX, X, XI and XII of the Plan, to make payments from the Trust Fund to Participants, their Beneficiaries, and other persons as the Board may determine;

(6) To contract with one or more Service Managers to perform education, recordkeeping, and administrative services under this Plan;

(7) To accept service of legal process;

(8) If a written election or consent is not specifically required by the Code, to prescribe a verbal, electronic, or telephonic instruction in lieu of or in addition to a written form;

(9) Subject to and consistent with the Code, to construe and interpret the Plan as to administrative issues and to correct any defect, supply any omission, or reconcile any inconsistency in the Plan with respect to same;

(10) To perform any other duties or exercise any other powers granted under Chapter 145. of the Ohio Revised Code.

**27. Section 24.08 of the Plan, describing the payment of the expenses of the Plan is hereby enacted to be and read as follows:**

**24.08 Payment of Expenses.** All expenses and costs associated with the administration and investments of the Plan shall be assessed against Plan assets, as determined by the Board. ~~Administrative costs shall be explicitly assessed against individual Participant Accounts.~~ Investments costs shall be assessed explicitly against each specific Investment Option in a manner determined by the Board and approved by appropriate federal regulating entities, if necessary.

**28.** In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF the undersigned has executed this Amendment on the date indicated:

1-7-13  
Date

*Karen Carraher*  
Karen Carraher, Executive Director