



Service Credit and Contributing Months



The 11-member OPERS Board of Trustees is responsible for the administration and management of OPERS. Seven of the 11 members are elected by the groups that they represent (i.e., college and university non-teaching employees, state, county, municipal, and miscellaneous employees, and retirees); the Director of the Department of Administrative Services for the State of Ohio is a statutory member, and three members are investment experts appointed by the Governor, the Treasurer of State, and jointly by the Speaker of the Ohio House of Representatives and the President of the Ohio Senate.

For a current listing of OPERS Board members, please visit www.opers.org

It is your responsibility to be certain that OPERS has your current address on file. If OPERS is not made aware of address changes, we cannot guarantee that you will receive important information pertaining to your OPERS account.

This booklet is written in plain language for use by members of the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney. OPERS is not required to provide health care coverage to retirees or their dependents and will only do so at the discretion of the Board of Trustees.

Service Credit and Contributing Months

Service credit in the Traditional Pension Plan and Combined Plan or contributing months for Member-Directed Plan participants represents the period of time you are employed by a public employer and making contributions to OPERS. You may also be eligible to purchase service credit and, in limited instances, free credit may be available.

Service credit in the Traditional Pension Plan and Combined Plan is an important factor in determining both eligibility for and calculation of your retirement benefit and any potential eligibility for the OPERS health care program. Contributing months in the Member-Directed Plan is important for determining the vesting of your employer contributions.

Retirement Eligibility

Retirement eligibility and eligibility for the OPERS health care program vary for each of the OPERS retirement plans. For additional eligibility information, refer to the following resources, available on the OPERS website, opers.org:

- *OPERS Health Care Program Guide*
- *Retiring From Public Employment - The Traditional Pension Plan*
- *Retiring From Public Employment - The Member-Directed Plan*
- *Retiring From Public Employment - The Combined Plan*

UNREDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	Any	30	52	31	55	32
	65	5	66	5	67	5
Law Enforcement	48	25	50	25	52	25
	62	15	64	15	64	15
Public Safety	52	25	54	25	56	25
	62	15	64	15	64	15
Law and Public Safety	52	25	54	25	56	25

Use these charts to determine the age and service requirements for retirement eligibility based on your retirement group. You can find your retirement group on your annual statement or in your online account.

REDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	55	25	55	25	57	25
	60	5	60	5	62	5
Law Enforcement	52	15	52	15	56	15
	N/A	N/A	48	25	48	25
Public Safety	52	15	52	15	56	15
	48	25	48	25	52	25
Law and Public Safety	48	25	48	25	52	25

Service Credit and Contributing Months

Traditional Pension and Combined Plans

You earn contributing service credit when your contributions are remitted to OPERS by your employer and posted to your OPERS account. If contributions are not remitted during a pay period on your behalf, then no service credit is earned for that reporting period. Service credit is accrued based on the month in which your pay period ends.

Under the Traditional Pension and Combined plans, service credit is calculated on a monthly basis, January through December of each year, and is used to determine eligibility for retirement, disability and survivor benefits as well as any potential eligibility for the OPERS health care program.

You cannot receive more than one year of service credit for any calendar year, even if you are employed concurrently in more than one public job in an OPERS-covered position or one covered by another Ohio retirement system. Neither can you receive a full year of service credit if your length of employment or earnings per month indicates less than full-time service, as described below.

Full-time Service Credit for Calculating Pensions

You will receive full-time or a full year of service credit, toward your pension, for each year you contribute at least the full-time minimum of earnable salary during every reporting period that year – meaning the earnable salary for all pay periods ending in a calendar month equals at least the full-time minimum amount representing full-time service credit.

- Earnable salary of more than \$150 per month is considered full-time service credit through Dec. 31, 1984.
 - Earnable salary of more than \$250 per month is considered full-time service credit Jan. 1, 1985 through Dec. 31, 2013.
 - Earnable salary of more than \$600 per month is considered full-time service credit Jan. 1, 2014 through Dec. 31, 2016.
 - Earnable salary of more than \$630 per month is considered full-time service credit Jan. 1, 2017 through Dec. 31, 2017.
 - Earnable salary of more than \$660 per month is considered full-time service credit Jan. 1, 2018 through Dec. 31, 2019.
- The minimum earnable salary will increase by 1.75 percent each year beginning Jan. 1, 2020, through Dec. 31, 2029.
- Earnable salary of more than \$673.08 per month is considered full-time service credit Jan. 1, 2020 through Dec. 31, 2020.
 - Earnable salary of more than \$684.86 per month is considered full-time service credit Jan. 1, 2021 through Dec. 31, 2021.
 - Earnable salary of more than \$696.84 per month is considered full-time service credit Jan. 1, 2022 through Dec. 31, 2022.
 - Earnable salary of more than \$709.03 per month is considered full-time service credit Jan. 1, 2023 through Dec. 31, 2023.
 - Earnable salary of more than \$721.44 per month is considered full-time service credit Jan. 1, 2024 through Dec. 31, 2024.
 - Earnable salary of more than \$734.07 per month is considered full-time service credit Jan. 1, 2025 through Dec. 31, 2025.
 - Earnable salary of more than \$746.91 per month is considered full-time service credit Jan. 1, 2026 through Dec. 31, 2026.
 - Earnable salary of more than \$759.99 per month is considered full-time service credit Jan. 1, 2027 through Dec. 31, 2027.

Service Credit and Contributing Months

Traditional Pension and Combined Plans Continued

- Earnable salary of more than \$773.29 per month is considered full-time service credit Jan. 1, 2028 through Dec. 31, 2028.
- Earnable salary of more than \$786.82 per month is considered full-time service credit Jan. 1, 2029 through Dec. 31, 2029.

Part-time Service Credit for Calculating Pensions

If you work less than 12 months in a year or your earnable salary is less than the amounts listed above, you will receive part-time service credit toward your pension.

Service Credit and the OPERS Health Care Program

All service credit earned and purchased applies toward an increased pension benefit.

As of Jan. 1, 2014, to earn full service credit applicable to eligibility for the OPERS health care program in the Traditional Pension and Combined plans, you must earn a minimum of \$1,000 per month, and only the following service credit types will apply to health care program eligibility:

- Contributing service (which includes plan change service credit)
- Eligible Ohio Retirement System service combined at retirement
- Interrupted military time (USERRA)
- Unreported public service
- Redeposit (refunded/restored) service

Member-Directed Plan

If you are participating in the Member-Directed Plan, you earn contributing months rather than service credit when your contributions are remitted by your employer and posted to your OPERS account. If contributions are not remitted during any reporting period on your behalf, then you will not receive contributing months for that period. Contributions are due from your employer the month following the month in which your pay period ended. It is important to note, contributions are not immediately available to your investment accounts at the point they are deducted from your paycheck.

Employer contributions to your account are vested based on your contributing months of service. One year of participation is defined as 12 contributing months of participation in the plan. The percentage you are vested in your employer contributions determines the amount you are entitled to receive either at refund or when you retire.

The chart below illustrates the years of participation required to vest in all or a portion of the employer contributions made on your behalf:

Attained Years of Participation	Percentage Vested in Employer Contributions
Less than 1 year	0%
1 Year	20%
2 Years	40%
3 Years	60%
4 Years	80%
5 Years	100%

Service Credit and Contributing Months

Purchasing Service Credit

You may be eligible to purchase service credit or contributing months through OPERS with direct payments or through your employer by post-tax payroll deduction (see page 14), subject to certain limitations. This includes the purchase of credit for positions held out-of-state, with the federal government or with an Ohio municipal retirement system. While purchased service will be used in the calculation of regular OPERS benefits under the Traditional Pension Plan and the defined benefit portion of the Combined Plan, only certain types of service credit may be used in the calculation of a law enforcement benefit under the Traditional Pension Plan. For more information, please refer to the *OPERS Law Enforcement/Public Safety Officers* leaflet.

Rollover distributions from another qualified plan may also be used to purchase service credit in the Traditional Pension and Combined plans or contributing months in the Member-Directed Plan. Additionally, members participating in the Traditional Pension or Combined plans may purchase service credit with a plan-to-plan transfer from a 457(b) or 403(b) plan.

Consideration should be given to the best time to make a purchase. Factors such as comparing current cost against cost once closer to retirement eligibility, and method/length of installment payments should be evaluated. Once payment commences, service purchases are limited to 60 months and require a minimum monthly payment to be met. During the 60 months, payments do not have to be consistent. However, any remaining balance after the 60-month term may be purchased in part or whole by an additional single payment which can be made any time prior

to retirement. With the exception of plan change service credit, the remaining balance will be based upon a recalculated cost. For plan change service credit, the remaining balance will include interest accrued during the 60-month term. Remaining balances after the additional payment are no longer eligible for purchase and are forfeited.

Cost statements should be read closely to ensure proper understanding of terms and conditions of commencing a service purchase. All purchases should be made prior to submitting your retirement application to prevent a delay in benefits as all service purchases must be completed before OPERS issues your initial retirement benefit. Please access your account online, or contact OPERS if you wish to make a service purchase or complete an existing purchase. You may run an estimate of cost or initiate a cost statement request online. OPERS will provide you with a cost statement and advise you of the methods in which you can submit payment. Service credit can be purchased once eligibility for the type of service is met.

Members who are receiving disability benefits and are within the leave-of-absence period may still purchase credit during this leave-of-absence period. The recalculation of their disability benefit due to the service purchase shall be on a prospective basis only.

Service Credit and Contributing Months

Purchased Service Credit Under the Traditional Pension and Combined Plans

Only members in the Traditional Pension Plan or Combined Plan may purchase the types of service credit discussed in this section. With certain exceptions, most service purchases do not count in determining eligibility for the additional amount when refunding from the Traditional Pension or Combined plans. Refer to the *Terminating Public Employment Leaflet* or opers.org for more information.

Military Service

You may purchase up to five years of active military service (which may include Red Cross service in a combat zone) or an amount equal to your total Ohio service credit, whichever is less. If you were captured by the enemy, you may purchase up to five years spent as a prisoner of war. This service credit may not be purchased for any period of military duty during which a member of OPERS, State Teachers Retirement System of Ohio (STRS), or the School Employees Retirement System of Ohio (SERS) was contributing to the retirement system. For OPERS members with accounts at STRS and/or SERS and retiring on a joint basis under the Traditional Pension Plan, a maximum of five years of military service may be purchased between the systems.

A copy of the military discharge or separation form must be submitted as evidence of the military service or discharge. You must establish a year of full-time Ohio contributing service before a cost statement can be prepared. Since the cost is based on your earnable salary for the period of contributing service immediately preceding the month in which the request to purchase is received, future cost statements could be at a higher amount unless an installment payment or payroll deduction is made. After the first partial payment or payroll deduction is made, interest is applied to any unpaid balance and the 60-month payment window commences.

Free Military Service

For military service which occurred prior to Oct. 13, 1994, up to 10 years of free service credit may be granted if you left public employment for active duty in the armed forces (after a minimum of one year of contributing OPERS service) and returned to

contributing status with OPERS, STRS, SERS, Ohio Police and Fire Pension Fund (OP&F), HPRS or the Cincinnati Retirement System (CRS) within two years after discharge.

You must establish one year of service credit in the Traditional Pension or Combined plans of OPERS or the other Ohio Retirement Systems upon your return to public employment and furnish OPERS with a copy of your military discharge or separation notice.

Members who did not exercise the option to obtain Free Military between Jan. 7, 2013 and July 7, 2013 and those whose military service occurred on or after Oct. 13, 1994 may have the option to purchase the time under USERRA provided they meet eligibility.

Exempt Service

If you have been an OPERS member contributing for at least 18 months, you may purchase service credit, which was previously covered by a valid exemption under OPERS. Your employer must complete a Certification of Unreported Public Service form for certification of the service to be purchased.

Since the cost is based on the greater of your earnable salary for the twelve months of contributing service immediately preceding the month in which the request to purchase is received or your final average salary, future cost statements could be at a higher amount unless an installment payment or payroll deduction is made. After the first partial payment or payroll deduction is made, interest is applied to any unpaid balance and the 60-month payment window commences.

Service Credit and Contributing Months

Purchased Service Credit Under the Traditional Pension and Combined Plans Continued

Out-of-state, Federal or Ohio Municipal Retirement System Service Credit

You may purchase credit for:

- Service with the federal government
- Service in another state which, had the service been in Ohio, would have been covered by an Ohio state retirement system

The maximum credit that may be purchased is five years or an amount equal to your total Ohio retirement system service credit, whichever is less, if that out-of-state or federal service credit is not used for another retirement benefit (except Social Security for retired pay for non-regular service). For persons retiring on a joint basis under the Traditional Pension Plan and from STRS and/or SERS, a maximum of five years of out-of-state service may be purchased between OPERS, STRS and SERS.

Certification by the appropriate federal, state or municipal authority must be presented to OPERS. Affidavits for proof of out-of-state or federal retirement system service credit cannot be accepted. A *Certification of Federal, Out-of-state or Municipal Service* form must be completed for certification of the service purchase.

Leave of Absence

Up to one year of credit may be purchased if you were on an authorized leave of absence for any reason or resigned due to pregnancy or adoption of a child any time after Jan. 1, 1935.

You must have contributed for at least one year in the Traditional Pension or Combined plan after returning from the leave. To obtain a cost statement a *Certification of Leave of Absence* form must be completed by your employer at the time of the leave stating:

- You were on an authorized leave of absence or resigned due to pregnancy or adoption of a child

- The inclusive dates of the leave of absence
- The hourly rate of pay you earned at the beginning of your authorized leave
- If your resignation was due to pregnancy or adoption of a child, we also need a copy of the child's birth certificate or adoption decree.

Plan Change Service

If you change from the Member-Directed Plan to the Traditional Pension Plan or from the Combined Plan to the Traditional Pension Plan, in some instances, you may be able to use the vested portion of your Member-Directed account balance or your Combined Plan account value (depending upon which plan you are changing from) to purchase equivalent service in the Traditional Pension Plan. The cost is determined by a calculation recommended by the OPERS actuary. Please refer to the appropriate *Changing Your Retirement Plans* leaflet for more detailed information.

Former members of the Combined Plan who terminated service and received a refund from the Combined Plan prior to Jan. 1, 2022, may be able to purchase equivalent service in the Traditional Pension Plan if certain conditions are met. If the former member returns to public employment on or after Jan. 1, 2022, and elects to participate in the Traditional Pension Plan, the member may purchase plan change service credit for the amount of service credit that was refunded from the Combined Plan. The former member must participate in the Traditional Pension Plan for at least twelve contributing months prior to the purchase. The cost is determined by a calculation recommended by the OPERS actuary and, in this instance, the former member is treated as if he or she was a participant in the Combined Plan and elected to plan change to the Traditional Pension Plan.

Service Credit and Contributing Months

Purchased Service Credit Under the Traditional Pension and Combined Plans Continued

Elected/Appointed Service

Any elected official may purchase service for earlier non-contributing elected service after the official has contributed to OPERS for at least 18 months, provided the service was not subject to Social Security. Your employer must complete a *Certification of Unreported Public Service* form for certification of the service to be purchased.

Any elected official, or individual who has been appointed by the Governor with the advice and consent of the Ohio Senate to serve full time as a member of a board, commission or other public entity, may also purchase 35 percent additional credit under the following conditions:

- OPERS membership was established prior to Jan. 1, 2001
- Participation was in the Traditional Pension or Combined Plan
- Credit purchased is for full-time service only. Full-time service for elected officials to purchase 35 percent time is \$1,000 per month and does not include in-term pay increases.
- Full-time terms were NOT subject to Social Security

For those elected officials who became OPERS members on or after Jan. 1, 2001, federal tax law limits the amount of 35 percent additional credit to five years and the member must have at least five years of OPERS service credit before they are eligible to purchase this service.

Elected officials who were purchasing 35 percent additional credit via pre-tax payroll deduction, met eligibility for and opted to purchase additional 35 percent time to secure the lower cost prior to Sub. S.B. 343, must complete their initial purchase in total in order to retain any subsequent periods of 35 percent additional credit purchased. Additionally, in-term pay increase do not count toward health care program eligibility and cannot be used to make an elected official eligible to purchase 35 percent additional credit for the term during which the pay increase occurred.

School Board Service

You may purchase credit for service as a school board member performed before June 30, 1991 if you retire within 90 days of the purchase. Your employer must complete a *Certification of Unreported Public Service* form for certification of the service to be purchased.

Workers' Compensation

You may be eligible to purchase service credit in the Traditional Pension Plan or Combined Plan for any period during which you were off the payroll because of an injury for which a weekly award through Workers' Compensation was received. Your claim number and a record from the Bureau of Workers' Compensation must be submitted as proof accompanied by a request. A maximum of three cumulative years with all Ohio retirement systems may be purchased. You must return to work in order to be eligible to purchase your BWC time.

Service Credit and Contributing Months

Purchased Service Credit/ Contributing Months Under all the OPERS Retirement Plans

This section highlights the types of service credit that may be purchased under the Traditional Pension Plan, the Combined Plan or the Member-Directed Plan.

Interrupted Military Service (USERRA)

You may purchase credit or contributing months for time spent in the military that interrupted your public service. You must work for an OPERS-covered employer, enter the military, and return to work for the same public employer within three months of discharge or release from the uniformed services.

Your cost to purchase this military service is only the employee contributions that would have been paid on the earnable salary that you would have received had you not gone into the military. Interest will be added if not paid within the lesser of five years or a period, which is three times the period being purchased beginning from the later of the member's date of re-employment or Oct. 29, 1996. The employer must make the employer contributions on the earnable salary you would have received.

A copy of the military discharge or separation form must be submitted as evidence of your military service and discharge. A *Certification of Interrupted Military Service* form must also be completed.

Leave of Absence, Less Than One Year

A member, who was off the payroll on an authorized leave of absence for less than one year, may purchase that service or obtain contributing months directly from OPERS within a 12-month

period from the beginning date of the leave. To obtain a cost statement, a *Certification of Leave of Absence* form must be completed by your employer at the time of the leave stating:

- You were on an authorized leave of absence
- The inclusive dates of the leave of absence
- The hourly rate of pay you earned at the beginning of your authorized leave

Unreported Public Service

If you have service after Jan. 1, 1935 for which no retirement contributions were taken, it may be possible to obtain service credit or contributing months. If the service was before the date contributions were required for your unit of government, or if the service was exempt, you may be eligible to buy the credit under the Traditional Pension or Combined plan.

If the service was after the date membership was required, and it was not exempted, the determination whether credit or contributing months may be granted and who will pay the cost will be made after service records are filed with OPERS. Your employer must complete a *Certification of Unreported Public Service* form for certification of the credit to be obtained.

Service Credit and Contributing Months

Purchased Service Credit/ Contributing Months Under all the OPERS Retirement Plans Continued

Individuals classified as contractors have a window of time to seek a membership determination from OPERS. House Bill 67, effective March 7, 2013, amended Revised Code 145.037, which was enacted by Sub. Senate Bill 343. No requests for determinations for personal services provided before Jan. 7, 2013, will be accepted after Aug. 7, 2014, unless the individual is able to demonstrate through medical records to the OPERS Board of Trustees' satisfaction, they were physically or mentally unable to submit the request before the deadline.

Additionally, House Bill 59 further refined guidelines for membership determination if the request was received from the individual on or after Sept. 29, 2013. To be eligible for a determination if the request is received on or after Sept. 29, 2013, the member must not have established 10 years of OPERS service credit after the period of time requested to be evaluated for membership.

Redeposit of Refunds

OPERS members who received a refund from the Traditional Pension or, under certain circumstances, the Combined plan may redeposit the amount withdrawn to the same plan from which the member refunded. The amount required to be re-deposited differs for each plan.

Redepositing in the Traditional Pension Plan

After returning to OPERS-covered employment and contributing to the Traditional Pension Plan for at least 18 months, or working in a job covered by one of the other state retirement systems for at least 18 months, you are eligible to redeposit the money withdrawn from the Traditional Pension Plan. The redeposit automatically restores the service credit that was lost as a result of the refund. The cost will include the amount refunded, plus interest.

Redepositing in the Member-Directed Plan

Members cannot restore or purchase refunded Member-Directed Plan participation in any of the

three OPERS retirement plans.

Redepositing in the Combined Plan

After returning to OPERS-covered employment and contributing to the Combined Plan for at least 18 months, members participating in the Combined Plan on December 31, 2021 are eligible to redeposit the money withdrawn from the Combined Plan. Service in the Ohio Police and Fire Pension Fund and the Ohio State Highway Patrol Retirement System may also be used to establish the 18 months for eligibility to redeposit refunded Combined Plan service. The redeposit automatically restores the service credit lost as a result of the refund.

The cost will include the amount refunded from the defined contribution portion of the plan and, if applicable, the defined benefit portion of the plan, plus interest. Some of the amount paid to restore service credit in the Combined Plan will be credited to your individual defined contribution account and invested in the OPERS investment options you select for future contributions. If applicable, the remaining portion is credited to the defined benefit portion of the plan.

Former members of the Combined Plan who terminated service and received a refund from the Combined Plan prior to January 1, 2022, may be able to purchase equivalent service in the Traditional Pension Plan if certain conditions are met. Redepositing your refunded service in the Combined Plan will no longer be an option because the Combined Plan is no longer a plan selection option on or after January 1, 2022. If the former member returns to public employment on or after January 1, 2022, and elects to participate in the Traditional Pension Plan, the member may purchase plan change service credit for the amount of service credit that was refunded from the Combined Plan. For more information about this option, refer to the *Plan Change Service* section of this leaflet.

Service Credit and Contributing Months

Converted or Prorated Non-Law Enforcement Service

Traditional Pension Plan members who have contributed to OPERS as a law enforcement officer or a public safety officer may convert or prorate (if applicable) regular and public safety service credit to law enforcement service credit and regular service credit to public safety service credit that is not concurrent with any public safety or law enforcement service credit by one of the following options:

1. The member may convert up to five years of total service credit. This option will require the member to pay for the cost to convert the service credit.
2. Or if applicable, the member may use all their regular and/or public safety service credit to prorate service credit. This option would require the member to accept a lesser amount of law or public safety service credit in exchange for the regular and/or public safety service credit at no cost to the member.

The total cost to convert regular or public safety service credit is based on a formula that equals the full actuarial liability resulting from the conversion of the service credit. The cost reflects the value of the higher law enforcement retirement benefit associated with the conversion and, when applicable, the value of allowing the member to retire with an unreduced law enforcement benefit earlier and/or a higher law enforcement final

average salary. The total cost is then reduced by the non-law enforcement lump sum benefit available to you in lieu of the conversion. The member is responsible for paying the remaining amount due.

Similar to the full conversion calculation described above, the proration calculation also calculates the cost equal to full actuarial liability resulting from the conversion of the service credit. The service credit amount that is subject to proration is reduced to an amount for which the cost is fully covered by the non-law enforcement lump sum benefit (non-concurrent service only) available to you in lieu of the proration.

Request for conversion or prorated service credit will be generated only if the member is already eligible to retire with a public safety or law enforcement benefit or becomes eligible for retirement by completing the conversion or proration.

Members must retire within 90 days from the receipt of the first payment to convert the service credit or the receipt of the agreement to prorate the service credit. If a member has regular or public safety service credit that is concurrent with the public safety or law enforcement service credit and is not eligible for conversion or proration, the accumulated contributions for the concurrent service shall be paid as a non-law annuity.

The total cost to convert regular or public safety service credit is based on a formula that equals the full actuarial liability resulting from the conversion of the service credit.

Service Credit and Contributing Months

Transfer of Service Credit Under the Traditional Pension or Combined Plans

Ohio Police and Fire Pension Fund, Highway Patrol Retirement System or Cincinnati Retirement System

Service credit may be granted by a direct transfer of contributions to OPERS for an OPERS member who has contributions on deposit with, but is no longer contributing to, OP&F, HPRS or CRS. To be eligible to transfer service from OP&F, HPRS or CRS, OPERS must have the most service credit, you must be eligible to retire or, with the transfer, be eligible to retire and agree to retire not later than 90 days after transferring the service. The only exception is for members who started a transfer prior to Jan. 7, 2013. Those members can continue their purchase absent the requirement to retire not later than 90 days after transferring the service.

If the contributions were refunded, then the service credit must be re-deposited in the retirement system where the member currently contributes. The OPERS Traditional Pension and Combined plans can accept direct transfers from OP&F, HPRS or CRS. However, due to Ohio retirement law, these previously mentioned systems only accept direct transfers from the OPERS Traditional Pension Plan.

To be eligible to purchase service withdrawn from OP&F, HPRS or CRS, OPERS must have the greater or the most service credit, you must have at least 18 months of contributing service credit with OPERS, and you must be eligible to retire or, with the purchase of service, will be eligible to retire and agree to retire not later than 90 days after purchasing the service.

A member in the OPERS Combined Plan, if no longer contributing to OP&F or HPRS, may directly transfer contributions from OP&F or HPRS to this system if the following eligibility requirements are met:

- OPERS must have, at the time of transfer, the most service credit.
- The member must be eligible to retire or with the transfer, be eligible to retire and agree to retire not later than 90 days after the service credit is transferred.

A member in the Combined Plan should be aware if the OP&F or HPRS contributions are in Law Enforcement, the transfer to OPERS will not be as Law Enforcement. Rather the contributions and service will be treated as Non-Law because OPERS Law Enforcement members cannot contribute to the Combined Plan.

Service credit may be granted for an OPERS member who has contributions on deposit with, but is no longer contributing to, OP&F, HPRS or CRS



Service Credit and Contributing Months

Other Service Credit Available Under the Traditional Pension Plan

Membership in Multiple Retirement Systems

At retirement, OPERS members participating in the Traditional Pension Plan who also have accounts with STRS and/or SERS may choose to have their contributions and service credit in the OPERS Traditional Pension Plan, SERS and the STRS Defined Benefit Plan combined for the purpose of determining eligibility for and calculation of benefits. If this option is chosen, the system that has the most service credit will pay the benefit, while funds and service credit in the other system(s) are transferred to the paying system. If service has been refunded from SERS or the STRS Defined Benefit Plan, members in the Traditional Pension Plan have the option of re-establishing that service. It may be purchased directly with the other system or via post-tax payroll deduction with the current OPERS-covered employer if the member is no longer a contributing member of the other system.

Retirement Incentive Plan Credit

For members participating in the Traditional Pension Plan, total service credit may include credit purchased by an employer for an employee under a statutorily-authorized retirement incentive plan. The service credit purchased for the employee cannot exceed either of the following:

- The lesser of an amount specified in the employer's plan, or
- Five years or 20 percent of the employee's established service credit.

If you are participating in the Member-Directed or Combined plan, you must change to the Traditional Pension Plan to be eligible to participate in a retirement incentive plan. You will need to have a plan change available and be eligible to apply for age and service retirement under the Traditional Pension Plan.

Other Special Considerations for all the OPERS Retirement Plans

Alternative Retirement Plans

Full-time employees at state colleges and universities may be eligible to make an election to participate in an Alternative Retirement Plan in lieu of membership in OPERS. OPERS service credit is not available for any period covered by an ARP.

Membership in STRS and/or SERS

OPERS members participating in any of the OPERS retirement plans who have acquired service credit in SERS or STRS may retire independently from each system. This allows the member to receive a benefit from each system. In order to take advantage of this

option, a member must meet the age and service credit eligibility requirements, which are specific to each system, to retire, and terminate public employment under **all** Ohio retirement systems prior to the earliest retirement effective benefit date.

Continuing Employment -Traditional Pension Plan Only

Members holding two or more concurrent positions in OPERS, SERS or STRS may retire from the higher paying position and continue working in the lower paying position without forfeiting benefits.

Service Credit and Contributing Months

Estimate/ Payment Options for Service Credit Purchases

If you have registered for an online account, you can login and obtain an estimated cost for the following types of service credit: elective, 35 percent additional elective service credit, exempt, leave of absence, out-of-state, federal, regular military, refunded and school board. Your online account also allows you to check your payoff balance, payment history and payment statements online.

You may make payment directly to OPERS or, in certain instances, use post-tax payroll deduction through your employer to purchase additional service credit in the plan to which you are currently contributing. In order to determine your eligibility for the additional service credit and its cost, you should contact OPERS. We will then issue you a *Service Purchase Cost Statement*, which will display the payment option(s) available to you. Payments made directly to OPERS may be made in a single lump sum or through installments.

The amount of service you will be granted depends upon the payment amount received by OPERS, up to the full purchase cost. Payments to purchase

service credit may not be refunded, unless public service terminates and you apply to receive a full refund of the retirement plan in which the service credit, or contributing months, was purchased and the type of service credit is refundable.

Payroll Deductions

Members participating in the Traditional Pension Plan or Combined Plan may use post-tax payroll deduction, subject to certain limitations, to make payments if the member is presently working for an OPERS-covered employer. If the type of service you are purchasing qualifies for payroll deduction, this option will appear on your Service Purchase Cost Statement along with a minimum monthly deduction amount. The minimum deduction reflects the greater of the amount necessary to exceed the current monthly interest charge on your purchase and reduce the outstanding service purchase cost or \$100. Rules for post-tax payroll deduction are explained in more detail in the next section.



Your online account also allows you to check your payoff balance, payment history and payment statements online.

Access your account at opers.org.

Service Credit and Contributing Months

Estimate/ Payment Options for Service Credit Purchases Continued

Rollovers

Certain service purchase types may be paid for with an eligible rollover distribution. Distributions from these plans must be classified as “eligible rollover distributions” as defined by the Internal Revenue Code. Roth IRAs and non-qualified annuity contracts (e.g. a 1035 exchange) are not eligible to be used as rollovers into OPERS.

Distributions from the following may be eligible for rollover into OPERS:

- Section 401(a) or 401(k) qualified employer plan
- SIMPLE IRA*
- Section 403(a) annuity plan
- Section 403(b) tax-sheltered annuity program
- Section 457(b) governmental deferred compensation program
- SEP IRA Plan
- Traditional IRA (Section 408)
- Keogh plan

You should contact a tax advisor for detailed information about eligible rollover distributions. You must contact your trustee directly to initiate the transfer of funds.

** A rollover may be made from a SIMPLE IRA after a two-year period beginning on the first day on which contributions made by your employer are deposited in your SIMPLE IRA.*

Post-Tax Payroll Deductions

Post-tax payroll deductions are subject to federal and state income tax at the time of deduction. These after-tax deductions are not taxable upon distribution by a refund or upon receipt of a retirement, disability or survivor benefit. You may increase or decrease the amount deducted by written notice to your employer, but the total payroll deductions aggregated for a month cannot be less than the minimum deduction amount. While making post-tax payroll deductions, you may also make additional or supplemental payments toward your service purchase. Payroll deductions can be stopped with written notice to your employer or by termination of employment.

Once post-tax payroll deductions commence, members will have 60 months to complete the purchase. Any time remaining after the 60 months may be purchased in part or whole by one additional single payment. After the additional payment, any remaining balance is not eligible for purchase.

For plan change service credit, payments must be consistent over the 60-month period and must purchase at least a fraction of service credit. Should payroll deductions either stop or drop below the amount that would purchase at least a fraction of service credit, the payroll deductions must cease and any remaining service credit is forever forfeited.

Service Credit and Contributing Months

Estimate/ Payment Options for Service Credit Purchases Continued

In-Service Plan-to-Plan Transfer

OPERS has the ability to accept plan-to-plan transfers from a 403(b) or 457(b) account without a distributable event. This is also called a trustee-to-trustee transfer or an in-service transfer because the employee does not have to terminate employment in order to transfer funds to OPERS for purchases of service credit in the Traditional Pension or Combined plans.

Transferring money from the Ohio Public Employees Deferred Compensation Program, which is a governmental 457(b) plan, while you are an OPERS member and still employed for the employer from which you contributed to the deferred compensation program, is considered a plan-to-plan transfer, not a rollover. If you are using funds from Ohio Deferred Compensation to purchase service, please contact them directly to obtain the required paperwork and initiate the transfer of funds.

Please note: Federal tax law prohibits OPERS from accepting 403(b) or 457(b) plan-to-plan transfers in excess of the cost of your purchase. Do not authorize the trustee of your 403(b) or 457(b) account to transfer more than the cost indicated on your Service Purchase Cost Statement.

Additional Form Required for Funds Transfers and Rollovers

If you are paying for your service credit purchase with funds from another retirement plan, you are required to complete and submit to OPERS the *Service Purchase Funds Transfer* form (SPFT). This form may be obtained from the OPERS website, opers.org in the Forms section, or by contacting OPERS at 1-800-222-7377. A funds transfer will not be posted without receipt of this completed form.



OPERS has the ability to accept plan-to-plan transfers from a 403(b) or 457(b) account without a distributable event.



Ohio Public Employees Retirement System
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ISL-F (01/2022)