



Retiring from Public Employment

For Members in the Member-Directed Plan



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.

Retiring from Public Employment - Member-Directed Plan

As a member of OPERS, you have been contributing to one of the nation's premier public retirement systems. Now that you are beginning the retirement application process and making the transition from active member to retiree, OPERS is committed to providing the same exemplary service while making the process simple and convenient. The following information will guide you through the application process and provide you with details of the distribution options available under the Member-Directed Plan.

Keep in mind: if you apply for retirement from the Member-Directed Plan and still have contributions in more than one OPERS retirement plan or another Ohio retirement system at that time, you will be treated as a retiree from all Ohio retirement systems, but must apply for retirement from other plans or systems separately.

The OPERS Member-Directed Plan

The Member-Directed Plan is a defined contribution plan under which your member and a portion of your employer contributions were deposited into your individual account and you directed their investment. Your account value at retirement is based on your final vested account balance at retirement. This is your contributions, your vested employer contributions, and any investment gains and/or losses on those contributions. (**See Important Information About Your Investment Account on page 7.)

In addition, a percentage of the employer contributions were credited to a Retiree Medical Account which you can use for the reimbursement of qualified health care expenses after retirement or termination of service and after taking a distribution from your individual account. See page 8 for more information regarding the RMA.

The following information will provide you with details about the distribution options available under the Member-Directed Plan. It is important to understand all your options before you complete any paperwork.

Retirement Eligibility

Members participating in the Member-Directed Plan are eligible to retire at age 55.

Estimating Retirement Benefit Payments

If you are within 12 months of retirement, we recommend calling OPERS for an estimate based on your current vested account balance. OPERS can provide a detailed annuity estimate using the current annuity factors, your retirement date, and the rate of return you expect to earn from the date of the estimate until your retirement date.

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Distribution and Payment Plan Options

When you apply for retirement, you'll be asked to select your retirement payment options. These will determine how you receive your monthly retirement benefit and/or lump sum refund.

At the time you file your application for a retirement benefit under the Member-Directed Plan, you may choose to receive a monthly annuity or annuitize a partial amount and elect to have the remaining account balance rolled over to another qualified retirement plan or sent to you directly with taxes withheld. The annuitized portion must be enough to yield a minimum monthly payment of at least \$50.

A monthly annuity provides monthly guaranteed income for you as long as you live. It is a fixed amount and increases with an annual cost-of-living adjustment (COLA) based on your original pension amount. All benefit recipients who have received benefits for 12 months are entitled to an annual COLA. The COLA is awarded on the anniversary of the member's retirement effective date and is determined by the recipient's retirement date.

The COLA will be based on an allowance equal to a percentage of the Consumer Price Index, up to three percent.

The COLA is not compounded, it will always be based on your initial retirement benefit, not the benefit plus accumulated COLAs. If the CPI used to determine a COLA is negative, no increase will be granted in the following year.

You may annuitize all or a portion of your individual account. If you annuitize anything less than 100 percent, you must also choose to have the remaining account balance rolled over to another qualified retirement plan or sent to you directly with taxes withheld.

If you want a lump sum of your entire account instead of electing a retirement benefit, see the *Terminating Public Employment* leaflet on opers.org.

**A monthly annuity provides
monthly guaranteed income for
you as long as you live.**

Retiring from Public Employment - Member-Directed Plan

Payment Plan Options for any Portion Taken as an Annuity

When you retire you will have the following OPERS payment plans from which to choose, for any portion of your defined contribution account you choose annuitize:

Single Life Plan

This is an annuity that is paid solely to the member for life. It terminates at the member's death, with no further monthly payments. If the total allowance received does not equal the amount the member elected to annuitize, the remaining balance is paid to the member's beneficiaries.

Joint Life Plan

This is a joint survivor annuity that is paid to the member for life. After the member's death, payment is made to one beneficiary in a specified amount from 10 to 100 percent. If a member is married at retirement, the member must designate at least a 50 percent Joint Life Plan to the member's spouse unless the member obtains spousal consent. Selecting a joint life plan actuarially reduces the monthly benefit that is paid to the member.

Multiple Life Plan

This joint survivor annuity provides payment to the member for life. After the member's death, payment will be made to the member's surviving beneficiaries. Members are permitted to designate two to four surviving beneficiaries. Selecting a multiple life plan actuarially reduces the monthly benefit that is paid to the member.



Retiring from Public Employment - Member-Directed Plan

Applying for a Retirement Distribution

Applying for your retirement distribution requires the completion of the *Member-Directed Plan Retirement Application (SR-1MD form)* available online at opers.org.

If you have contributions in any of the other OPERS retirement plans (Traditional Pension or Combined plan), you must complete that plan's retirement or online refund application when you are ready to take a distribution from that plan (assuming you meet the retirement eligibility requirements) or refund from that plan.

After you complete the retirement application form, you must sign it in the presence of a notary. Your employer's payroll officer will need to certify the last date that you will receive earnable salary. If you are not applying for retirement from the Member-Directed Plan and instead want to apply for a refund, the refund application is an online form that can be completed by accessing your account online at opers.org.

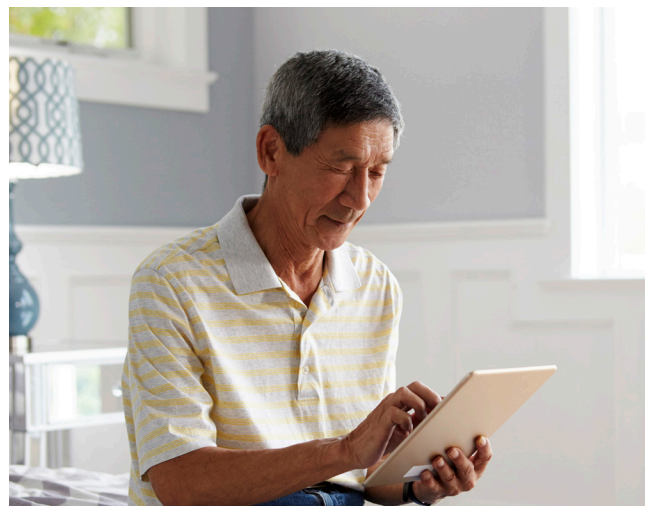
Your retirement application, along with all valid paperwork, can be filed six months prior to your effective retirement date. After filing your retirement application with OPERS, your benefit will be effective on the first of the month immediately following the later of:

- The date you terminate public employment (the last day for which compensation was paid, not the date you received payment)
- Attainment of age 55
- The date OPERS receives the retirement application

You will receive your first benefit payment approximately eight business days from your effective date or when OPERS receives all valid documentation from both you and your employer as well as your final contributions from your employer, whichever is later. After that, benefit payments are available, via mandatory direct deposit, on the first business day of the month.

Impact of Court Orders on Your Retirement Application

If your marriage is terminated by divorce or dissolution and, as part of the property division, the court orders you to designate your former spouse as a beneficiary on a joint and survivor annuity, you are required to designate your former spouse as a beneficiary for a specified portion (i.e. whole percentage) upon our receipt of the court order and upon your applying for retirement. When we receive a copy of the court order, the retirement system may only accept and process your retirement application if you have complied with the court order by designating your former spouse as a beneficiary on a joint and survivor annuity.



Retiring from Public Employment - Member-Directed Plan

Applying for a Retirement Distribution Continued

If you remarry prior to applying for retirement and are subject to a court order requiring you to designate your former spouse as a beneficiary for a specified portion on a joint and survivor annuity, you may select the Multiple Life Plan to designate your current spouse and former spouse as beneficiaries.

For more information, please refer to the *Domestic Relations* leaflet available at opers.org

Spousal Consent

If you are married, your current spouse must provide written consent on your retirement application to your choice of distribution option(s) and beneficiary designation(s). See Payment

Options on page 3. If your spouse does not provide written consent and you are not subject to a court order requiring you to designate your former spouse as beneficiary, your annuity will be paid under the Joint Life Plan with your spouse designated as your beneficiary for 50 percent. If you are subject to a court order requiring you to designate your former spouse as beneficiary and your current spouse does not provide written consent, your benefit will be paid under the Multiple Life Plan, with your current spouse and former spouse designated as your beneficiaries.



If you are married at the time you apply for retirement, your spouse must provide written consent on your retirement application to your choice of distribution option(s) and beneficiary designation(s).

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Applying for a Retirement Distribution Continued

Proof of Date of Birth

At the time you apply for a retirement distribution, you will have to submit proof of your date of birth, if you have not already done so. If you choose the Joint Life Plan or Multiple Life Plan, you must submit proof of date of birth for your beneficiary(ies). If you do not have a birth certificate, there are other ways to prove your birth date. *See list of acceptable documents on this page.*

Please include the following documents (if applicable) with your application:

- Proof of date of birth for you and your beneficiary(ies)
- Marriage certificate (if applicable)
- Court orders that may affect your retirement benefit
- A voided check or savings deposit slip for the account into which your payment will be deposited

Name Change

If you have changed your name, you also must submit supporting documentation, such as a Social Security card, passport, marriage certificate or court order, which shows the change. Please provide complete copies of the documents showing the name change as we do not return original documents. If you need to update your name before you apply, your supporting documentation can be sent with a request to update your name.

A photocopy of any one of the following is acceptable to OPERS. If an original is submitted, it will not be returned:

- An unexpired, state-issued driver's license or identification card
- A birth certificate
- Your parent's affidavit supporting your birth
- Your child's birth certificate which contains your age and/or date of birth
- An official hospital record of birth
- United States Census Bureau record (contact OPERS for a form to complete and send to the Census Bureau)
- United States passport

If you submit the document listed below, it must be the original. Please bring the document to the OPERS office. We will copy and return the original.

- United States certificate of citizenship or naturalization

If none of these documents exists, you may submit for review:

- An affidavit stating that none of the above-listed documents exists
- Any other document(s) that state your date of birth

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Applying for a Retirement Distribution Continued

Benefits and Taxes

All or part of your benefit payment is subject to federal and state income taxation. You should consult with a tax advisor about how these taxes affect your benefit. For more information, see the *Income Tax Guide For OPERS Benefit Recipients*.

Direct Deposit

Direct deposit for monthly benefit payments is required for recipients residing within the United States. OPERS will deposit your monthly benefit directly into your savings or checking account. There is no delay and no danger of losing or misplacing a paper check. You will have easy access to your funds through your financial institution. It is important to keep OPERS informed of any changes in your bank account information to prevent any delay in receiving your monthly benefit. You may access your individual online account at opers.org to change your bank account information. Or, you may notify us of any changes to your bank account information by obtaining a *Change Request* (F-50) form from our website. You may contact OPERS at 1-800-222-7377 and request to have this form mailed to you. If you mail the form to our office, please allow eight days following our receipt of your completed form for this change to take effect.

Social Security Coordination

If you are eligible for Social Security benefits and are receiving a retirement benefit from OPERS under any of the three OPERS retirement plans, your Social Security benefits may be affected by the Government Pension Offset (GPO) or the Windfall Elimination Provision (WEP). Keep in mind, your OPERS benefit will not be reduced by any Social Security benefit you may receive.

The GPO may also affect you if you are eligible for Social Security benefits through your spouse. The GPO is a reduction of Social Security benefits by two-thirds of your OPERS benefit. The WEP may affect you if you qualify for Social Security benefits due to your own work history. The WEP is a modified version of the Social Security benefit calculation.

If you have questions concerning the GPO or WEP, contact your local Social Security office or access its website at ssa.gov.

**Important Information about Your Investment Account

- Your individual account balance will remain invested and subject to market fluctuations until the date your funds are liquidated (“sold”) from your investment options to process your retirement distribution. Please note, your account balance will not be fixed or “frozen” as of a certain date.
- OPERS cannot guarantee a date by which your investment account balance will be liquidated. We will work with our third-party administrator for the Member-Directed Plan and follow our standard procedures to process your retirement/refund distribution. Unforeseen circumstances can occur that cause delays in processing.
- As a reminder, your account balance remains subject to daily gains and losses associated with the specific investment options you have chosen until your balance is liquidated. If you would like to make a change to your investment options between now and the time your account balance is liquidated, please visit opers.org and log into your online account or call OPERS to manage your defined contribution account.

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Retiree Medical Account

Under the Member-Directed Plan, a portion of employer contributions is credited to a Retiree Medical Account. Unlike your individual account, OPERS manages and directs the investment of your RMA. Interest, at a rate determined by the Board, is credited annually to your RMA. Upon distribution of your individual account at retirement, the RMA may be used for the reimbursement of qualified health care expenses. Claims can be submitted for dates of service that occur on or after your retirement effective date with OPERS. Distributions from your RMA are tax-free. For more details, please see the *Retiree Medical Account for Member-Directed Plan Participants* fact sheet available at opers.org.

The amount in your RMA you are entitled to use toward qualified health care expenses is based on your years of participation in the Member-Directed Plan and your date of hire or plan change effective date (see charts at right).

Regular written statements are mailed to your home address or you can call OPERS at [1-800-222-7377](tel:1-800-222-7377) to obtain your account balance Monday through Friday from 8 a.m. to 4:30 p.m.

Hired prior to July 1, 2015

Years of Participation in the Member-Directed Plan	Percentage vested
0	0%
1	20%
2	40%
3	60%
4	80%
5	100%

Hired on or after July 1, 2015 Plan changes* effective on or after Aug. 1, 2015

Years of Participation in the Member-Directed Plan	Percentage vested
0-5	0%
6	10%
7	20%
8	30%
9	40%
10	50%
11	60%
12	70%
13	80%
14	90%
15	100%

Retiring from Public Employment - Member-Directed Plan

Payment Plan Changes After Retirement

A monthly annuity payable for your lifetime by OPERS may only be modified based on the following life-changing events: death of a beneficiary(ies); marriage or remarriage; and/or divorce, dissolution or annulment of marriage upon the written consent of your former spouse or a court order permitting the change. You may change your payment plan at any time prior to issuance of your finalized monthly benefit by completing a new retirement application; however, if you are subject to a court order, the provisions of the court order may affect the ability to change your plan of payment. You will be able to designate a new beneficiary for your final vested account balance, if applicable.

Death of Beneficiary(ies)

If you choose a monthly annuity administered by OPERS and select the Joint Life Plan and your beneficiary dies before you, you will begin to be paid under the Single Life Plan after you submit a copy of the beneficiary's death certificate. You will be able to designate a new beneficiary for your final vested account balance, if applicable.

If you select the Multiple Life Plan and one of your beneficiaries dies before you, you will remain under this plan. Your benefit will be recalculated to reallocate to you the amount you previously allocated to the deceased beneficiary after you submit a copy of the deceased beneficiary's death certificate. There will be no change in the benefit allocation for the other beneficiaries. You will remain under the Multiple Life Plan until there are no longer any designated beneficiaries under the plan. At that time, your benefit will change to the Single Life Plan. The change will be effective the month following the last remaining beneficiary's date of death.

Marriage or Remarriage

If you select the Single Life Plan at retirement, your benefit may be recalculated under the Joint Life Plan, if you later marry or remarry, to provide for your new spouse. If you select the Multiple Life Plan, you may only add a spouse due to your marriage or remarriage if you have no more than three beneficiaries designated at the time you marry or remarry. However, if you select the Multiple Life Plan because you were court ordered to select a joint survivor annuity and designate your former spouse as a beneficiary, the specified portion that your former spouse is to receive as your beneficiary cannot be changed upon your designating a new spouse as your beneficiary.

You may select the Joint Life Plan because you are unmarried when you apply for retirement and you were court-ordered to select a joint survivor annuity and designate your former spouse as a beneficiary. If you remarry after retirement, you may select the Multiple Life Plan to add your new spouse. Your former spouse remains as a designated beneficiary. The whole percentage that your former spouse receives as your beneficiary will not be changed under the Multiple Life Plan when you designate a new spouse as your beneficiary.

Retiring from Public Employment - Member-Directed Plan

Payment Plan Changes After Retirement Continued

For marriages or remarriages that occur on or after June 6, 2005, you have up to one year from your date of marriage or remarriage to change your monthly annuity and to designate your new spouse as beneficiary. If your marriage occurred prior to June 6, 2005, you may change your plan of payment at anytime. You will need to contact us to request the *Plan of Payment Change Marriage* form. The change to the new plan of payment is effective on the date the form is received by our office. Any change in the amount of the benefit will begin on the first day of the month following our receipt of the properly completed form.

In the event your death occurs prior to OPERS' receipt of your properly completed and valid form, the change to your payment plan will not take effect.

Divorce, Dissolution or Annulment of Marriage

If you designate your spouse as your beneficiary under the Joint Life Plan, and a divorce, dissolution or annulment occurs after your retirement, you may elect to be paid under the Single Life Plan with the written consent of your former spouse or a court order. The change to the Single Life Plan will be effective the first of the month following our receipt of the properly completed *Plan of Payment Change Divorce* form and, if necessary, the appropriate court order. If, after you have changed to the Single Life Plan, you later remarry, your benefit may be recalculated under the Joint Life Plan to provide for your new spouse as set forth above.

If you designate your spouse as a beneficiary under the Multiple Life Plan, and a divorce, dissolution, or annulment occurs after your retirement, you may remove your former spouse as beneficiary with the written consent of your former spouse or a court order. You will remain under the Multiple Life Plan. Your benefit will be recalculated to reallocate to you the amount you previously allocated to your former spouse upon our receipt of your properly completed *Plan of Payment Change Divorce* form and if necessary, the appropriate court order.

There will be no change in the benefit allocation for the other beneficiaries under the Multiple Life Plan. The change in your benefit will be effective the first of the month following our receipt of your properly completed *Plan of Payment Change Divorce* form and, if necessary, the appropriate court order. If you later remarry, your benefit may be recalculated under this plan to provide for your new spouse, provided any specified portion to another former spouse, who is a designated beneficiary as required by a court order, remains unchanged. You will have one year from the date of your remarriage to change your benefit to provide for your new spouse.

Retiring from Public Employment - Member-Directed Plan

Returning to Work After Retirement

Re-employment is returning to work in an OPERS-covered position after retirement from OPERS or another Ohio retirement system. After a member retires under any of the OPERS retirement plans, re-employment in a job that is covered by OPERS or another Ohio retirement system, including service in an elected position, may affect continuing receipt of benefits.

Re-employed retirees must notify their employer that they are receiving a retirement benefit from OPERS or another Ohio retirement system. Potential re-employment plans should be discussed with the potential employer to determine whether there are any restrictions or policies on re-employment. Your current employer is not required to re-hire you after you retire.

Re-employed retirees are subject to the following requirements:

- A retiree who has received a retirement allowance for less than two months when re-employment begins will forfeit the retirement allowance for any month of re-employment during the two-month period. This forfeiture applies even if the retiree waives salary for the two-month period.
- Re-employed retirees will continue to receive their retirement benefit and contribute toward the Money Purchase Plan.
- Employee and employer contributions must begin from the first day of re-employment. However, contributions remitted during the first two months after retirement will not be included in the calculation of the Money Purchase Plan annuity.
- There are special requirements for the re-employment of elected officials.

For more information see the *Returning to Work After Retirement* leaflet or visit www.opers.org.

Retiring from Public Employment - Member-Directed Plan

Retirement Resources

Seminar Options

OPERS offers several educational options including in-person seminars, interactive webinars and online recorded presentations – all designed to meet your needs and assist you in making retirement decisions. In person seminars can be scheduled through your online account or over the phone. Webinars can be scheduled on opers.org, and recorded presentations are available anytime on opers.org. All three sources contain the same content.

Member Counseling

Phone Counseling - Perfect for members in the information gathering stage of their retirement planning.

Virtual Counseling - This is a Zoom counseling session; perfect for members looking for a little more detail in their information gathering. Our Counselors can walk through various tools, resources and even assist you in filing for retirement.

In-House Counseling - For members eligible to retire who would like to meet in person to complete the retirement application.

To schedule a one-on-one appointment with one of our counselors:

- Log in to your online account
- Call us at 1-800-222-7377

The OPERS Website – opers.org

Our website is a great resource for retirement information. Visit the Ready to Retire page for helpful information on what to consider before retirement, how to apply, and what to expect after retirement.

Online Account

To use your OPERS online account, you'll first need to register by visiting the OPERS website and clicking "Member Login." After completing some brief information, you will create a user name and password you can use to log into your online account.



Ohio Public Employees Retirement System
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ISL-P (07/2023)