

Rules of the OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

2026



PUBLIC EMPLOYEES RETIREMENT BOARD
277 East Town Street Columbus, Ohio 43215-4642

RUSSELL SMITH
State University and College Employees

STEWART SMITH
Miscellaneous Employees

CHRISTOPHER MABE
State Employees

JULIE ALBERS
County Employees

STEVE TOTH
Retirees

KEN THOMAS
Municipal Employees

TIM STEITZ
Retirees

Statutory Member

KATHLEEN MADDEN
Director, Ohio Department of Administrative Services

Appointed Members

JAY HOTTINGER
General Assembly Appointed Investment Expert

SCOTT RICHTER
Treasurer Appointed Investment Expert

JAMES KUNK
Governor Appointed Investment Expert

KAREN CARRAHER
Executive Director

Chapter 145. of the Ohio Administrative Code

This is an unofficial version of the Chapter 145. of the Ohio Administrative Code.
Official versions of these rules are available at www.registerofohio.state.oh.us.

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(A) Offices

- (1) The general offices of the public employees retirement board and its address of record is "277 East Town Street, Columbus, Ohio 43215-4642."
- (2) The location of the office may be changed or additional offices may be established or closed by appropriate board resolution.

(B) Meetings

- (1) Except as provided in this paragraph, regular meetings shall be held at nine a.m. on the third Wednesday of each calendar month. At the call of the chair, or in the event of the chair's incapacity, at the call of the vice chair, a regular meeting may be held on the Tuesday preceding the third Wednesday of a month at a time determined by the chair or vice chair. The date and hour of a regular meeting may be changed by appropriate board resolution.
- (2) Special meetings may be held at the call of the chair, or in the event of the chair's incapacity, at the call of the vice chair. Should both the chair and vice chair be incapacitated, a special meeting of the board may be called by any two members of the board.
- (3) The first meeting in each calendar year shall be the annual meeting, at which time as the first order of new business the board shall elect from its members a chair and a vice chair who shall take office immediately following their election. The chair-elect shall announce committee appointments for the coming year no later than the next regular meeting. The composition of the committees shall remain the same until the new appointments. New board members and re-elected board members shall be sworn in at the annual meeting.
- (4) The director of administrative services may designate a member of such individual's staff to act on the board in such individual's absence, provided the person designated is not disqualified by operation of law to act as such a representative.
- (5) A majority of the actual number of members that have been elected or appointed to and are serving on the board at the time of a meeting where official action is to be taken constitutes a quorum to conduct a meeting. A majority of those members present and voting yes on a proposal shall constitute a favorable vote. An abstention from voting shall not be counted as either an affirmative or negative vote, and a member who abstains shall not be counted as a member present to determine whether a majority needed for a favorable vote has been reached. A roll call shall occur if there is a division in the vote. Any board member may request a roll call on any vote.
- (6) The regular order of business for any meeting of the board shall be as follows:
 - (a) Roll call. An employee or retitant member of the board not able to be present may request to be excused. A request to be excused shall be moved by the chair and voted on by the board.

- (b) Items of business as presented on a written agenda sent to each board member, and made available to the public, prior to the meeting and such other items that may arise between the release date of the written agenda and the meeting date.
- (c) Announcement of next regular or special meeting date, hour and place.
- (d) Adjournment.
- (e) Without objection, the regular order of business may be changed by the chair or upon the request of a board member. If there is an objection, a motion, second and vote to consider an item out of turn is in order.

- (7) When a question of parliamentary procedure arises, the most current edition of "Robert's Rules of Order" shall be followed unless in conflict with Chapter 145. of the Revised Code, or this rule.
- (8) The minutes shall be the record of the proceedings of the board. Draft copies of the written minutes shall be circulated to the board in advance of each meeting. After approval, the final form shall be inserted in the minutes book of the board.

(C) Officers and their duties

- (1) The chair shall be elected and take office at the annual meeting of each year for a one-year term or until a successor is elected, whichever occurs first. The chair shall be the voice of the board and shall preside at all board meetings. The chair may call upon the vice chair to preside during a meeting. The chair shall appoint committees; make the determination whether a special meeting of the board is required; and when required, call the meeting. The chair shall present to the board for a vote the member's request to be excused for members unable to attend meetings.
- (2) The vice chair shall be elected and take office at the annual meeting in January of each year for a one-year term. The vice chair shall succeed to the chair in the event of the resignation, retirement or death of the chair. The vice chair shall preside in the event of the absence or incapacity of the chair or upon the request of the chair.
- (3) Under the direction of the chair, the executive director or other designated person shall keep the minutes of board proceedings.
- (4) Other officers of the board shall include the chairs of standing or special committees.

(D) Committees

- (1) The personnel and salary review committee shall consist of an odd number of board members up to a maximum of seven members. The exact number of members on the committee, the committee chair, and members shall be determined and appointed by the board chair. This committee shall meet at the call of its chair as occasion requires, to review compensation and personnel matters and to make recommendations through its chair and reports to the board on these matters.

- (2) The audit committee shall consist of five members: the board chair, the director of administrative services, an employee member appointed by the board chair, a retireant member appointed by the board chair, and one additional member appointed by the board chair. The board chair shall make appointments to the committee by considering the accounting, finance, or business management background of the board members. This committee shall meet twice annually, and at any other time at the call of the board chair, to review audit plans and audit findings of the retirement system's independent and/or internal auditors. The committee shall, through the board chair, make its reports to the board. The committee shall prepare and submit an annual report of its activities to the Ohio Retirement Study Council.
- (3) Appointments of the committee chairs and appointments of members to the regular committees listed are concurrent with the board chair who makes the appointment.
- (4) The chair of the board may, at times as required, appoint temporary or special committees for such purposes as the chair deems necessary. The chair of a temporary or special committee shall be announced when the members are named. Unless otherwise stated for a shorter period in the appointment, temporary or special committee appointments shall be concurrent with the board chair who makes such appointment.
- (5) The minutes shall be the record of the proceedings of a committee or subcommittee. Draft copies of the written minutes shall be circulated to the committee or subcommittee for approval. After approval, the final form shall be inserted in the minutes book of the board.

Promulgated Under: 111.15

Authorized By: 145.09

Rule Amplifies: 145.04, 145.05, 145.06, 145.07, 145.08, 145.09

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(A) Notifications

- (1) At its regular March meeting in each year that an election of members to the board is required, the public employees retirement board shall establish an election time schedule. The schedule shall establish the first Monday in October as the date and place for the election count to be conducted under the supervision of the secretary of state's office.
- (2) This schedule shall include the release of news articles to interested employee and employer organizations and other interested parties, a preliminary notice to employers, the mailing of notice of elections and nominating petitions, the last date for receipt of nominating petitions and required forms, the date of the meeting at which the board shall certify candidates for election, the date by which voting materials must be mailed to eligible voters at their home addresses, and the final date for receipt of votes.

(B) Nominations

- (1) Candidates for board members shall be nominated by petition on forms provided by the public employees retirement system.
- (2)
 - (a) Petitions and required forms for candidates as an employee representative on the board shall be mailed to employers by the system with the notice of election posters not later than the thirtieth day of June. At that time petitions and required forms may be sent to members who have requested them.
 - (b) Any member, except a member receiving a disability benefit pursuant to sections 145.35 and 145.36 of the Revised Code, who is not otherwise ineligible under Chapter 145. of the Revised Code, may be nominated to represent the employee group to which the member belongs by submitting petitions that contain at least five hundred valid nominating signatures. Petitions for an employee representative candidate shall contain not less than twenty signatures of members from each of at least ten counties in Ohio. The member's place of employment shall determine the county for such member.
 - (c) Members shall be eligible to sign a petition for an employee representative candidate if they are contributing members under an employing unit which would be represented by the candidate as of June thirtieth of the election year.
- (3)
 - (a) A notice of election procedures shall be sent to retirants at their home addresses of record with, or at the same time that the June benefit payment is released in the year of a retirant representative election. Petitions and required forms for candidates as the retirant representative board member shall be sent, to retirants who have requested them, on the date set by the board pursuant to paragraph (A) of this rule; however, such date shall be no later than June thirtieth.
 - (b) Any retirant, who is not otherwise ineligible under Chapter 145. of the Revised Code, may be nominated to represent the retirant group with petitions which contain at least two hundred fifty valid nominating signatures. Petitions for a retirant representative candidate shall contain not less than ten signatures of retirants from each of at least five counties in Ohio. The retirant's place of residence shall determine the county of such retirant.
 - (c) Individuals shall be eligible to sign a petition for a retirant representative candidate if they are retirants eligible to receive a monthly benefit as of July first of the election year.

(4) (a) Petitions and completed required forms for a candidate shall be received by the system no later than the petition filing date established by the board in the election time schedule. A petition received after such date is invalid.

(b) Petition signatures shall be verified based on records of the retirement system and the requirements of Chapter 145. of the Revised Code. Signatures that cannot be conclusively verified shall not be counted.

(c) The board shall certify qualified candidates for election. A qualified candidate is an individual who meets the requirements of Chapter 145. of the Revised Code and this rule as established by the records of the system. Based on the certification, the names of qualified candidates shall be placed on the ballot for election.

(C) Voting

(1) The board may conduct an election by paper ballots or through electronic methods.

(2) (a) Voting materials for each voting member or retiree of the system shall include a list of candidates, a biographical statement for each candidate, voting instructions, a disclaimer that neither the board nor the system endorses any particular candidate or statement, and any other materials the board deems necessary.

(b) (i) The biographical statement of a candidate shall be completed on a template provided by the system. The template shall provide for the candidate's name and county of residence, and may include an email address, website address, and telephone number. The employee representative candidate(s) shall also indicate the current public employer and job title.

The biographical statement of a candidate shall include a brief description of current or prior work and relevant industry knowledge or specific experience. The biographical statement shall not exceed two hundred words. The candidate must provide an affidavit signed by the candidate verifying the accuracy and truthfulness of the statement. The board reserves the right to edit such statement for length or inappropriate content with notice to the candidate.

(ii) In addition, a candidate must provide a disclaimer on or with any written or spoken campaign material that neither the board nor the system endorses any particular candidate or statement, and submit such materials to staff to pre-approve the disclaimer prior to disseminating.

(3) If a candidate is elected by a margin of less than one percent of the votes cast, a recount will automatically be conducted.

(4) In the event there is a tie vote, the vote shall be decided by a coin toss. Certification of the election results shall be provided by the secretary of state at the office of the system.

(D) Protests

(1) (a) An individual who fails to obtain sufficient valid nominating signatures by the petition filing date may file a protest on the insufficiency of such individual's petitions. The

protest shall be in writing and received by the system no later than five calendar days after notice of the insufficiency.

- (b) A protest shall be heard at the board's next meeting. The individual may be represented by legal counsel at the hearing and may present any information and/or documents relevant to the protest for the board's consideration. The executive director shall notify the individual in writing of the board's decision. If the board determines that the protest is valid, it shall certify the individual for that representative group election.
- (c) Once the board makes a determination of a protest on the sufficiency of an individual's petitions, neither the insufficiency nor determination shall be the basis for any other protest to the board pertaining to that individual. The board's decision is final.

(2) (a) An unsuccessful candidate in an election may file a protest in the candidate's representative group election. This protest shall be in writing and received by the system no later than five calendar days after notice of the unofficial election results.

(b) A protest shall be heard at the board's next meeting.

- (i) The protesting candidate may be represented by legal counsel at the hearing. The successful candidate may appear, and may be represented by legal counsel. The protesting candidate and the successful candidate may submit any information and/or documents relevant to the protest for the board's consideration.
- (ii) The executive director shall notify the protesting candidate in writing of the board's decision.
- (iii) If the board determines that the protest is valid, it shall declare the election for that representative group void, and the position vacant. A new election for that representative group shall be held pursuant to division (C) of section 145.06 of the Revised Code. The board's decision is final.

(E) Vacancies

(1) Except as provided in this paragraph, if a vacancy occurs in the term of an employee member or retirant member of the board, the remaining retirement board members shall determine the schedule and manner in which they will select a successor member. The board is not required to elect a successor member for a vacancy that occurs on or after the first day of October of the year in which the vacated term ends, as described in section 145.06 of the Revised Code.

(a) The board shall notify the membership or retirant group affected by the vacancy in the same manner as is done for elections of retirement board members. This notice shall state the procedure for candidates for the vacancy to submit their names to the board, and the procedures for selection by the board of the candidate to fill the vacancy. Candidates shall qualify under the same eligibility requirements as the predecessor in office.

(b) The board shall select a successor member from those names submitted to it. A successor member shall be selected by a majority vote in which successive ballots shall occur until one candidate receives a majority. However, in the event there is a tie vote, the vote shall be decided by a coin toss.

- (2) If a vacancy occurs because an individual is unable to assume the office at the January meeting of the board following the individual's election, the board shall conduct a new election as provided in this rule, except that the time schedule for the election shall occur in order to comply with section 145.06 of the Revised Code.
- (3) All documents regarding filling the vacancy, including resumes and forms required by the system, shall be made available to any person upon request and payment of the cost of compiling, copying, and mailing the documents.

Promulgated Under: 119.03

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Board travel and expense reimbursement policy

(A) (1) As provided in section 145.08 of the Revised Code and this rule, members of the public employees retirement board described in section 145.04 of the Revised Code shall be reimbursed by the public employees retirement system for travel expenses incurred for retirement system business that are:

- (a) Actual, necessary and reasonable, and
- (b) (i) Incurred during attendance at meetings of the retirement board or its committees, or,
 - (ii) At meetings, conferences, seminars, workshops or sessions presented by other organizations and other group meetings as authorized by the retirement board.

(2) Meetings shall provide education to board members, be necessary for the performance of their duties, be appropriate to the general purpose of the retirement system and be in the interest of the retirement system's participants.

(3) "Actual, necessary and reasonable expenses" mean expenses which are incurred, appropriate in the circumstances and within prudent judgment.

(B) Travel expenses for approved travel that are reimbursable from the retirement system include, but are not limited to, the following:

- (1) Transportation
 - (a) Travel by common carrier shall be reimbursed in an amount limited to the actual cost of a coach or economy class ticket, except if no such ticket is available and the travel is necessary then at the actual cost of the available ticket.
 - (b) In-state travel by personal vehicle shall be reimbursed for mileage at the established reimbursable rate. Out-of-state travel by personal vehicle shall be reimbursed at the lesser of "portal to portal" or "air travel cost."
 - (i) "Portal to portal" expenditures for this calculation include the actual cost of lodging, meals, parking at place of lodging in route, and mileage at the established reimbursable rate.
 - (ii) "Air travel cost" expenditures for this calculation include the actual cost of a thirty-day advance coach air fare, airport parking, transportation from the airport to destination lodging, and mileage between home and the airport at the established reimbursable rate.
 - (c) The cost of a rental automobile if it is a reasonable alternative means of transportation under the circumstances.
 - (d) The cost of parking for a personal or rental vehicle if necessary and required.
 - (e) The cost of taxi cabs or public transportation where reasonable under the circumstances.

- (2) Lodging at the single occupancy rate.
- (3) Meals and beverages, excluding alcohol, at reasonable amounts not to exceed limits set by the board.
- (4) Tips based on reasonable and customary amounts, not to exceed limits set by the board.
- (5)
 - (a) Telephone calls or other electronic transmissions that are for retirement system business.
 - (b) Personal telephone calls to home/family when travel will require an overnight stay and then such calls must not exceed limits set by the retirement board.

(C) Reimbursement shall not be made for personal expenditures which include, but are not limited to, the following.

- (1) Entertainment such as movies, theater or sports tickets, or green fees.
- (2) Personal services such as valet service, laundry or dry cleaning, or other such goods or services. However, if travel is seven days or longer, reasonable laundry and dry cleaning expenses may be reimbursed.

(D) (1) The board, at a regular or other meeting, shall approve in advance all travel for its board members except travel:

- (a) To and from meetings of the board or its committees or other retirement system business within the state of Ohio, or
- (b) For which a board member will not seek reimbursement.

(2) Requests for travel authorization shall be made in writing and submitted to the executive director who shall present the request to the board at its next meeting.

(3) A board member shall not be reimbursed for any expense if the travel for which the expense was incurred was not for system business, or the travel has not been authorized by the board.

(E) Requests for reimbursement of expenses for travel shall be submitted with the required documentation on a form provided by the system and in accordance with the system's reimbursement procedures.

Promulgated Under: 111.15
Authorized By: 145.08
Rule Amplifies: 145.08
Rule Review Date: 9/14/07, 9/2/12, 9/14/17, 9/21/22, 9/21/27
Effective Date History: 12/9/95, 4/10/05, 11/30/07

(A) Pursuant to section 145.09 of the Revised Code, payment of employee bonuses are subject to the guidelines established by the public employees retirement board as reflected in the investment department annual incentive plan. The plan shall be reviewed and approved on an annual basis by the board, and may be interpreted, amended, rescinded, and/or terminated at any time in the board's discretion. The plan shall establish incentive awards weighted against quantitative performance components, focusing on the public employees retirement system's actual relative investment performance compared with external benchmarks. The plan may also incorporate a qualitative component based on annual goals. Any and all material modifications to the plan, including, but not limited to those related to the assignment of incentive awards, identification of performance measures and standards, and determination of plan payouts and actual payouts, require the board's prior approval.

(B) Participation in the plan is limited to certain public employees retirement system full-time investment professionals. Participation in the plan in any one year does not confer the right to participate in the plan in the current or any other year and does not confer the right to continued employment.

Promulgated Under: 111.15

Authorized By: 145.09

Rule Amplifies: 145.09, 145.092

Rule Review Date: 9/29/09, 9/24/14, 9/24/19, 9/29/20, 9/25/25,
9/25/30

Effective Date History: 4/10/05, 1/1/15

- (A) For purposes of division (A)(4) of section 145.114 and section 145.116 of the Revised Code, an investment manager may be designated as an "Ohio-qualified investment manager" if the investment manager and/or any parents, affiliates, or subsidiaries of the investment manager meets the requirements of divisions (A)(1) and (A)(2) of section 145.116 of the Revised Code.
- (B) For purposes of sections 145.114 and 145.116 of the Revised Code, "principal place of business" includes an office in which the agent or investment manager regularly provides securities or investment advisory services and solicits, meets with, or otherwise communicates with clients.

Promulgated Under: 111.15

Authorized By: 145.09

Rule Amplifies: 145.114, 145.116

Rule Review Date: 9/29/09, 9/24/14, 9/24/19, 9/29/20, 9/25/25,
9/25/30

Effective Date History: 4/10/05, 1/1/16

The retirement board, pursuant to sections 145.09 and 145.11 of the Revised Code, may create limited liability companies, partnerships, trusts, corporations or other qualified entities to facilitate the investment of its funds.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.09, 145.11

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 7/17/74, 9/27/97, 12/7/00, 1/1/03, 1/1/06, 1/16/26

- (A) The public employees retirement board authorizes its staff to make determinations required under Chapter 145. of the Revised Code, including, but not limited to, membership, exemptions or exclusions from membership, earnable salary, benefits, and employer reporting. Membership determinations may be appealed to the retirement board pursuant to rule 145-1-11 of the Administrative Code. A staff or senior staff membership determination as described in rules 145-1-10 and 145-1-11 of the Administrative Code that is not timely appealed shall be the final determination of the public employees retirement board. Determinations mandated by statute may not be appealed to the board.
- (B) The public employees retirement board authorizes its staff to establish payment plans with public employers within staff's discretion to satisfy employer billings issued pursuant to Chapter 145. of the Revised Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01, 145.012, 145.03, 145.036, 145.037, 145.038, 145.32, 145.33, 145.331, 145.332, 145.35, 145.36, 145.361, 145.362, 145.38, 145.382, 145.383, 145.40, 145.43, 145.431, 145.45, 145.46,

145.47, 145.48, 145.483, 145.51

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/27/30

Effective Date History: 3/17/76, 11/2/91, 9/27/97, 11/2/00, 1/1/03, 6/20/03, 4/24/07 (Emer.), 8/9/07, 1/1/11, 1/7/13 (Emer.), 3/24/13, 5/8/14, 1/1/16

- (A) Any affected person may request a determination of membership by providing the public employees retirement system with a written request and supporting documentation of the nature of work performed for which a determination is requested.
- (B) Upon receipt of a membership determination request, the system shall review the submitted information and, if necessary, request additional information from any party. The system shall obtain certification from the public employer prior to issuing a determination. Based upon a review of all information submitted, the system shall issue the staff determination by certified mail to the impacted parties. Any affected person may appeal the staff determination. An appeal, together with additional supporting information, shall be submitted in writing and received by the system not later than thirty days after the issuance of the staff determination.
- (C) After submission of a timely notice of appeal, the system shall review all information and issue a senior staff determination. The senior staff membership determination may be appealed as provided in rule 145-1-11 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.036, 145.037, 145.038, 145.09

Rule Review Date: 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 7/7/13 (Emer.), 9/16/13, 1/1/17

- (A) Any affected person may appeal a senior staff membership determination made pursuant to the staff's authority provided in rule 145-1-09 of the Administrative Code to the public employees retirement board as provided in this rule.
- (B) The senior staff determination shall be in writing and sent by certified mail, return receipt requested. An appeal shall be submitted in writing and received by the executive director not later than sixty days after the date of the senior staff membership determination. It shall state the senior staff membership determination to be reviewed and the basis for the review.
- (C)
 - (1) The retirement board may delegate its authority to hear an appeal to an independent hearing examiner prior to the retirement board making its final decision on the appeal. The hearing may be conducted in person or, based on the agreement of the parties, through written submission.
 - (a) The independent hearing examiner must be licensed to practice law in the state of Ohio. The independent hearing examiner shall conduct a hearing or review of the parties' written submissions and issue a report and recommendation to the retirement board.
 - (b) If a hearing is conducted, there shall be a transcript of the hearing. At the hearing, parties to the appeal and staff are permitted to submit evidence in the form of witness testimony and any form of documentation. At the hearing, parties to the appeal may be represented by counsel or other representative, and staff may be represented by the office of the attorney general.
 - (c) The original report and recommendation shall be sent to the retirement board. Copies of the report and recommendation shall be provided to the parties to the appeal and to staff. Within fifteen days of the date of issuance of the report and recommendation by the hearing examiner, the parties to the appeal and staff may submit written objections to the report and recommendation. The written objections shall be submitted to the retirement board and shall not exceed fifteen pages in length. Copies of the written objections shall be sent to the parties to the appeal and to staff.
 - (2) If a written objection is filed under paragraph (C)(1)(c), the retirement board may permit the parties to the appeal and staff to make a personal appearance before the retirement board prior to the retirement board's final review of the appeal.
 - (a) If a personal appearance is permitted, the parties to the appeal shall be notified in writing by certified mail, return receipt requested, of the time and place of such appearance.
 - (b) A party to the appeal may be represented by counsel or other representative at the retirement board meeting at which the personal appearance is scheduled and staff may be represented by the office of the attorney general.
 - (c) Each party and staff will be given the opportunity to make final arguments, not to exceed five minutes, to the retirement board, and answer any questions of the retirement board.
 - (d) No additional testimony or documentation from the parties will be accepted by the retirement board during the personal appearance. The staff shall prepare and submit a summary memorandum.

- (3) The record of any appeal shall consist of the information submitted by the parties and staff to the hearing examiner, the report and recommendation, the transcript of the hearing, any objections to the report and recommendation and the minutes of any personal appearance.
- (4) The retirement board shall review the report and recommendation and any objections to the report and recommendation in determining whether to accept, reject, or modify the report and recommendation and may remand to the hearing examiner for further findings before making its final decision.
- (5) The parties to the appeal and their representatives shall be notified in writing by certified mail, return receipt requested, of the retirement board's final decision.

(D) The retirement board's decision on any determination conducted pursuant to this rule shall be final and determinative and may be summarily applied to all similarly situated employees of the same employer.

(E) The executive director or the director's designee shall notify the parties to the appeal in writing of any notice required by this rule.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.036, 145.037, 145.038, 145.09

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 11/17/76, 11/2/91, 2/3/00, 1/5/01, 3/25/02

(Emer.), 6/15/02, 1/1/03, 4/24/07 (Emer.), 8/9/07, 11/30/07, 12/10/12; 1/7/13 (Emer.), 3/24/13, 1/1/17

(A) Any person may determine the time and place of all regularly scheduled meetings and the time, place and purpose of all special meetings by any of the following methods:

- (1) Consulting the website of the public employees retirement system at www.opers.org;
- (2) Calling the retirement system during normal business hours at (800) 222-7377;
- (3) Requesting electronic notice of all meetings of the public employees retirement board. The retirement system shall maintain a list of all persons and news media who have requested such notification. A request for such notification shall comply with all of the following:
 - (a) Contain the name of the person making the request and an email address to which electronic notice should be sent;
 - (b) Be sent to the retirement system by electronic mail to boardnotice@opers.org; and
 - (c) Be received by the retirement system not less than forty-eight hours prior to any regularly scheduled meeting or special meeting.

(B) The retirement system shall provide notice of meetings in accordance with the following:

- (1) For regular meetings, notice shall be given at least four days prior to the meeting and shall specify the time and place of the meeting.
- (2) For special meetings, notice shall be given immediately upon scheduling the meeting, but not less than twenty-four hours before the meeting and shall specify the time, place, and purpose of the meeting.
- (3) For special meetings in the event of an emergency requiring immediate board action, notice shall be given as soon as possible and shall specify the time, place, and purpose of the meeting.

Promulgated Under: 111.15
Statutory Authority: 145.09, 121.22
Rule Amplifies: 145.07, 121.22
Rule Review Date: 9/29/10; 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 1/21/76, 4/30/94, 1/1/03, 1/1/06, 12/10/12

- (A) Except as otherwise provided in Chapter 145. of the Revised Code, the public employees retirement board shall adopt rules pursuant to section 111.15 of the Revised Code.
- (B) Any person or organization may obtain notice of any proposed amendment, rescission, or adoption of a rule by making a written request that their name be placed on the mailing list to receive the retirement board's meeting agenda. Notice shall be provided to only one representative of an organization.
- (C) Notice of adopted rules after such rules are effective shall be mailed to public employers, and, when applicable, reported in publications sent to members, contributors, or retirants and benefit recipients.
- (D) Any form or document referenced in Chapters 145-1 to 145-4 of the Administrative Code shall not be incorporated into such chapters unless specifically provided for within the rule.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.09

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 9/22/76, 9/27/97, 1/1/03, 1/1/06, 1/1/16

- (A) This rule is applicable to Chapter 145. of the Revised Code excluding sections 145.80 to 145.98 of the Revised Code.
- (B) The board shall distribute the funds established in Chapter 145. of the Revised Code to participants and their beneficiaries in accordance with the provisions of such chapter. No part of the corpus or income of these funds may be used for or diverted to any purpose other than the exclusive benefit of the participants and their beneficiaries.
- (C) A member who satisfies the eligibility requirements of section 145.32 or 145.332 of the Revised Code shall have a non-forfeitable right to receive the benefit payable as allowed by Chapter 145. of the Revised Code. If there is a termination of the plan described in sections 145.201 to 145.79 of the Revised Code, the rights of each affected member to the benefits accrued at the date of termination, to the extent then funded, are non-forfeitable.
- (D) Employer contribution forfeitures arising from severance of employment, death, or for any other reason of the member may not be applied to increase the benefits any participant would otherwise receive under Chapter 145. of the Revised Code in accordance with section 401(a)(8) of the Internal Revenue Code and applicable regulations thereunder.
- (E) Notwithstanding any provision in Chapter 145. of the Revised Code or Chapters 145-1 to 145-4 of the Administrative Code to the contrary, distributions to members and beneficiaries shall be made in accordance with section 401(a)(9) of the Internal Revenue Code and applicable regulations thereunder and with the following rules.
 - (1) The entire interest of a member shall be distributed to such member:
 - (a) Not later than the required beginning date; or
 - (b) Beginning not later than the required beginning date, in accordance with applicable regulations, over the life of such member and a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code.
 - (2) The required beginning date means April first of the calendar year following the later of:
 - (a) The calendar year in which the member attains the required minimum distribution age; or
 - (b) The calendar year in which the member retires.
 - (3) If distribution of a member's benefit has begun in accordance with section 401(a)(9) of the Internal Revenue Code and the accompanying regulations, and the member dies, any survivor benefits will be distributed at least as rapidly as under the plan of payment selected and effective as of the date of the member's death.
 - (4) If a member dies before the distribution of the member's interest has begun in accordance with section 401(a)(9) of the Internal Revenue Code and the accompanying regulations, the entire interest of the member will be distributed within five years after the death of such member. However, if a benefit is payable to or for the benefit of a beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed (in accordance with applicable regulations) over the life of such beneficiary (or over a period not extending beyond the life expectancy of such beneficiary), provided that such distributions begin not later than one year after the date of the member's death. If the beneficiary is the surviving spouse

of the member, distributions shall not be required, pursuant to this section, to begin until the end of the calendar year in which the member would have attained the required minimum distribution age.

- (5) Any death benefit amounts payable under Chapter 145. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code and regulations thereunder.
- (6) A reasonable and good faith interpretation of section 401(a)(9) of the Internal Revenue Code and the final regulations issued December 29, 2004 shall apply to all plan years commencing on and after January 1, 2006.
- (7) A retiree or beneficiary who would have been required to receive required minimum distributions for 2009 from an additional annuity or money purchase account but for the enactment of section 401(a)(9)(H) of the Internal Revenue Code (“2009 RMDs”), and who would have satisfied that requirement by receiving distributions that are (a) equal to the 2009 RMDs or (b) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the retiree, the joint lives of the retiree and retiree’s designated beneficiary, or for a period of at least ten years (“Extended 2009 RMDs”), will not receive those distributions for 2009 unless the retiree or beneficiary chooses to receive such distributions. Retirees and beneficiaries described in this paragraph shall be given the opportunity to elect to receive the distributions described in this paragraph.

(F) Whenever the amount of any benefit is to be determined on the basis of actuarial assumptions, the assumptions shall be specified by resolution of the board in a way that precludes employer discretion.

(G) The term “spouse” shall mean:

- (1) A member’s legal spouse at the applicable time.
- (2) For purposes of meeting any requirements under the code, an individual who is legally married to a member, including a marriage of same-sex individuals that is validly entered into in a state whose laws authorize the marriage of two individuals of the same sex, even if the individuals are domiciled in a state that does not recognize the validity of same-sex marriages.
- (3) As and when required by law, for all purposes under the plan, an individual who is legally married to a member, including a marriage of same-sex individuals that is validly entered into in any state.

Further, the terms “married” and “marriage” shall have a meaning consistent with the definition of spouse at the applicable time. Individuals (whether part of an opposite-sex or same-sex couple) who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under state law that is not denominated as a marriage under the laws of that state are not legally married. For this purpose, the term “state” means any domestic or foreign jurisdiction having the legal authority to sanction marriages.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.09

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 12/27/01 (Emer.), 3/22/02, 1/1/03, 4/1/08
(Emer.), 6/23/08, 1/1/11, 1/7/13 (Emer.), 3/24/13, 1/1/16, 1/1/21

- (A) The employer contribution rate for a newly created public employer shall be established by examining the enabling statute, ordinance or resolution. If such enabling authority creates a local government employer, or which is primarily funded by such employers, the local government employer contribution rate shall apply. If the enabling authority creates a state government employer, or which is primarily funded by such employers, the state government employer contribution rate shall apply.
- (B) If there is a change in an enabling statute, ordinance or resolution that causes an employer contribution rate to no longer be accurate, the employer's rate shall change to the appropriate rate described in paragraph (A) of this rule.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.48

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 7/19/72, 9/27/97, 1/1/03, 1/1/06

Pursuant to sections 145.22, 145.47, 145.48, and 145.49 of the Revised Code the public employees retirement board shall establish employee, state government employer, local government employer, public safety, and law enforcement contribution rates after the recommendation by the retirement board's actuary.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.22, 145.47, 145.48, 145.49

Rule Review Date: 9/29/10; 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 6/16/76, 7/31/89, 1/1/91, 9/30/91, 9/27/97, 11/2/00, 4/5/01, 3/22/02, 1/1/03, 1/1/10

- (A) This rule amplifies and is in addition to the provisions of division (R) of section 145.01 of the Revised Code.
- (B) As used in division (R)(1) of section 145.01 and this rule:
 - (1) "During the year" means the calendar year or not later than one month following the calendar year in which a payment is made;
 - (2) "Sponsored by the employer" means the employer funded a program in whole or in part.
- (C) For purposes of section 145.016 of the Revised Code, the earnable salary for each month upon which a member's service credit is allowed shall be the salary reported by the employer for all pay period end dates in each calendar month or more frequent interval.
- (D) Provided the amount is not otherwise excluded from earnable salary under section 145.01 of the Revised Code or this rule, for the purposes of the calculations required pursuant to sections 145.47, 145.48, and 145.49 of the Revised Code, a public employee's salary, wages, or earnings shall include amounts:
 - (1) Treated as deferred income for federal income taxation under Internal Revenue Code section 401(k), 403(b) or 457;
 - (2) Designated by the employer as picked-up contributions under Internal Revenue Code section 414(h)(2) by either a salary reduction method or the gross salary under a fringe benefit method; or
 - (3) Not treated as income for federal income taxation under Internal Revenue Code section 125 except as provided in paragraph (F)(5) of this rule.
- (E) For purposes of section 145.01 of the Revised Code and this rule:
 - (1) "Conversion program" means the employer's annual program for conversion of sick leave, personal leave, and vacation time, as described in division (R)(1)(b) of section 145.01 of the Revised Code, and that meets all of the following:
 - (a) The retirement system has received a copy of the employer's resolution, meeting minutes, or other formal documentation detailing the terms and adoption of the conversion program;
 - (b) The documentation described in paragraph (E)(1)(a) of this rule is submitted annually to the public employees retirement system not later than December thirty-first of the year for which the program applies to determine compliance with section 145.01 of the Revised Code and this rule;
 - (c) Payments under the conversion program are not issued before the retirement system reviews and approves the program;
 - (d) Participation in the program is not based on the member's service credit in the retirement system or an agreement to retire.
 - (2) Earnable salary shall be reported on a report of retirement contributions for the year in which such payment was accrued.

(3) “Leave accrued, but not used” means any leave accrued during the calendar year, less any leave used in the calendar year.

(F) The following payments made by the public employer are “earnable salary”:

- (1) Payments for overtime worked and payments for accrued but unused compensatory time for overtime worked if such payments are made during the year in which the compensatory time is accrued;
- (2) Payments made annually or more frequently as a supplement for longevity of service;
- (3) Stipends paid to a student that are subject to federal income taxation;
- (4) Payments made for assuming call or stand-by responsibility;
- (5) Payments made in lieu of salary, wages, or other earnings for sick leave used under a donated sick leave program;
- (6) Any other payment subject to a determination under rule 145-1-09 of the Administrative Code.

(G) The following payments made by the public employer are not “earnable salary”:

- (1) Payments made by the employer for accrued overtime worked or for compensatory time for overtime worked that are made at any time other than in the year in which the overtime or compensatory time is accrued;
- (2) Payments made by the employer as a residency bonus to employees;
- (3) Payments made representing either one-time lump-sum payments or payments made periodically but not related to or not made upon the basis of the individual employee’s basic rate of pay;
- (4) Retroactive payments made by the employer within thirty-six or sixty months of the employee’s effective date of retirement, as determined by the number of years used in the calculation of the employee’s final average salary under section 145.017 of the Revised Code, and with an understanding that the employee would retire;
- (5) Monetary amounts that are in excess of the employee’s gross salary paid in lieu of a fringe benefit or a cash value placed on that fringe benefit;
- (6) The amount in excess of gross salary paid under a fringe benefit method as picked-up contributions under Internal Revenue Code section 414(h)(2);
- (7) Stipends paid to a student that are not subject to federal income taxation;
- (8) Payments made as honoraria that means a nominal payment made for services for which there is no binding legal obligation to pay;
- (9) Payments made as fees or commissions that are fixed charges or calculated as a percentage of an amount, including but not limited to, percentages of sales, tips, amounts paid to individuals who serve on a fee basis or compensation on a per page, per meeting, per inspection, or per emergency response event;
- (10) Payments paid by the employer to an individual who is not a public employee;

- (11) Payments for accrued, but unused sick leave, personal leave, or vacation that are made at the time of termination of employment; and
- (12) Reimbursement for expenses;
- (13) Any other payment subject to a determination under rule 145-1-09 of the Administrative Code.

(H) (1) If a member or retirant is reinstated without interruption or loss of time to the member or retirant's former or comparable position of employment and awarded back wages pursuant to a final court order, arbitration or personnel board of review order, grievance award, or other settlement or order, the earnable salary upon which employee and employer contributions are due is the earnable salary that would have been due the employee for the entire period of reinstatement. "Comparable position" includes positions with similar titles, grades, classifications, occupational categories or salaries.

- (a) Employee and employer contributions shall be reported and paid in the same amount as would have been contributed if the member or retirant had been reported to the retirement system during the period of reinstatement. If the member or retirant is reinstated to a comparable position, contributions for the period of reinstatement are based on the salary of the comparable position. If the amount of earnable salary cannot be reasonably determined, then the amount shall be the average earnable salary during the twelve-month period immediately preceding the date of termination.
- (b) If a member had previously taken a refund of the member's accumulated contributions pursuant to section 145.40 of the Revised Code or Article VIII of the combined plan document at the time of termination, the member may purchase the refunded service pursuant to section 145.31 of the Revised Code or rule 145-3-22 of the Administrative Code.
- (c) If a member on or after the date of termination, applied for and received a benefit pursuant to section 145.32, 145.33, 145.332, 145.335, 145.35, 145.36, 145.361, 145.37, or 145.46 of the Revised Code or article IX of the member-directed plan document, and any period of reinstatement is concurrent with a period for which the member received a benefit, section 145.362, 145.38, 145.382, or 145.383 of the Revised Code, whichever is applicable, shall apply.

(2) If a member or retirant is awarded additional earnable salary pursuant to a final court order, arbitration or personnel board of review order, grievance award, or other settlement or order for any period of employment for which contributions were made, the earnable salary upon which employee and employer contributions are due is the additional earnable salary that would have been due for the period of the award. Employee and employer contributions shall be reported and paid in the same amount as would have been contributed if the member or retirant had been reported to the retirement system during the period of employment.

(I) (1) Prior to remitting deductions on compensation on which there is a question of whether such compensation is earnable salary, the employer shall request a determination by the retirement board.

- (2) If the employer fails to request a prior determination and the board determines the salary, wage or earning to be earnable salary, then the employer shall be liable for employee and employer contributions pursuant to section 145.483 of the Revised Code if no deductions have been remitted.
- (3) If the employer fails to request a prior determination and the board determines the salary, wage or earning is not earnable salary, then the retirement system may do either of the following:
 - (a) Except as provided in paragraph (I)(3)(b) of this rule, refund up to a maximum of the current calendar year of contributions plus three full calendar years of contribution prior to the current year;
 - (b) For a member who is within one year of attaining age and service retirement eligibility, refund not more than twelve months of contributions.

Promulgated Under: 111.15

Statutory Authority: 145.01, 145.09

Rule Amplifies: 145.01, 145.016, 145.47, 145.48, 145.49

Rule Replaces: 145-1-48

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 6/18/86 (Emer.), 8/28/86, 5/27/88, 10/31/88, 3/17/89, 8/31/91, 8/31/92, 6/1/96, 9/27/97, 11/2/00, 1/1/03, 1/1/06, 1/1/07, 1/1/12, 1/7/13 (Emer.), 3/24/13, 1/1/14, 7/1/14, 1/1/16, 1/1/21, 1/1/25, 1/1/26

(A) For the purposes of this rule:

- (1) “Employer account summary” means the statement issued each calendar month by the public employees retirement system to a public employer that represents the obligations for the preceding calendar month.
- (2) “Employer liabilities” means any amount due to the retirement system under Chapter 145. of the Revised Code or section 3305.06 of the Revised Code but does not mean nor include employee contributions or deductions due pursuant to section 145.47 or 145.294 of the Revised Code.
- (3) “Received” means actual receipt by the retirement system, the postmark date, or the date scheduled to pay via electronic payment.
- (4) “Supplemental report” has the same meaning as in rule 145-1-28 of the Administrative Code.
- (5) The ninetieth day and thirtieth day shall be computed in the method described in section 1.14 of the Revised Code.

(B) (1) Employer liabilities shall be received by the retirement system not later than the ninetieth day after the calendar end of the quarter in which it became a liability.

(2) Beginning on January 1, 2008, employer liabilities shall be received by the retirement system not later than the thirtieth day after the last day of the calendar month for which related member contributions are withheld.

(C) Employer liabilities received after the due date described in paragraph (B) of this rule shall be assessed penalties and interest pursuant to division (C) of section 145.51 of the Revised Code.

(D) (1) Notwithstanding division (B)(1) of this rule, amounts due from an employer based on a supplemental report shall be received by the retirement system not later than the end of the quarter following the date the supplemental report was received.

(2) Notwithstanding division (B)(2) of this rule, amounts due from an employer based on a supplemental report shall be received by the retirement system not later than the thirtieth day after the last day of the calendar month following the date the supplemental report was received.

(3) If the amount due under the supplemental report as described in this paragraph is past due, interest and penalty on the amount shall be assessed in the same manner as described in division (C) of section 145.51 of the Revised Code.

(E) Pursuant to division (A)(2) of section 145.01 of the Revised Code, the governmental unit with which the contract has been made as described in that section shall remain the employer for purposes of section 145.51 of the Revised Code and this rule.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.51
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 5/31/97, 9/27/97, 1/1/03, 1/1/06, 4/6/07
(Emer.), 7/1/07, 1/1/14, 1/1/21

(A) For the purposes of this rule and sections 145.294 and 145.47 of the Revised Code:

- (1) “Employee contribution” means the full amount of employee contributions due for a particular reporting period pursuant to section 145.47 of the Revised Code or employee deductions pursuant to section 145.294 of the Revised Code.
- (2) “Filed” means actual receipt by the public employees retirement system, the postmark date, or the date scheduled to pay via electronic payment.
- (3) “Report” means a record of the employee contributions that is free from errors or omissions and is in the form required by the public employees retirement board.
- (4) “Reporting period” means the monthly or more frequent interval for which an employer reports employee deductions that contains all pay period ending dates occurring in the calendar month.
- (5) “Supplemental report” means a report of employee contributions that is submitted by the employer in addition to the regular report due to the employer’s need to report additional contributions for the employer’s payment of a disability payment, retroactive salary payment, payment pursuant to a settlement agreement, longevity payment, payment to a terminated or deceased employee, or payment to an election worker that requires membership in the system.
- (6) The thirtieth day shall be computed in the method as described in section 1.14 of the Revised Code.

(B) The employer shall transmit for each reporting period subsequent to the date of coverage, an amount equal to the applicable percent of each contributor’s earnable salary. Both employee deductions to the retirement system and a corresponding report shall be filed with the system no later than the thirtieth day after the last day of the reporting period for which they are due.

(C) For employee contributions due on or after the effective date of this rule, if either an employee contribution or the corresponding report is not filed on or before the thirtieth day after the last day of the reporting period for which they were due, a penalty as described in section 145.47 of the Revised Code shall be added.

(D)

- (1) Upon submission of a supplemental report, the employer shall also submit additional documentation, as required by the retirement system, to substantiate the nature and reason for the supplemental report.
- (2) Notwithstanding paragraph (B) of this rule, the supplemental report, the corresponding contributions, and the documentation required in paragraph (D)(1) of this rule shall be received by the system not later than the thirtieth day after the last day of the month during which the member was paid the supplemental amount.
- (3) Failure to provide any of the items in paragraph (D)(2) of this rule by the date specified in that paragraph shall cause the deductions to be subject to the penalty described in paragraph (C) of this rule.

(E) If a member elects to have additional contributions remitted to the retirement system pursuant to section 145.2916 of the Revised Code, the contributions shall be remitted concurrently with the period of denied salary.

(F) Pursuant to division (A)(2) of section 145.01 of the Revised Code, the governmental unit with which the contract has been made as described in that section shall remain the employer for purposes of section 145.47 of the Revised Code and this rule.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.294, 145.2916, 145.47

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/1/06, 1/1/11, 1/7/13 (Emer.), 3/24/13, 1/1/14, 5/8/14, 1/1/16

145-1-31 Payment for periods of noncontributing service

- (A) This rule amplifies section 145.483 of the Revised Code.
- (B) For purposes of this rule:
 - (1) "Exempt" means exempt from membership in the public employees retirement system pursuant to Chapter 145. of the Revised Code as effective during the period of noncontributing service and for which there is a properly executed written exemption.
 - (2) "Excluded" means excluded from membership in the retirement system because Chapter 145. of the Revised Code specifically excludes a person, or the person is not a public employee.
 - (3) "Noncontributing service" means a period of employment or service for which employee contributions pursuant to section 145.47 of the Revised Code were due, but not deducted by an employer, because the service was neither exempt nor excluded.
 - (4) "Properly executed written exemption" means an exemption form provided by the retirement system, that was signed by both the employee and employer, received by the retirement system within one month from the date employment began, and approved by the retirement system.
- (C) An employer that failed to deduct employee contributions from a public employee during a period of employment, after January 1, 1935, for state employees or after July 1, 1938, for all other employees, for which employee contributions were required shall certify the earnable salary for such noncontributing service period on a form provided by the retirement system. This certification must be based on records available to the employer.
- (D)
 - (1) After receipt of the employer's certification, the retirement system shall prepare an employer billing statement for employee and employer contributions and interest for the period of noncontributing service.
 - (2) Interest shall be calculated through the end of the year preceding the date of the employer billing statement.
 - (3) The amount of employee contributions shall be calculated using the employee contribution rate, earnable salary and maximum contribution limits in effect during the period of noncontributing service.
 - (4) The amount of employer contributions shall be calculated using the employer contribution rate in effect during the period of noncontributing service.
 - (5) The employer is liable for the total amount due in the employer billing statement.
 - (6) If the amount contained in the employer billing statement is not paid, it shall be added to the employer's monthly billing summary.

(7) Service credit for the period of non-contributing service shall be granted to the member on the earlier of the date the system receives payment in full from the employer or the due date of the employer billing statement described in paragraph (D)(5) of this rule.

(E) (1) An employer shall not be billed for a period of noncontributing service that occurred before a period of contributing service for which a member received a refund of the member's accumulated contributions, pursuant to section 145.40 of the Revised Code or article VIII of the combined plan document, until the member has made a redeposit of the refund, pursuant to section 145.31 of the Revised Code or rule 145-3-22 of the Administrative Code.

(2) The following applies when an employee who is or was exempt from membership pursuant to section 145.03 of the Revised Code with a public employer also has noncontributing service and is an employee with the same public employer.

(a) Absent a written exemption, the period of noncontributing service shall be billed to the employer pursuant to section 145.483 of the Revised Code and this rule.

(b) An employer shall not be billed for periods of exempt service that are subsequent to a period of noncontributing service unless the subsequent period of exempt service begins within three months from the last date of compensation for the noncontributing service.

(c) Once the service credit is granted to the member as described in paragraph (D)(7) of this rule, a properly executed written exemption will no longer be accepted by the retirement system.

(3) A member who has service that was exempt and not billed to an employer may purchase such exempt service pursuant to section 145.28 of the Revised Code and PERS rules.

(F) Except as provided in paragraph (F)(4) of this rule:

(1) Employee contributions paid by the employer pursuant to section 145.483 of the Revised Code and this rule shall be held in the employers' accumulation fund as defined in division (B) of section 145.23 of the Revised Code.

(2) Employee contributions paid by the employer, pursuant to section 145.483 of the Revised Code and this rule, shall be refunded to such employer in the event the member receives a refund of the member's accumulated contributions pursuant to section 145.40 of the Revised Code, a distribution under article VIII of the combined plan document, or a payment under division (H) of section 145.384 of the Revised Code. Amounts paid for employer contributions, interest or other fees, pursuant to section 145.483 of the Revised Code, shall remain with the retirement system.

(3) The employer which received employee contributions, pursuant to paragraph (F)(2) of this rule, shall be liable for a return of such employee contributions if the employee again becomes a member of the retirement system and either makes a redeposit pursuant to section 145.31 of the Revised Code or rule 145-3-22 of the Administrative Code. The retirement system shall bill the employer for the employee contributions plus interest calculated from the date of the refund through the end of the year preceding the date of the statement.

(4) (a) For members participating in the member-directed plan, employee contributions and interest paid by the employer pursuant to section 145.483 and this rule shall be held in the member's employer contribution account, as defined in section 1.19 of the member-directed plan document. The amount credited to the member's employer contribution account pursuant to section 145.483 of the Revised Code shall vest in accordance with section 7.02 of the member-directed plan document. If the member receives a distribution under article VIII of the member-directed plan document, the non-vested portion of the employee contributions shall be refunded to the employer.

(b) For members participating in the member-directed plan, employer contributions and interest paid by the employer pursuant to section 145.483 of the Revised Code and this rule shall be credited to the member's employer contribution account, as defined in section 1.19 of the member-directed plan document, and the retiree medical account, as defined in rule 145-4-01 of the Administrative Code, in the percentages determined by the OPERS board. The amount credited shall vest in accordance with the relevant provisions of the member-directed and retiree medical account plan documents. If the member receives a distribution under article VIII of the member-directed plan document, the non-vested portion of the amounts paid for employer contributions, corresponding interest or other fees pursuant to section 145.483 of the Revised Code shall be transferred as described in section 7.04 of the member-directed plan document or section 4.02 of the retiree medical account plan document, as applicable.

(G) If a member has contributions in more than one retirement plan, the contributions paid by the employer pursuant to section 145.483 of the Revised Code shall be credited to the plan in which the noncontributing service would have been earned, if it were remitted at the time the service occurred. If the member no longer has contributions in the retirement plan in which the noncontributing service would have been earned, the contributions paid by the employer pursuant to section 145.483 of the Revised Code shall be credited to the plan in which the member is now contributing.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.47, 145.48, 145.483, 145.49
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
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This rule was RESCINDED on 1/1/26.

(A) For purposes of Chapter 145. of the Revised Code and Chapters 145-1 to 145-4 of the Administrative Code:

- (1) “Service purchase” means both of the following:
 - (a) For members participating in the traditional pension plan, payment for the purchase of service credit pursuant to section 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, 145.2915, 145.301, 145.302, 145.31, or 145.47 of the Revised Code, former section 145.295, 145.2911, or 145.2913 of the Revised Code as they existed prior to January 7, 2013, or rule 145-2-18 of the Administrative Code.
 - (b) For members participating in the combined plan, payment for the purchase of service credit pursuant to section 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, 145.2915, 145.301, 145.302, or 145.47 of the Revised Code, former section 145.295, 145.2911, or 145.2913 of the Revised Code as they existed prior to January 7, 2013, or rule 145-3-21, 145-3-22, or 145-3-40 of the Administrative Code.
- (2) “One-time or lump-sum payment” means a service purchase that is the full cost of the service credit a member elects to purchase and is paid directly to the public employees retirement system.
- (3) “Partial payment” means a service purchase that is less than the full cost of the service credit a member elects to purchase and is paid directly to the retirement system.
- (4) “Payroll deduction” means a service purchase made pursuant to section 145.294 of the Revised Code and rule 145-1-38 of the Administrative Code.
- (5) A “statement of cost” means a bill prepared by the retirement system stating the cost of the service credit to be purchased. If a statement of cost described in this paragraph is not paid in full prior to its expiration, the member may complete the purchase of the remaining service credit by a lump sum or one-time partial payment of the cost, as recalculated by the system at the time of the final payment.
- (6) “Sixty-month amortization amount” means the monthly dollar amount necessary to complete a service purchase prior to the expiration of a statement of cost.

(B) A member participating in the traditional pension plan or combined plan may make a service purchase, pursuant to Chapter 145. of the Revised Code and Chapters 145-1 to 145-4 of the Administrative Code and federal Internal Revenue Code section 415, either directly to the retirement system or by payroll deduction. A statement of cost issued on or after July 7, 2013, shall expire not later than five years after the date of the first payment or first deduction.

(C) (1) Except as otherwise provided in Chapter 145. of the Revised Code, the interest rate to be used in calculating the cost of a service purchase shall be six per cent compounded annually. Beginning on January 1, 2014, the interest rate shall be a per cent equal to the assumed actuarial rate of interest compounded annually. Interest shall be calculated under the applicable Revised Code section from the first date through the end of the month of payment.

- (2) Interest shall be applied to unpaid balances of service purchases by partial payment or payroll deduction at a rate equal to the assumed actuarial rate of interest compounded annually after the first payment or deduction. Interest shall be calculated from the date of the first payment through the last day of the month in which the cost statement expires.
- (3) The public employees retirement board may adjust the interest rates in paragraphs (C)(1) and (C)(2) of this rule. If adjusted, the new interest rate shall apply to any statement of cost issued or initial payroll deduction begun after the adjustment.
- (D) If the retirement system is required to apply the member's contribution rate at the time the service occurred against the member's earnable salary in calculating the cost of a service purchase, such rate shall not exceed the maximum employee contribution limits that were applicable at the time the service occurred.
- (E)
 - (1) Service credit shall be granted following receipt of all lump-sum payments, partial payments, or payroll deductions received in a month.
 - (2) Except as otherwise provided in Chapter 145. of the Revised Code, when a member makes a service purchase by partial payment or by payroll deduction, interest at a per cent equal to the assumed actuarial rate of interest compounded annually shall be applied to the unpaid balance.
- (F) In addition to the requirements specified in paragraph (B) of this rule, all service purchases shall be completed prior to issuance of the initial benefit payment. Subject to the requirements specified in paragraph (B) of this rule, a disability benefit recipient may purchase service credit after the issuance of the initial benefit payment while on a leave of absence described in section 145.362 of the Revised Code. Any service purchased by a disability benefit recipient during the leave of absence described in this paragraph shall take effect on the first day of the month following the date of purchase.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.294, 145.80, 145.82

Rule Amplifies: 145.01, 145.20, 145.201, 145.28, 145.29, 145.291, 145.292, 145.293, 145.294, 145.299, 145.301, 145.302, 145.31, 145.47, 145.81

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 8/20/76, 1/1/78, 12/14/89, 5/29/95, 11/2/96, 9/27/97, 9/27/98, 3/27/99, 2/3/00, 3/22/02, 1/1/03, 12/24/04, 1/1/06, 7/1/07 (Emer.), 8/9/07, 1/12/08, 4/1/08 (Emer.), 6/23/08, 1/1/12, 1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13, 5/8/14, 1/1/15, 3/23/15 (Emer.), 6/6/15, 1/1/25

- (A) This rule amplifies section 4 of Substitute S.B. 343 of the 129th General Assembly.
- (B) For purposes of this rule, “service credit” means all of the following:
 - (1) Service credit that may be purchased or obtained under former division (H) of section 145.01 and former sections 145.20, 145.201, 145.28, 145.29, 145.291, 145.293, 145.299, 145.30, and 145.47 of the Revised Code, as those sections existed immediately prior to January 7, 2013.
 - (2) Additional contributions paid by a member under former division (Y) of section 145.01 of the Revised Code, as that section existed immediately prior to January 7, 2013.
 - (3) Service credit that may be purchased under section 145.301 of the Revised Code.
 - (4) Service credit that may be purchased or obtained under section 145.814 of the Revised Code or rule 145-2-18 or 145-3-40 of the Administrative Code for an election that is effective on or before July 1, 2013, under section 2.03 of the combined or member-directed plan document, as amended on January 7, 2013.
- (C) Except as provided in paragraph (E) of this rule, each member who is purchasing or is eligible to purchase service credit must initiate or continue the purchase by making one or more direct payments to the public employees retirement system during the period beginning on January 7, 2013, and ending on July 7, 2013, or by commencing a payroll deduction during the same period as described in this rule and in rule 145-1-38 of the Administrative Code. A payroll deduction shall be initiated if the system receives a payroll deduction form with a postmark date that is on or after January 7, 2013, but not later than July 7, 2013, and the amount to be deducted from the member’s payroll is received by the system not later than one hundred twenty days after the postmark date.
- (D) Except as provided in paragraph (E) of this rule, each member who is eligible to obtain service credit under former section 145.30 of the Revised Code shall initiate a request to obtain the credit during the six-month period described in paragraph (C) of this rule. A request shall be initiated if the system receives during the same period described in this paragraph the member’s report(s) of separation (form DD214) or other satisfactory documentation as evidence of the member’s military service accompanied by a request by the member to obtain the credit.
- (E) A member who, by reason of service in the uniformed services as defined in section 145.302, is prevented from taking action under paragraph (C) of this rule may, not later than ninety days after the reemployment with member’s public employer, apply to the system to have reestablished all or a portion of the six-month period described in that paragraph. The member shall submit to the system report(s) of separation (form DD214) or other satisfactory documentation as evidence of the member’s military service.
- (F) A member who, as of January 7, 2013, has made a partial payment or is subject to a post-tax payroll deduction agreement for the purchase of service credit under section 145.201 of the Revised Code may, during the six-month period described in paragraph (C) of this rule, request that the member’s cost statement or payroll deduction agreement be recalculated to include any additional credit the member is eligible to purchase under section 145.201 of the Revised Code. If the system does not receive a request from the member prior to the end of the six-month period, any additional credit the member is eligible to purchase under section 145.201 of the Revised Code shall be eligible for purchase under rules 145-2-02 and 145-3-23 of the Administrative Code.

(G) A member described in division (C) of section 4 of Substitute S.B. 343 of the 129th General Assembly is ineligible to purchase additional service credit as described in that division if any of the service upon which the purchase is based has a monthly earnable salary of less than one thousand dollars.

(H) A purchase of service credit under this rule shall be completed by the member not later than July 7, 2018.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: Section 4 of Sub. S.B. 343, 129th G.A.

Rule Review Date: 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/7/13 (Emer.), 3/24/13

(A) For purposes of this chapter, “eligible rollover distribution” or “rollover distribution” means any amount that qualifies as an eligible rollover distribution under section 402(c)(4) of the Internal Revenue Code of 1986, 26 U.S.C.A. 415, and paid to a member or the surviving spouse of the member from:

- (1) Another employer plan qualified under section 401(a) of the Internal Revenue Code;
- (2) An individual retirement account, or annuity other than an endowment contract, under section 408 of the Internal Revenue Code;
- (3) A governmental deferred compensation plan under section 457 of the Internal Revenue Code;
- (4) An annuity plan under section 403(a) of the Internal Revenue Code;
- (5) A tax-sheltered annuity qualified under section 403(b) of the Internal Revenue Code; or
- (6) A governmental plan under section 414(d) of the Internal Revenue Code.
- (7) A keogh plan under section 410 of the Internal Revenue Code of 1986, 26 U.S.C.A. 410.

(B) (1) The public employees retirement system may accept eligible rollover distributions for the purchase of service credit pursuant to section 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.295, 145.299, 145.2911, 145.2913, 145.301, 145.302, 145.31, or 145.47 of the Revised Code, or the deposit to an additional annuity account pursuant to section 145.62 of the Revised Code.

(2) (a) A member or surviving spouse must be otherwise eligible to purchase the service credit or deposit to an additional annuity account pursuant to Chapter 145. of the Revised Code and Chapters 145-1 to 145-4 of the Administrative Code.

(b) A retirant reemployed under section 145.38, 145.382, or 145.383 of the Revised Code may use a rollover distribution to deposit only an additional annuity account.

(3) The retirement system shall accept rollover distributions for a purchase of service that is made only by post-tax payroll deduction, partial, or one-time lump-sum payment as defined in rule 145-1-35 of the Administrative Code.

(4) (a) If the amount of the rollover distribution received by the retirement system exceeds the cost of the service to be purchased, the amount in excess shall be returned to the financial institution that transmitted the rollover.

(b) If the financial institution will not accept the excess rollover amount, the retirement system shall pay the amount in excess to the member. Any amount that the retirement system cannot return to the financial institution or member shall be deposited in an additional annuity account or the member’s rollover account, as appropriate based on the member’s retirement plan.

- (C) An eligible rollover distribution of a member participating in the member-directed plan shall be credited to the member's rollover account, as defined in section 1.31 of the member-directed plan document.
- (D) An eligible rollover distribution of a member participating in the combined plan may be:
 - (1) Credited to the member in the member's rollover account, as defined in section 1.35 of the combined plan document; or,
 - (2) If used to purchase any service credit available under the combined plan, as described in rule 145-3-21 of the Administrative Code, credited to the member in the employee's savings fund or any other appropriate fund under section 145.23 of the Revised Code.
- (E) Any non-taxable portion of an eligible rollover distribution to a member of the combined plan or member-directed plan shall be treated in accordance with section 5.01 of the member-directed or combined plan document.
- (F) A member who is entitled to a distribution from this retirement system that qualifies as an eligible rollover distribution pursuant to sections 401(a)(31) and 402(f)(2)(A) of the Internal Revenue Code may request that the distribution be paid in a direct rollover to another eligible retirement plan to the extent permitted by section 401(a)(31) of the Internal Revenue Code.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.80, 145.82

Rule Amplifies: 145.01, 145.20, 145.201, 145.23, 145.28, 145.29, 145.291, 145.292, 145.293, 145.295, 145.299, 145.2911, 145.2913, 145.301, 145.302, 145.31, 145.452, 145.47, 145.62, 145.81

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 12/6/93, 11/2/96, 3/27/99, 1/1/02 (Emer.), 3/22/02, 1/1/03, 1/1/06, 4/6/07 (Emer.), 7/1/07, 1/1/12, 1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13, 1/1/16, 1/1/21, 1/1/25

Purchase of service credit by payroll deduction

(A) (1) A member of the public employees retirement system who is participating in the traditional pension plan may purchase service credit by post-tax payroll deduction, pursuant to this rule, rule 145-2-18 of the Administrative Code, section 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.301, 145.302, or 145.31 of the Revised Code, or former section 145.295 or 145.2911 of the Revised Code as they existed prior to January 7, 2013.

(2) A member who is participating in the combined plan may purchase service credit by post-tax payroll deduction pursuant to this rule, rule 145-3-40 of the Administrative Code, section 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.301, or 145.302 of the Revised Code, or former section 145.295 or 145.2911 of the Revised Code as it existed prior to January 7, 2013.

(3) Under a plan that is in compliance with Internal Revenue Code section 414(h)(2), a member may complete a purchase of service credit by pre-tax payroll deduction with amounts designated by the member's employer as picked-up contributions which is also known as an irrevocable pre-tax payroll deduction agreement as permitted by paragraph (E)(2) of this rule.

(4) A member may purchase service credit in any combination of lump sum payment, partial payment, or post-tax payroll deductions.

(B) (1) Upon a member's request for purchase of service credit by post-tax payroll deduction, the retirement system shall prepare a service purchase payment option form that is in compliance with rule 145-1-35 of the Administrative Code and states all of the following:

(a) The service to be purchased;

(b) The total cost of the service credit to be purchased; and

(c) Alternate plans of monthly payments.

(2) The member shall complete such service purchase payment option form by marking a plan of payment, stating the amount of service to be purchased, signing the form, and returning the form to the retirement system. The form shall be post-marked prior to the last date listed on the form.

(3) A separate service purchase payment option form shall be completed for each separate type of service credit.

(C) (1) After receipt of the member's service purchase option form, the retirement system shall notify the member's employer that payroll deductions shall begin within sixty days.

(2) The employer shall report at least monthly all members who have authorized payroll deductions on one report provided by the retirement system. Payment shall be remitted with such report. If the employer fails to timely file a report or remit payment to the retirement system, the employer shall be subject to the same penalty and interest described in section 145.47 of the Revised Code.

(D) (1) A member may increase or decrease the member's post-tax payroll deduction by written notice to the member's employer.

(2) Except as provided in paragraph (E)(2) of this rule, a payroll deduction shall be terminated:

(a) Within thirty days after a member's written notice to the member's employer;

(b) Upon termination of employment;

- (c) Upon termination of participation in the plan under which the payroll deduction commenced.
- (3) Except as provided in paragraph (E)(2) of this rule, a payroll deduction shall be suspended for any period that the payroll deduction exceeds the member's net pay.
- (4) A member may request to purchase the remainder of a service purchase that is being made by post-tax payroll deduction. Upon receipt of such request, the retirement system shall provide the member with a statement of the balance due for the remaining service credit available. A member shall notify the member's employer to terminate deductions upon payment of the balance due.

(E) The retirement system shall accept new elections to purchase service credit by pre-tax payroll deduction, as described in paragraph (A)(3) of this rule, only if such election is received by the retirement system or post-marked on or before December 31, 2011.

- (1) A member who, on December 31, 2011, is purchasing service credit through a pre-tax deduction agreement may make an irrevocable election, on a form provided by the retirement system and received by the retirement system not later than March 31, 2012, to have the deduction agreement terminated. The member may purchase the balance of the service credit by any other method permitted by the retirement system.
- (2) A member who does not elect to terminate the pre-tax deduction agreement shall continue under the agreement for the duration of the purchase period. A member who is purchasing service credit under a pre-tax deduction agreement may not purchase the period of service subject to the agreement through any other method while the agreement is in effect. The member and employer shall not:
 - (a) Decrease or increase such payroll deduction;
 - (b) Terminate such payroll deduction unless the member has terminated employment, terminated participation in the plan under which the payroll deduction commenced, is reported by the employer as laid off for at least six consecutive months, or all of such service credit has been purchased by such payroll deduction; or
 - (c) Make a partial payment as defined in rule 145-1-35 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.80, 145.82

Rule Amplifies: 145.01, 145.20, 145.201, 145.28, 145.29, 145.291, 145.292, 145.293, 145.294, 145.301, 145.302, 145.31, 145.81

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 12/4/89, 12/3/90, 11/2/96, 2/1/97, 3/27/99, 1/1/03, 1/1/06, 7/1/07 (Emer.), 8/9/07, 1/1/09, 1/1/11, 1/1/12, 1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13, 1/1/16, 1/1/21, 1/1/25

The public employees retirement system may issue a replacement payment for a previously issued payment which has been lost, stolen or destroyed if the payee of such payment makes application for a replacement payment on a form provided by the retirement system. The replacement payment shall not be issued any earlier than five business days after a stop payment order is made on the previous payment. Any replacement payments issued by a third-party administrator shall be issued in accordance with the operating policies of the third-party administrator.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.80

Rule Amplifies: 145.33, 145.331, 145.332, 145.36, 145.361, 145.37, 145.384, 145.40, 145.43, 145.45, 145.46, 145.63, 145.64, 145.65, 145.81

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 10/21/70, 4/5/93, 1/1/03, 1/1/06, 4/6/07 (Emer.), 7/1/07, 1/1/11, 1/7/13 (Emer.), 3/24/13, 1/1/21

- (A) In making any determination as to whether an individual is a contract employee or independent contractor under section 145.036 of the Revised Code, the public employees retirement board shall review, including but not limited to, the elements described in paragraphs (A)(1) and (A)(2) of rule 145-1-42 of the Administrative Code to determine the degree of control or independence in the relationship between the employer and the employee or contractor based on the facts and circumstances of the relationship.
- (B) If the employer fails to request a determination and the retirement board determines the individual should be a member, then the employer shall be liable for employee and employer contributions pursuant to section 145.483 of the Revised Code if no deductions have been made.
- (C) If the employer fails to request a determination and the retirement board determines the individual shall not be a member, then any employee contributions received prior to the determination are unauthorized and shall be returned to the employer. Any employer contributions shall be credited against future employer liabilities.
- (D) A public employer who engages or contracts with a business entity as defined in section 145.037 of the Revised Code is not required to perform the acknowledgment provisions described in section 145.038 of the Revised Code with regard to the business entity.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01, 145.012, 145.036, 145.037, 145.038

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 8/31/92, 9/27/98, 1/1/03, 1/1/06, 1/7/13
(Emer.), 3/24/13, 1/1/17, 1/1/19, 1/16/26

(A) For purposes of rule 145-1-41 of the Administrative Code, the board shall consider the following factors in its determination:

(1) “Contract employee” means an individual who:

- (a) May be a party to a bilateral agreement which may be a written document, ordinance, or resolution that defines the compensation, rights, obligations, benefits and responsibilities of the individual as an employee;
- (b) Is paid earnable salary at a specific periodic rate for services personally performed for the public employer and who appears on the employer’s payroll;
- (c) Is eligible for workers’ compensation or unemployment compensation;
- (d) May be eligible for employee fringe benefits such as vacation or sick leave;
- (e) Is controlled or supervised by personnel of the public employer as to the manner of work;
- (f) Should receive an Internal Revenue Service form W-2 for income tax reporting purposes.

(2) “Independent contractor” means an individual who:

- (a) May be a party to a bilateral agreement which may be a written document, ordinance, or resolution that defines the compensation, rights, obligations, benefits and responsibilities of both parties;
- (b) Is paid a fee, retainer or other payment by contractual arrangement for particular services;
- (c) Is not eligible for workers’ compensation or unemployment compensation;
- (d) May not be eligible for employee fringe benefits such as vacation or sick leave;
- (e) Does not appear on a public employer’s payroll;
- (f) Is required to provide his own supplies and equipment, and provide and pay his assistants or replacements if necessary;
- (g) Is not controlled or supervised by personnel of the public employer as to the manner of work;
- (h) Should receive an Internal Revenue Service form 1099 for income tax reporting purposes.

(3) “Personal service contract” means the same as a contract for an independent contractor.

(B) (1) (a) A contract employee is a public employee and shall become a contributor to the public employees retirement system.

(b) Contributions are due on the employee’s earnable salary, as defined in division (R) of section 145.01 of the Revised Code and rule 145-1-26 of the Administrative Code,

which is paid by the public employer to the employee for services actually performed by the employee.

(2) An independent contractor is not a public employee and shall not become a contributor to the retirement system.

(C) Notwithstanding rule 145-1-26 or 145-1-53 of the Administrative Code, if a contract employee performs services for which the employee also receives a payment, fee or commission over and above services for which the employee receives earnable salary, and for which the individual is an independent contractor, the payments for those services over and above their salary services are not earnable salary. The employee is not a member for such additional services, no contributions are due, and no service credit shall be granted.

(D) An individual who entered into a personal service contract with a public employer prior to August 20, 1976, shall be a member of the retirement system and contributions shall be remitted for the remaining period of the contract if the duties and working relationship are substantially similar to a classification position paid on the payroll of the public employer.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.01, 145.012, 145.036, 145.037, 145.038, 145.38
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 8/31/92, 9/27/98, 1/1/03, 1/1/06, 1/7/13
(Emer.), 3/24/13, 1/1/19

(A) For the purpose of this rule:

- (1) “Eligible employee” means an employee as defined in division (C) of section 3305.01 of the Revised Code for whom this retirement system would be the applicable state retirement system.
- (2) “Election period” means for an eligible employee who is eligible to make an election under division (B)(2) or (B)(3) of section 3305.05 of the Revised Code, the one hundred twenty days after the employee’s first day on the institution’s payroll or, in the case of a part-time employee who is transferred to a full-time position, one hundred twenty days from the first date of full-time employment.
- (3) “Employee” means an eligible employee.
- (4) “Institution” means a public institution of higher education as defined in division (A) of section 3305.01 of the Revised Code.

(B) (1) Each institution that employs an employee eligible to elect an alternative retirement program shall:

- (a) Notify the retirement system at the time it employs the employee, but in no event later than ten days after the employee’s first day on the institution’s payroll.
- (b) Notify the retirement system at the time an employee of the institution changes to a classification which qualifies the employee to elect an alternative retirement plan, but in no event later than ten days after such change.

(2) The notice required under paragraph (B)(1) of this rule shall be given on a form provided by the retirement system, and shall include the employee’s name, address, social security number, date of birth, and any other information required by the retirement system.

(C) (1) Elections by an employee of an alternative retirement plan shall be made on a form provided by the retirement system and completed by the employee and the institution.

(2) Not later than ten days after an election is filed with the institution, the institution shall file a copy with the retirement system of the election made by an employee.

(D) (1) Elections made by employees under division (B)(2) or (B)(3) of section 3305.05 of the Revised Code will be implemented no later than thirty days after a copy of the employee’s election is filed with the retirement system.

(2) The election, when implemented, shall be effective as of the first day upon which the employee appears on the institution’s payroll or was reclassified to a position as an eligible employee.

(3) Once an election is filed with the retirement system, the death of the employee shall not affect such election and the election shall be implemented and effective as set forth in this rule.

(E) (1) Employee and employer contributions for an employee shall be collected and remitted to the retirement system until an election is implemented pursuant to paragraph (D)(1) of this rule.

(2) Those employee and employer contributions received after the effective date of an election as determined by this rule for an employee who elects an alternative retirement plan shall be returned as unauthorized contributions to the provider identified on the form required by paragraph (C) of this rule. The amount of employer contributions refunded shall be less the amount due pursuant to division (D) of section 3305.06 of the Revised Code.

(F) Not later than the thirtieth day of each month following a month in which an employee who elected an alternative retirement plan was on the institution's payroll, the institution shall:

- (1) Remit to the retirement system the contributions required under division (D) of section 3305.06 of the Revised Code.
- (2) Submit a report in a form and manner prescribed by the retirement system of all employees who elected an alternative retirement plan and appeared on the institution's payroll for the preceding month.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.012, 145.40, 3305.05, 3305.051, 3305.052, 3305.06
Rule Review Date: 9/29/10; 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 8/1/98, 10/31/98, 3/27/99, 4/5/01, 1/1/03, 1/1/06, 1/1/16, 1/1/22

This rule was RESCINDED on 1/1/26.

- (A) Section 3345.28 of the Revised Code provides, in part, that no university faculty member shall suffer a reduction in his regular employee retirement benefits during a professional leave of absence.
- (B) During a professional leave the member shall contribute the prevailing member deduction rate applied to the salary he would have received had he been working at the university, on the regular reports of contribution submitted by the university.
- (C) The full salary also shall be the base on which the corresponding employer contribution shall be remitted.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 3345.28

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 12/31/77, 1/1/03

Employees of humane societies are not eligible for membership in the public employees retirement system unless they are employed by and paid directly by a public employer.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01

Rule Review Dates: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 5/16/40, 9/30/91, 1/1/03

Membership is required for all appointed or elected members of boards and commissions who receive salary for their services. Members of boards and commissions who serve without compensation or remuneration or who only receive reimbursement of expenses are not eligible for membership in the public employees retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01

Rule Review Date: 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/1/16, 1/1/21

(A) “648 board” means a county or community mental health and developmental disability board established pursuant to Am. H.B. 648 of the 107th General Assembly.

- (1) A 648 board is a public employer as defined in division (D) of section 145.01 of the Revised Code.
- (2) An employee of a 648 board is a public employee as defined in division (A) of section 145.01 of the Revised Code.

(B) (1) “Contract agency” means an agency with whom a 648 board contracts for services pursuant to section 340.03 of the Revised Code. A “public contract agency” means any public agency as specifically named in division (D) of section 145.01 of the Revised Code. A “private contract agency” means one other than a public contract agency.

- (2) The following are public employees.
 - (a) An employee of a public contract agency.
 - (b) An employee of a private contract agency who was a member of public employees retirement system at the time of his employment with the private contract agency and who continues to perform the same or similar duties under the direction of the private contract agency.
- (3) Except as provided in paragraph (B)(2)(b) of this rule, an employee of a private contract agency is not a public employee and is not subject to retirement system coverage during their employment with the private contract agency.

(C) (1) On or before September 30, 1975, each 648 board shall certify a list showing, as of September 30, 1975, each of the following:

- (a) All of its own employees;
- (b) All employees of contract agencies who qualify as public employees under paragraph (B) of this rule; and,
- (c) All employees of contract agencies who although members are not public employees as defined in paragraph (B) of this rule.

- (2) (a) Employees who are certified as public employees shall continue membership.
- (b) Employees who are not certified by a 648 board as public employees shall receive refunds of unauthorized contributions for their employment.
- (c) Employees who are not certified as public employees, but who have accounts from other public employment may apply for a refund or may leave their funds on deposit. A refund application shall be certified by the executive director of the 648 board.

(D) All individuals employed by either a 648 board or a contract agency after September 30, 1975, who are public employees as defined in paragraph (A) or (B) of this rule shall be certified as such by a 648 board by letter accompanying the report of deductions on which the first deduction is reported.

(E) A 648 board shall report all deductions for its own employees and for employees of a private contract agency who are defined in paragraph (B)(2)(b) of this rule. Membership and employee and employer contributions begun must continue as long as the employment continues. All members appearing on the report of retirement contributions of a 648 board shall be deemed to be employees of that board.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01, 145.03

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 8/20/75, 9/27/98, 1/1/03, 1/1/06, 1/1/10

(A) For the purposes of Chapter 145. of the Revised Code, this rule, and rule 145-2-17 of the Administrative Code:

- (1) “Firefighter” means a person who:
 - (a) Is employed as a firefighter by a public employer; and
 - (b) Is hired or appointed, controlled and paid earnable salary and otherwise treated as an employee by the public employer.
- (2) “Volunteer firefighter” means a person who:
 - (a) Is an employee of a private fire company or association;
 - (b) Performs service as a firefighter for no compensation or for an honorarium;
 - (c) Is an employee of a nonprofit fire company or association; or
 - (d) Is not a firefighter pursuant to paragraph (A)(1) of this rule.

(B) (1) Except as otherwise provided by law, effective May 1, 1991, a firefighter shall be a member of the retirement system subject to all the rights and obligations of Chapter 145. of the Revised Code.

(2) Notwithstanding paragraph (B)(1) of this rule, a firefighter employed before May 1, 1991, shall be a member of the retirement system unless an exemption from membership on a form approved by the public employees retirement board is filed on or before May 31, 1991.

(3) Once filed an approved exemption is valid pursuant to the limitations in section 145.03 of the Revised Code or through June 29, 1991, whichever is later.

(C) Effective May 1, 1991, a volunteer firefighter is not a public employee and shall not be a member of the retirement system.

(D) A firefighter employed before May 1, 1991, who is or becomes a member on May 1, 1991, may purchase the firefighter service as described in rule 145-2-17 of the Administrative Code.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.01, 145.012, 145.03
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 1/21/76, 10/30/78, 5/1/91, 8/1/92, 1/1/03, 1/1/06

Employees and officials of a county agricultural society are not public employees as defined in section 145.01 of the Revised Code, and are not eligible for membership in the public employees retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/14/59, 9/30/91, 1/1/03

(A) For purposes of this rule:

- (1) "Fee or commission" means compensation which is a fixed charge or calculated as a percentage of an amount not directly related to work or services performed.
- (2) "Stipend" means compensation paid to a student that is not subject to federal income taxation.
- (3) "Honorarium" means a nominal payment made for services for which there is no binding legal obligation to pay.

(B) An individual whose sole compensation is a fee or commission, stipend or honorarium is not a public employee pursuant to Chapter 145. of the Revised Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 11/30/60, 3/17/89, 8/31/92, 1/1/03

An exemption from membership in the public employees retirement system pursuant to section 145.03 of the Revised Code shall be valid only during the current period of employment for the public employer by whom a public employee is employed at the time the exemption is approved. When the employment is terminated the exemption also terminates. Upon a return to public employment either for the former employer or another employer membership in the system is mandatory unless the employee may be exempt or excluded from membership.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.03

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 11/13/46, 9/30/91, 1/1/03

- (A) The name, account number, address, including electronic mail address, or other individual case information of a member or benefit recipient shall not be released to anyone other than the member or benefit recipient except as provided in this rule.
- (B) Except as otherwise provided in section 145.27 of the Revised Code, the following individual case information may be released to a third party only upon the written authorization of the member or benefit recipient.
 - (1) Any part of an individual's personal history record, including but not limited to, any record identifying beneficiary information or an account balance, benefit or allowance paid or payable to that member or benefit recipient or any record identifying the service history or service credit of that member or benefit recipient.
 - (2) Medical reports and recommendations shall not be released, except that such reports and recommendations shall be made available to a member or benefit recipient's physician, attorney or authorized agent upon the member or benefit recipient's written authorization, and further, may be released to a physician assigned by the public employees retirement system when necessary for the proper administration of the retirement system.
- (C) Except as otherwise provided by law, all other individual case information not described in paragraph (B) of this rule shall be made available for inspection by the public as follows:
 - (1) Requests to inspect or receive copies of information contained in records kept by the retirement system shall be made in writing on forms provided by the retirement system.
 - (2) For all services required in preparing, copying and mailing retirement system records available to the public, a reasonable cost shall be assessed for materials, copying and electronic processing, to be paid before release of the requested information.
- (D) Except as otherwise provided by law, all other retirement system information shall be made available to the public after a request for inspection and for copies provided the requesting person pays any applicable costs for copying and mailing such information.
- (E) The executive director may designate any staff member to authenticate retirement system records to be sent to a court or officer of this state.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.27

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 8/20/76, 9/30/91, 3/18/00, 8/22/02, 1/1/03, 10/29/09, 1/1/10, 1/1/11, 7/7/13 (Emer.), 9/16/13

(A) For the purpose of proving a date of birth, an individual may submit the following documents or certified copies wherein the certifying official indicates that the original bears no alteration or erasure:

- (1) A birth certificate;
- (2) A parent's affidavit;
- (3) A child's birth certificate which states the parent's age or date of birth for proof of the parent's age;
- (4) An official hospital record of birth;
- (5) A United States' census bureau record;
- (6) An original United States' certificate of citizenship or naturalization;
- (7) An original United States' passport; or
- (8) An unexpired state-issued driver's license or identification card.

(B) If none of the above documents exists, an individual may submit for review:

- (1) An affidavit stating that none of the above-listed documents exist; and
- (2) Any other document(s) which state(s) a date of birth.

(C) For the purpose of proving a name change, an individual may submit a copy of one of the following documents:

- (1) A marriage certificate, certified abstract of marriage, or marriage license that evidences the marriage has been legally solemnized;
- (2) A decree of divorce or dissolution that restores the individual to a prior name;
- (3) An entry of change of name pursuant to section 2717.01 of the Revised Code, or a comparable entry of legal name change issued by a probate court in another jurisdiction;
- (4) A copy of a social security card;
- (5) An original United States passport; or
- (6) An unexpired state-issued driver's license or identification card.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.32, 145.35, 145.37,
145.43, 145.45, 145.46
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 1/16/38, 4/1/88, 1/1/03, 1/1/06, 1/1/09,
12/10/12, 1/1/16, 1/1/21

- (A) For the purpose of this rule, “recipient” means a member, contributor, retirant, or beneficiary as provided in Chapter 145. of the Revised Code.
- (B) Unless expressly authorized by Ohio law or as described in this rule, the member or benefit recipient who is not subject to guardianship of the person or estate shall execute all forms and applications under his or her own power and signature, including electronic forms and signatures, and shall personally direct and manage all aspects of his or her account with the public employees retirement system.
- (C) Guardianship of estate shall be required to perform any of the following actions on behalf of a person who suffers from a legal disability as defined in division (B) or (D) of section 2131.02 of the Revised Code:
 - (1) Apply for retirement on behalf of a recipient and only upon providing a court order approving the selection of the retirement plan of payment and beneficiary designation, unless expressly authorized as provided in paragraph (F)(2)(a) of this rule;
 - (2) Apply for and receive a refund that is in excess of twenty-five thousand dollars (gross) under section 145.40 of the Revised Code or article VIII of the member-directed or combined plan document on behalf of a recipient;
 - (3) Receive benefits that are in excess of twenty-five thousand dollars (gross) annually on behalf of a recipient;
 - (4) In the case of a qualified child who is eligible for a survivor benefit, only a guardian acting with the court’s approval may elect to waive a monthly survivor benefit on behalf of the qualified child; and
 - (5) Designate a beneficiary, unless expressly authorized as provided in paragraph (F)(2)(c) of this rule.
- (D) Unless guardianship has been established, a recipient who is incarcerated may continue to direct and manage his or her account or permit an attorney in fact to direct the account.
- (E) A guardian of the person is eligible to receive the account information of his or her ward, but shall not make any changes or elections regarding the account.
- (F) The following apply to the power a member or benefit recipient grants to an attorney in fact in writing and on file with the retirement system:
 - (1) If authorized by general language regarding retirement plan transactions, an attorney in fact may perform the following actions:
 - (a) Authorize the release of account information;
 - (b) Provide and update bank account information for direct deposit of a recipient’s benefits;
 - (c) Update the address of a recipient;
 - (d) Receive correspondence and account information on behalf of a recipient;
 - (e) Make additional deposits and purchase service credit;
 - (f) Make an initial plan selection under section 145.19 of the Revised Code or change the plan selection under section 145.814 of the Revised Code;

- (g) Direct the OPERS investment options for participants in the combined and member-directed plans;
- (h) Receive benefits on behalf of a recipient that do not exceed \$twenty-five thousand dollars (gross) annually.

(2) If authorized by express language regarding retirement plan transactions or health care decisions, as applicable, in a power of attorney, an attorney in fact may perform the following actions:

- (a) Apply for retirement or other annuity on behalf of a recipient that is a joint and survivor annuity leaving one-half to the spouse if the recipient is married, a single life annuity if the recipient is single, and excluding any plan that includes a partial lump sum option payment, or election to change a plan of payment;
- (b) Apply for and receive a refund that is not in excess of twenty-five thousand dollars (gross) under section 145.40 of the Revised Code or article VIII of the member-directed or combined plan document on behalf of a recipient;
- (c) Designate a beneficiary under section 145.384, 145.43, 145.431, 145.451, or 145.64 of the Revised Code;
- (d) Make health care decisions and changes.

(G) In lieu of guardianship, a court of competent jurisdiction may issue a limited order pursuant to section 2111.02, 2111.021, 2111.05 or 2111.131 of the Revised Code or a comparable non-Ohio statute that directs the retirement system to issue a recipient's payment to a specific person, entity, or financial institution and specifies the address to which such payment and other correspondence shall be issued.

(H) The retirement system shall accept the direction of the guardian of the estate or attorney in fact until such time as the retirement system receives a copy of the court order terminating the guardianship or the written instrument signed by the principal that revokes the authority granted to the attorney in fact.

(I) Payments due to minor recipients that are less than twenty-five thousand dollars (gross) annually may be issued to the natural parent caring for the recipient or the legal custodian of the recipient. After the age of eighteen, payments shall be issued directly to the recipient unless the recipient is subject to an ongoing guardianship.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.32, 145.35, 145.36, 145.361, 145.384, 145.40, 145.43, 145.431, 145.45, 145.451, 145.46, 145.64

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 10/17/73, 9/27/85, 12/9/88, 1/1/90, 8/31/92, 5/29/95, 1/1/03, 12/24/04, 1/1/06, 1/1/07, 4/6/07 (Emer.), 12/30/07, 12/10/12, 1/7/13 (Emer.), 3/24/13, 1/1/16, 1/1/21, 1/1/25

- (A) This rule applies to a beneficiary designation in which two or more persons are designated as beneficiaries under section 145.384, 145.43, or 145.65 of the Revised Code, section 13.01 of the combined plan document, or section 11.02 of the member-directed plan document.
- (B) The death of a designated beneficiary prior to the death of a contributor shall cancel only the designation of the deceased beneficiary. The percentage of the lump sum payment that would have been paid to the deceased beneficiary shall be apportioned equally to the contributor's remaining designated beneficiaries.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.384, 145.43, 145.65

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 4/6/07 (Emer.), 7/1/07, 1/1/25

145-1-65 Interim benefit payment

(A) For purposes of this rule and rules 145-1-71 and 145-1-73 of the Administrative Code:

(1) “Finalized retirement benefit” means:

(a) Any monthly benefit amount paid to a benefit recipient pursuant to section 145.32, 145.33, 145.331, 145.332, 145.335, 145.35, 145.36, 145.361, 145.37 or 145.46 of the Revised Code calculated after the receipt of the final report of retirement contributions upon which the member appears;

(b) Any monthly benefit amount paid to a beneficiary pursuant to section 145.45 of the Revised Code calculated after the receipt of the final report of retirement contributions upon which the member appears;

(c) Any monthly annuity paid pursuant to section 9.02 of the combined or member-directed plan documents after the receipt of the final report of retirement contributions upon which the member appears.

(2) “Interim benefit payment” means:

(a) Any monthly benefit amount paid to a benefit recipient pursuant to section 145.32, 145.33, 145.331, 145.332, 145.335, 145.35, 145.36, 145.361, 145.37 or 145.46 of the Revised Code prior to the payment of a finalized retirement benefit;

(b) Any monthly benefit amount paid to a beneficiary pursuant to section 145.45 of the Revised Code prior to the payment of a finalized retirement benefit;

(c) Any monthly annuity paid pursuant to section 9.02 of the combined or member-directed plan documents prior to the payment of a finalized retirement benefit.

(3) “Beneficiary” means a person qualified to receive a monthly benefit pursuant to section 145.45 of the Revised Code after the death of a member or disability recipient.

(4) “Partial lump sum option payment” means the lump sum payment described in division (A)(2) of section 145.45 or division (E)(1) of section 145.46 of the Revised Code.

(5) “Initial benefit payment” means the first benefit, check, or payment to a member or beneficiary. In the case that more than one initial payment is disbursed from one or more of the retirement plans defined in rule 145-1-81 of the Administrative Code, the first payment issued by the retirement system shall constitute the initial benefit payment for purposes of determining whether a benefit recipient is eligible to withdraw an application.

(B) Interim benefit payments may be paid in accordance with this rule.

- (C) A beneficiary applying for a benefit under division (A)(2) of section 145.45 of the Revised Code, or a member or contributor applying for a monthly benefit under section 145.32, 145.33, 145.331, 145.332, 145.335, 145.37, 145.46, or 145.64 of the Revised Code that includes a partial lump sum option payment, shall receive the partial lump sum option payment no earlier than ninety days after issuance of the initial benefit payment.
- (D) A member or contributor of the public employees retirement system may receive an interim benefit payment if either of the following is fully satisfied:
 - (1) (a) The member is eligible for retirement pursuant to section 145.32, 145.33, 145.331, 145.332, 145.335, 145.37, or 145.46 of the Revised Code or article IX of the member-directed plan document at the time the retirement application is filed;
 - (b) The member has filed all applications, forms and documents necessary to process the retirement benefit at least thirty days prior to the effective retirement benefit date;
 - (c) The member's employer has certified the last day for which the member will receive earnable salary;
 - (d) The member or contributor who makes payment for an additional annuity, pursuant to section 145.62 of the Revised Code, has at least one hundred dollars in an additional annuity account.
- (2) (a) The member or contributor is eligible for disability benefits pursuant to section 145.35, 145.36, 145.361, or 145.37 of the Revised Code;
- (b) The public employees retirement board has approved the application for disability benefits by the member or contributor; and
- (c) In the case of a member, the member's employer has certified the last day for which the member will receive earnable salary.

- (E) A beneficiary may receive an interim benefit payment if all of the following are satisfied:
 - (1) The beneficiary is eligible for a benefit pursuant to section 145.45 of the Revised Code at the time the application is filed;
 - (2) The beneficiary has filed all applications, forms and documents necessary to process the benefit.
- (F) (1) For benefits payable under the traditional pension plan, an interim benefit payment shall be calculated using the earnable salary and service credit available in the account of a member or contributor at the time of the calculation. For a monthly annuity payment option under section 9.02 of the combined or member-directed plan document, an interim benefit payment shall be calculated using the portion of the member's individual defined contribution account specified by the member on the member's retirement application.
- (2) (a) Except as provided in paragraph (F)(3) of this rule, the retirement system shall revise the monthly benefit to which the member is entitled following the receipt of the final report of retirement contributions upon which the member appears.

- (b) The retirement system shall revise the monthly benefit to which a beneficiary is entitled upon receipt of a report of contributions on which the deceased member appears if the contributions were not used in the calculation of the interim benefit payment. If no additional contributions are received by the retirement system, the interim benefit payment shall be the finalized retirement benefit.
- (c)
 - (i) If the finalized retirement benefit is greater than the interim benefit payment, the retirement system shall increase the current benefit and issue a retroactive payment for the difference between the prior interim benefit payment and the finalized retirement benefit.
 - (ii) If the finalized retirement benefit is less than the interim benefit payment, the retirement system shall decrease the current benefit. The benefit recipient or the beneficiary shall repay to the retirement system the amount of the overpayment of benefits. If the benefit recipient or the beneficiary fails to repay such amount, the retirement system shall withhold the amount from any benefit due the benefit recipient or the beneficiary.

(3) Monthly additional annuity payments shall commence as described in rule 145-2-43 of the Administrative Code.

(G) A member or a beneficiary may withdraw their application for benefits prior to receipt of the initial benefit payment by providing the retirement system with either a written request to withdraw the application over the signature of the member or beneficiary or a verbal request to withdraw the application.

(H)

- (1) A beneficiary applying for a benefit under division (A)(2) of section 145.45 of the Revised Code, or a member or contributor applying for a monthly benefit under section 145.32, 145.33, 145.331, 145.332, 145.335, 145.37, 145.46, or 145.64 of the Revised Code that does not include a partial lump sum option payment may make a one-time election to receive a partial lump sum option payment, or the member or contributor may make a one-time change to their plan of payment, at any time prior to issuance of the finalized retirement benefit payment.
- (2) A beneficiary applying for a benefit under division (A)(2) of section 145.45 of the Revised Code, or a member or contributor applying for a monthly benefit under section 145.23, 145.32, 145.33, 145.331, 145.332, 145.335, 145.37, or 145.46 of the Revised Code that includes a partial lump sum option payment may make a one-time change to their partial lump sum option payment amount, or the member or contributor may make a one-time change to their plan of payment, at any time prior to issuance of the partial lump sum option payment or transfer of the partial lump sum option payment by the retirement system to their financial institution.
- (3) A member or contributor is ineligible to name a different beneficiary under a plan of payment selected by the member unless the member or contributor reselects or elects a different plan of payment under this rule. The spouse of a member or contributor who reselects or elects a different plan of payment shall consent on a form provided by the retirement system to the new plan of payment selected by the retirant.

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.80
Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.35, 145.36, 145.361, 145.37, 145.43, 145.431, 145.45, 145.46, 145.64, 145.82
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 3/30/92, 10/31/94, 5/29/95, 1/1/03, 6/20/03, 1/1/04 (Emer.), 2/16/04, 12/24/04, 1/1/06, 10/27/06, 4/6/07 (Emer.), 7/1/07, 1/12/08: 4/1/10, 1/1/11, 1/7/13 (Emer.), 3/24/13, 9/1/13 (Emer.), 9/16/13, 1/1/21, 1/1/25

The public employees retirement system may provide an electronic medium to perform an action or notice and such medium shall constitute a form provided or required by the system.

The system is not required to create an electronic medium to take the place of any form or notice, nor accept an electronic medium or document that is not designated by the system as the form necessary to perform an action or notice.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.037, 145.038, 145.19, 145.191, 145.293, 145.30, 145.301, 145.302, 145.311, 145.35, 145.384, 145.43, 145.431, 145.45, 145.451, 145.46, 145.64, 145.65, 145.814

Rule Review Date: 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/1/17

Monthly benefit payments shall be issued by the public employees retirement system at the beginning of each month for which due. If a benefit recipient dies on or after the first day of a month, the entire benefit payment for such month shall still be payable.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.80

Rule Amplifies: 145.23, 145.33, 145.331, 145.332, 145.36, 145.361, 145.37, 145.384, 145.45, 145.46, 145.81

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 2/21/73, 2/1/93, 10/7/01, 1/1/03, 1/1/06, 1/1/09, 1/7/13 (Emer.), 3/24/13

For purposes of section 145.574 of the Revised Code, the public employees retirement system shall accept the determination of the court under section 2929.194 of the Revised Code in determining whether a member's disability was caused by the commission of a felony.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.574

Rule Review Date: 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 7/7/13 (Emer.), 9/16/13

A waiver pursuant to section 145.562 of the Revised Code shall be made by the beneficiary's guardian of estate and pursuant to a court order approving the waiver of benefits under either of the following circumstances:

- (A) The beneficiary is under eighteen years of age;
- (B) The beneficiary is eighteen years of age or older and has a legal disability as defined in division (B), (C), or (D) of section 2131.02 of the Revised Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.562

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 3/17/65, 11/2/91, 1/1/03, 1/1/06

(A) The public employees retirement board may waive the requirement of spousal consent upon receipt of one of the following:

- (1) A written statement of the spouse's physician certifying that the spouse is medically incapable of consent;
- (2) On a form approved by the board, the affidavits of the contributor and at least two other persons attesting that currently and during the year prior to the contributor's application for benefits the whereabouts of the spouse are unknown;
- (3) A court order or orders issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property requiring the contributor to designate the maximum amount payable to a joint and survivor beneficiary or beneficiaries.

(B) The requirement of spousal consent shall be waived if the member or contributor, who is married at the time of application, does both of the following:

- (1) The member applies for age and service retirement under section 145.32, 145.33, 145.331, 145.332, 145.335, or 145.46 of the Revised Code or the contributor applies for a benefit under section 145.384 of the Revised Code;
- (2) The member or contributor selects a joint-life plan designating the spouse of the member or contributor as the beneficiary and the percentage payable to the spouse after the death of the member or contributor is fifty per cent or greater of the member's or contributor's lesser retirement allowance or benefit.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.46

Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.37, 145.384, 145.40, 145.46, 145.63, 145.64

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 8/6/90, 2/1/93, 9/27/98, 11/2/00, 4/5/01, 1/1/03, 1/1/06, 10/27/06 (Emer.), 4/6/07 (Emer.), 7/1/07, 1/1/11, 1/7/13 (Emer.), 3/24/13, 1/1/21, 1/1/25

(A) Except as provided in paragraph (F) of this rule, a member or contributor of the public employees retirement system may withdraw an application for retirement, disability, or annuity payments pursuant to section 145.384 or 145.64 of the Revised Code by either of the following methods:

- (1) Returning to the retirement system not later than thirty days after issuance of the initial benefit payment, all uncashed payments, along with a written request over the member's or retirant's signature to withdraw the application;
- (2) Remitting to the retirement system a personal check or money order repaying the benefit payment(s) transmitted by or on behalf of the retirement system to the member's or retirant's financial institution not later than thirty days after the institution's receipt of the initial benefit payment, along with a written request over the member's or retirant's signature to withdraw the application.

(B) Except as provided in division (C)(1) of section 145.45 of the Revised Code or paragraph (F) of this rule, a beneficiary eligible for monthly benefits pursuant to division (A) or (B) of section 145.45 of the Revised Code may withdraw an application for those benefits by either of the following methods:

- (1) Returning to the retirement system not later than thirty days after issuance of the initial benefit payment, all uncashed payments, along with a written request over the beneficiary's signature to withdraw the application and a completed application for a lump sum payment of the member's accumulated account;
- (2) Remitting to the retirement system a personal check or money order repaying the benefit payment(s) transmitted by the retirement system to the beneficiary's financial institution, not later than thirty days after the institution's receipt of the initial benefit payment, along with a written request over the beneficiary's signature to withdraw the application and a completed application for a lump sum payment of the member's accumulated account.

(C) If a member participating in the member-directed or combined plan, or the member's beneficiary, withdraws an application as provided in this rule and all or any portion of the member's individual defined contribution account is used to pay the benefit, the member or the beneficiary is not entitled to any investment gains or losses on the amount that was used to pay the benefit for the period beginning on the date the retirement system converts the units in the account for payment and ending on the date the account is reestablished by the retirement system as provided in this rule. The amount used to pay the benefit as provided in this rule shall be credited to the member's individual defined contribution account and invested in the same OPERS investment options and in the same proportion as the account existed immediately prior to the payment.

(D) Any non-vested amounts that were forfeited by a member participating in the member-directed plan or the member's beneficiary who withdraws a retirement application under this rule shall be restored to the member's individual defined contribution account or retiree medical account as defined in rule 145-4-01 of the Administrative Code. Investment gains or losses shall not be applied to the amounts for the period that the amounts were not in the member's individual defined contribution account.

(E) (1) If a member or contributor participating in the traditional pension plan withdraws an application as provided in this rule, the application of the member or contributor for an

additional annuity payment under section 145.64 of the Revised Code, if any, shall also be withdrawn.

(2) All payments issued pursuant to section 145.64 of the Revised Code shall be returned to the retirement system in accordance with paragraph (A) of this rule.

(3) A member is not entitled to any investment gains or losses on the additional annuity account for the period beginning on the date the retirement system converts the units in the account for payment and ending on the date the account is reestablished by the retirement system. The member's additional annuity account shall be credited based on the daily value of the OPERS stable value fund on the date the account is reestablished by the retirement system.

(F) A member, contributor, or beneficiary may not withdraw an application as described in this rule if any of the following have occurred:

(1) The retirement system has made a distribution from the health reimbursement arrangement, as defined in rule 145-4-27 of the Administrative Code, or retiree medical account, as defined in rule 145-4-01 of the Administrative Code, for an eligible benefit recipient or eligible dependent.

(2) The retirement system has paid a portion of the benefit to satisfy a court order.

(3) The retirement system has made a distribution in accordance with paragraph (E) of rule 145-1-21 of the Administrative Code.

(4) In the case of an application for an additional annuity payment under section 145.64 of the Revised Code, the member, contributor, or beneficiary fails to also withdraw the individual's application for retirement, disability, or annuity payments under section 145.384 of the Revised Code.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.35, 145.36, 145.361, 145.37, 145.384, 145.45, 145.46
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 6/19/74, 8/6/90, 3/30/92, 10/9/00, 1/1/03, 1/1/04 (Emer.), 2/16/04, 12/24/04, 1/1/06, 4/6/07 (Emer.), 7/1/07, 1/12/08, 1/7/13 (Emer.), 3/24/13, 7/1/16 (Emer.), 9/1/16, 1/1/20, 1/1/22, 1/1/24

(A) For purposes of this rule:

- (1) “Order” means an order described in section 3105.81 of the Revised Code.
- (2) “Alternate payee,” “benefit,” “lump sum payment,” and “participant” have the meanings set forth in divisions (A) to (D) of section 3105.80 of the Revised Code.

(B) (1) The public employees retirement system may retain an order that provides the last four digits of the participant or alternate payee’s Social Security numbers.

(2) After the retirement system retains an order, the alternate payee shall provide information required on a form provided by the retirement system. The retirement system shall not issue payment to the alternate payee until the retirement system receives the information required for payment. The alternate payee shall notify this retirement system in writing of any change in the information.

(C) Pursuant to section 3105.90 of the Revised Code, an order shall be on the form prescribed by the appendix to this rule. The retirement system shall accept both the version of the form prescribed by the appendix to former rule 145-1-72 of the Administrative Code that was effective January 1, 2014, and the version of the form prescribed by the current appendix.

(D) Any benefit or lump sum payment that is owed and unpaid to an alternate payee at the time of the alternate payee’s death shall be paid to the estate of the alternate payee.

(E) For purposes of division (B) of section 145.571 of the Revised Code, if permitted or required by the court that issued the order, the retirement system may return the order to the court by an electronic medium.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.561, 3105.80, 3105.81, 3105.82, 3105.821, 3105.83, 3105.84, 3105.85, 3105.86, 3105.87, 3105.88, 3105.89, 3105.90

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/1/02 (Emer.); 3/22/02; 1/1/03; 8/22/03; 1/1/10, 1/1/14, 1/1/16, 1/1/17

IN THE COURT OF COMMON PLEAS OF _____ COUNTY, OHIO
 DIVISION OF DOMESTIC RELATIONS

 Plaintiff/Petitioner, :
 v. : Case No.

 _____ : Judge
 _____ :
 Defendant/Petitioner. :

DIVISION OF PROPERTY ORDER

The Court finds the following facts and issues the following Order pursuant to Sections 3105.80 to 3105.90, Revised Code:¹

I. Terms:

A. The “Plan Participant” or “Participant” means _____, Social Security number _____, whose date of birth is _____, whose current address is _____, and whose current mailing address is _____.

B. The “Alternate Payee” means _____, Social Security number _____, whose date of birth is _____, whose current address is _____, and whose current mailing address is _____.

C. The “Public Retirement Program(s)” means (please check the name and address of the public retirement program(s) and/or University/College Alternative Retirement Plan Administrator):

- Ohio Public Employees Retirement System
 277 East Town Street
 Columbus, Ohio 43215-4642
- State Teachers Retirement System of Ohio
 275 East Broad Street
 Columbus, Ohio 43215-3771

¹ This form was created under Ohio Revised Code Section 3105.90. Since Ohio Revised Code Section 3105.82 requires that this form be used, variance from this form will result in non-acceptance of the order by the Public Retirement Program.

- School Employees Retirement System of Ohio
300 East Broad Street
Suite 100
Columbus, Ohio 43215-3746
- Ohio Police and Fire Pension Fund
140 East Town Street
Columbus, Ohio 43215
- Ohio State Highway Patrol Retirement System
1900 Polaris Parkway
Suite 201
Columbus, Ohio 43240
- University/College Alternative Retirement Plan
Name and address of University/College Plan Administrator:

D. Obligation of Plan Participant and Alternate Payee: The Plan Participant and the Alternate Payee are ordered to notify in writing the Public Retirement Program of a change in the individual's mailing address.

II. Amount Payable to the Alternate Payee: Upon the Plan Participant receiving a payment from the Public Retirement Program, the court orders that the Alternate Payee shall receive payment in accordance with and subject to the limitations set forth in Sections 3105.82 to 3105.90, Revised Code. The Public Retirement Program is required to distribute amounts to the Alternate Payee in the same manner selected by the Participant. For example, if only a lump sum dollar amount is provided in Paragraphs II(B)(1)(a) and (b), then the Alternate Payee also receives a lump sum payment. Please designate the type and the method of payment:

A. Type of Payment: If the Participant is eligible to receive more than one benefit payment or more than one lump sum payment, please check the benefit(s) or lump sum payment(s) from which payment to the Alternate Payee shall be made. If no benefit or lump sum payment is designated, the Alternate Payee shall receive payment from the first benefit payment or lump sum payment for which the Participant is eligible to apply and to receive. Please check ALL APPLICABLE BENEFIT(S) OR LUMP SUM PAYMENT(S):

- Age and service retirement benefit, INCLUDING Partial Lump Sum Payments ("PLOP") received under Sections 145.46(E)(1), 3307.60(B), 3309.46(B)(4), or 5505.162(A)(3), Revised Code, and Deferred Retirement Option Plan ("DROP") under Section 742.43 or 5505.50, Revised Code.
- Age and service retirement benefit, BUT EXCLUDING Partial Lump Sum Payments ("PLOP") received under Sections 145.46(E)(1), 3307.60(B), 3309.46(B)(4) or 5505.162(A)(3), Revised Code, and Deferred Retirement Option Plan ("DROP") under Section 742.43 or 5505.50, Revised Code.

- Disability monthly benefit
- Account refund
- Additional money purchase annuity/additional annuity lump sum refund
- Reemployed retiree money purchase annuity (when monthly payment exceeds \$25.00) or lump sum refund
- Defined contribution plan benefit

B. **Method of Payment:** If the Plan Participant is a reemployed retiree contributing to a money purchase annuity or is eligible to receive or is receiving monthly benefits or a lump sum payment from a reemployed retiree money purchase annuity, the Alternate Payee shall receive payment from the reemployed retiree money purchase annuity and any other type of payment designated in Paragraph II(A) above in a monthly or one-time dollar amount as specified in Paragraph II(B)(1)(a) below. If the Plan Participant is participating in the defined contribution program, or any of its constituent plans, the Alternate Payee shall receive payment from the defined contribution program, or any of its constituent plans, and any other type of payment designated in Paragraph II(A) above in a percentage of a fraction as specified in Paragraph II(B)(2) below. If the Plan Participant is participating in any other plan in a Public Retirement Program, the Alternate Payee shall receive payment in either a dollar amount **OR** a percentage of a fraction as specified below (i.e. Please complete Dollar Amount **OR** Percentage).

1. **Dollar Amount:** Paragraphs II(B)(1)(a) and (b) must be fully completed, even if the indication is to pay the Alternate Payee “\$0.00” from the Participant’s periodic benefit or/and lump sum payment.
 - a. If the Participant elects a plan of payment that consists of a lump sum payment **OR** a plan of payment that consists of periodic benefits:
\$ _____ per benefit from the Participant’s periodic benefit upon the Participant’s receipt of the aggregate periodic benefit; **or**
\$ _____ from the Participant’s lump sum payment upon the Participant’s receipt of the payment.

b. If the Participant elects a plan of payment consisting of both a lump sum benefit **AND** a periodic benefit:

\$ _____ per benefit from the Participant's periodic benefit upon the Participant's receipt of the periodic benefit; **and**

\$ _____ from the Participant's lump sum benefit upon the Participant's receipt of the payment.

OR

2. Percentage: Please provide percentages in both Paragraph II(B)(2)(a) and (b) even if the percentage is "0%".

a. If the Participant elects a plan of payment that consists of either periodic benefits **OR** a lump sum payment, the Public Retirement Program shall pay directly to the Alternate Payee per benefit or in a one-time lump sum payment _____ percent (____%) of a fraction as set forth in Paragraph II(B)(2)(c) below of the Plan Participant's periodic benefit or one-time lump sum payment.

b. If the Plan Participant elects a plan of payment consisting of both a lump sum benefit **AND** a periodic benefit, the Public Retirement Program shall pay directly to the Alternate Payee _____ percent (____%) of a fraction as set forth in Paragraph II(B)(2)(c) below of the Plan Participant's periodic benefit and _____ percent (____%) of a fraction as set forth below of the Plan Participant's lump sum benefit.

c. Fraction:

i. The numerator of the fraction shall be _____, which is the number of years during which the Plan Participant was both a contributing member of the Public Retirement Program and married to the Alternate Payee. The date of marriage is _____.

ii. The denominator, which shall be determined by the Public Retirement Program at the time that the Plan Participant elects to take a benefit or a payment, shall be the Participant's total years of service credit with the Public Retirement Program or, in the case of a Participant in a retirement plan established under Chapter 3305, Revised Code, the years of participation in the plan.

C. Applicable Benefit: The monthly benefit amount used to determine the amount paid to the Alternate Payee from the Participant's monthly benefit shall be whichever applies:

1. If the Participant is receiving a monthly benefit, the monthly benefit shall be the gross monthly benefit the Participant is receiving at the time the decree of divorce or dissolution becomes final. The effective date of the decree of divorce, dissolution, or legal separation is _____;
_____;
2. If the Participant has applied for but is not yet receiving a monthly benefit, the monthly benefit shall be the benefit for which the Participant is eligible;
3. If the Participant has not applied for a benefit, the monthly benefit shall be the benefit calculated at the time the Participant elects to take the benefit.

D. Minimum Benefit Notice: The total amount paid to the Alternate Payee pursuant to this order plus any administrative fee charged to the Participant and Alternate Payee as authorized by Section 3105.84, Revised Code, shall not exceed fifty percent of the amount of a benefit or lump sum payment that the Plan Participant is to receive or, if withholding is to be made from more than one benefit or lump sum payment, fifty percent of the total of the benefits or lump sum payments that the Plan Participant is to receive. If the Plan Participant's benefit or lump sum payment is or will be subject to more than one order issued pursuant to Section 3105.81, Revised Code, the Public Retirement Program shall not withhold an aggregate amount for all the orders plus the administrative fee(s) charged to the Participant and Alternate Payee as authorized by Section 3105.84, Revised Code, that exceeds fifty percent of the benefit or lump sum payment.

E. Cost of living allowances: Any cost-of-living allowance ("COLA") granted to a Participant while this Order is in effect shall be apportioned between the Participant and Alternate Payee in the same proportion that the amount being paid the Alternate Payee bears to the amount paid the Participant, as provided under Sections 145.323(B), 742.3711(G), 742.3716(F), 742.3717(B)(3), 3307.67(C), 3309.374(B), and 5505.174(C), Revised Code.

III. Notification to Alternate Payee: The Alternate Payee is hereby notified of the following:

- A. The Alternate Payee's right to payment under this Order is conditional on the Plan Participant's right to a benefit payment or lump sum payment from the Public Retirement Program;
- B. When the Plan Participant's benefit or lump sum payment is subject to more than one order under Section 3105.81, Revised Code, or to an order described in Section 3105.81, Revised Code and a withholding order under Section 3121.03, Revised Code, the amount paid to the Alternate Payee under this order may be reduced based on the priority of the other orders;

C. The Alternate Payee's right under this order to receive an amount from the benefit payment or lump sum payment to the Plan Participant shall terminate upon:

1. The death of the Plan Participant;
2. The death of the Alternate Payee;
3. The termination of a benefit pursuant to the governing laws of the Public Retirement Program.

IV. Administrative Fee: Pursuant to Section 3105.84, Revised Code, this order authorizes the Public Retirement Program that is or will be paying the benefit or lump sum payment to withhold from any benefit or payment that is subject to this order an amount determined by the Public Retirement Program to be necessary to defray the cost of administering the order. This amount shall be divided equally between the Plan Participant and the Alternate Payee.

V. Application of Order: This order applies to payments made by the Public Retirement Program after retention of the Order under Section 145.571, 742.462, 3305.21, 3307.371, 3309.671, or 5505.261, Revised Code.

VI. Additional Limitations on Order:

- A. Payments under this order shall commence as provided under Section 145.571, 742.462, 3305.21, 3307.371, 3309.671, or 5505.261, Revised Code.
- B. The Alternate Payee has no right or privilege under the law governing the Public Retirement Program that is not otherwise provided in the governing law.
- C. This order shall not require the Public Retirement Program to take any action or provide any benefit, allowance, or payment not authorized under the law governing the Public Retirement Program.

VII. Notice of Order:

- A. The clerk of courts shall transmit a certified copy of this order to the Public Retirement Program(s) named in the order.
- B. On receipt of this order, the Public Retirement Program shall determine whether the order meets the requirements as set forth in Sections 3105.80 to 3105.90, Revised Code.
- C. The Public Retirement Program shall retain the order in the Plan Participant's record if the order meets the requirements in Sections 3105.80 to 3105.90, Revised Code.
- D. The Public Retirement Program shall return, by regular mail, to the clerk of courts of the court that issued the order any order the Public Retirement Program determines does not meet the requirements in Sections 3105.80 to 3105.90, Revised Code, no later than sixty days after the Public Retirement Program's receipt of the order.

VIII. Jurisdiction of the Court: The Court shall retain jurisdiction to modify, supervise, or enforce the implementation of this order notwithstanding Section 3105.171(I), Revised Code.

APPROVED:

Signature of Attorney for Plaintiff/Petitioner

Attorney for Plaintiff/Petitioner (please type or print name)

Supreme Court No.

Address

Address

Signature of Attorney for Defendant/Petitioner

Attorney for Defendant/Petitioner (please type or print name)

Supreme Court No.

Address

Address

SO ORDERED.

Judge

Division of Property Order approved per Section 145.571, 742.462, 3305.21, 3307.371, 3309.671, or 5505.261, Revised Code, for filing and submission.

Retirement System

Retirement System

Withdrawal of application for refund or money purchase or additional annuity lump sum payments

(A) (1) Except as provided in paragraph (A)(2), (B), or (E) of this rule, a member or contributor of the public employees retirement system may withdraw a refund application by one or more of the following methods:

- (a) Returning all uncashed refund payments to the retirement system not later than thirty days after issuance of the initial payment, along with a written request over the member's or contributor's signature to withdraw the application;
- (b) Remitting to the retirement system a personal check or money order repaying the refund payment(s) transmitted by or on behalf of the retirement system to the member's or contributor's financial institution not later than thirty days after the institution's receipt of the refund payment(s), along with a written request over the member's or contributor's signature to withdraw the application.

(2) A member or contributor who requested a rollover of a refund or lump sum payment to a financial institution may withdraw the application if both of the following occur:

- (a) The member or contributor submits to the retirement system, not later than thirty days after issuance of the initial rollover payment, a written request over the member's or contributor's signature to withdraw the application;
- (b) The financial institution transmits to the retirement system, not later than sixty days after issuance of the initial rollover payment, the amounts transmitted to the financial institution.

(B) (1) Except as provided in paragraph (B)(2) or (E) of this rule, a beneficiary who elects to receive a lump sum payment of the member's contributions in lieu of a benefit pursuant to division (A) or (B) of section 145.45 of the Revised Code may withdraw an application for that payment by one or more of the following methods:

- (a) Returning all uncashed refund payments to the retirement system not later than thirty days after issuance of the initial payment, along with a written request over the beneficiary's signature to withdraw the application and a completed application for a benefit under division (A) or (B) of section 145.45 of the Revised Code;
- (b) Remitting to the retirement system a personal check or money order repaying the lump sum payment(s) transmitted by or on behalf of the retirement system to the beneficiary's financial institution not later than thirty days after the institution's receipt of the lump sum payment(s), along with a written request over the beneficiary's signature to withdraw the application.

(2) A qualified spouse who elects to rollover the member's contributions to a financial institution may withdraw a refund application if all of the following occur:

- (a) The qualified spouse submits to the retirement system, not later than thirty days after issuance of the initial rollover payment, a written request over the spouse's signature to withdraw the application;

- (b) The qualified spouse submits to the retirement system, not later than thirty days after issuance of the initial rollover payment, a completed application for benefits pursuant to division (A) or (B) of section 145.45 of the Revised Code;
- (c) The financial institution transmits to the retirement system, not later than sixty days after issuance of the initial rollover payment, the amounts transmitted to the financial institution.

(C) If a member participating in the member-directed or combined plan, or the member's beneficiary, withdraws an application as provided in this rule, the member or the beneficiary is not entitled to any investment gains or losses on the amount that was paid from the member's individual defined contribution account for the period beginning on the date the retirement system converts the units in the account for payment and ending on the date the payment(s) is reestablished in the account by the retirement system as provided in this rule. The amount paid from the member's individual defined contribution account that is returned to the retirement system as provided in this rule shall be credited to the member's individual defined contribution account and invested in the same OPERS investment options and in the same proportion as the account existed immediately prior to the refund.

(D) Any non-vested amounts forfeited by a member participating in the member-directed plan or the member's beneficiary who withdraws a refund application under this rule shall be restored to the member's individual defined contribution account or retiree medical account, as defined in rule 145-4-01 of the Administrative Code. Investment gains and losses shall not be applied to the amounts for the period that the amounts were not in the member's individual defined contribution account.

(E) A member, contributor, or beneficiary may not withdraw a refund application as provided in this rule if any of the following have occurred:

- (1) The retirement system has made a distribution from the retiree medical account as defined in rule 145-4-01 of the Administrative Code;
- (2) The retirement system has paid a portion of the refund or lump sum payment to satisfy a court order.
- (3) The retirement system has made a distribution in accordance with paragraph (E) of rule 145-1-21 of the Administrative Code.
- (4) In the case of an application for payment under section 145.63 of the Revised Code, the member, contributor, or beneficiary fails to also withdraw the individual's application for a refund or for retirement, disability, or annuity payments under section 145.384 of the Revised Code.

(F) A member, contributor, or beneficiary who withdraws an application for an additional annuity payment under section 145.63 of the Revised Code is not entitled to any investment gains or losses on the additional annuity account for the period beginning on the date the retirement system converts the units in the account for payment and ending on the date the account is reestablished by the retirement system. The member's additional annuity account shall be credited based on the daily value of the OPERS stable value fund on the date the account is reestablished by the retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.384, 145.40, 145.401

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/1/04 (Emer.), 2/16/04, 1/1/06, 4/6/07 (Emer.), 7/1/07, 1/12/08, 7/1/16 (Emer.), 9/1/16, 1/1/19, 1/1/22, 1/1/25

Re-employment restrictions applicable to a member

(A) For the purpose of this rule and section 145.38 or 145.382 of the Revised Code:

- (1) "Effective retirement benefit date" means the date upon which a retirement allowance begins.
- (2) "Ohio retirement system" means public employees retirement system, state teachers retirement system, school employees retirement system, Ohio police and fire pension fund, highway patrol retirement system, and Cincinnati retirement system.

(B) (1) Forfeiture of a retirement allowance under section 145.38 of the Revised Code for employment in a position covered by another Ohio retirement system shall apply only to a PERS retirant whose effective retirement benefit date is on or after September 1, 1991.

- (2) A PERS retirant who has received a retirement allowance for less than two months and who becomes employed in a position covered by an Ohio retirement system shall forfeit such allowance for any month in which the PERS retirant is so employed during the two month period immediately following such retirant's effective retirement benefit date.
- (3) Notwithstanding paragraphs (B)(1) and (B)(2) of this rule, forfeiture of a retirement allowance shall not apply to a PERS retirant who is employed in a position covered by an Ohio retirement system if the retirant was continuously employed in the position for at least two months prior to the effective retirement benefit date in this system.

(C) (1) (a) Where a member of this system who also has established membership in another Ohio retirement system or systems is terminating all employment covered by all the systems, and is electing to take a retirement benefit from one or more of the other systems as of the effective retirement benefit date, the member shall elect to:

- (i) Apply for a benefit if eligible pursuant to section 145.32, 145.33, 145.332, 145.335, 145.37 or 145.46 of the Revised Code or article IX of the member-directed plan document; or
- (ii) Apply for a refund of contributions pursuant to section 145.40 of the Revised Code or article VIII of the combined or member-directed plan document.

(b) If, as of the effective retirement benefit date from an Ohio retirement system, the member has sufficient service credit to qualify for a benefit in this system, the member's effective retirement benefit date shall be the first of the month following the later of the member's benefit date in the Ohio retirement system or attainment of eligibility for a benefit in this system, but not more than ninety days prior to receipt by the public employees retirement system of the member's completed retirement application.

(2) (a) A member of this system who also is a member of an Ohio retirement system and who has applied for a retirement benefit in that system may continue employment in the position covered by this system, provided that contributions made to this system after the member's effective retirement benefit date in the Ohio retirement system shall accrue only a benefit as described in section 145.384 of the Revised Code.

(b) If the member does not terminate all employment as described in paragraph (C)(1)(a) of this rule, the member may, upon termination of all service, elect to apply for a refund of contributions to this system made prior to the effective retirement benefit date in the Ohio retirement system.

(c) A member described in paragraph (C)(2)(b) of this rule may elect, at any time prior to commencement of a benefit under section 145.384 of the Revised Code, to have deposited to an additional annuity account described in section 145.62 of the Revised Code the member's refund amount under paragraph (C)(2)(b) of this rule. The accrual of allowable interest shall not begin until the additional annuity account is established.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.38

Rule Amplifies: 145.38, 145.382

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 8/1/92, 3/17/94, 2/3/00, 4/5/01, 1/1/03, 1/1/06, 1/7/13 (Emer.), 3/24/13, 3/23/15 (Emer.), 6/6/15, 1/1/16, 1/1/21, 1/1/25

145-1-75 Re-employment of a retirent

(A) Definitions

For the purpose of this rule and section 145.362, 145.37, 145.38, 145.382, 145.384, or 145.385 of the Revised Code:

- (1) "PERS retirent" means any former member of the public employees retirement system who retires as provided in section 145.32, 145.331, 145.332, or 145.37 of the Revised Code and is receiving a retirement allowance as provided in section 145.33, 145.331, 145.332, 145.335, or 145.46 of the Revised Code.
- (2) "Combined retirement" means retirement based upon section 145.37 of the Revised Code.
- (3) "A contract to provide services, or for services, as an independent contractor" means an agreement that establishes a relationship in which the individual is an independent contractor and not a public employee.
- (4) "Disability benefit recipient" means an individual defined in division (N) of section 145.01 of the Revised Code.
- (5) "Employed" means the relationship between a public employer and an individual who is a public employee rather than an independent contractor.
- (6) "Other system retirent" means an individual defined in division (A)(2) of section 145.38 of the Revised Code.

(B) Elective positions

- (1) The provisions of section 145.38 of the Revised Code, and this rule shall apply to an age and service or other system retirent who is elected to an office, or is appointed to an elective office, of the state or its political subdivisions covered by this retirement system.
- (2) The provisions of section 145.362 of the Revised Code, and these rules shall apply to a disability retirent who is elected to an office of the state or its political subdivisions covered by this retirement system.

(C) Employed positions

A PERS retirent who has received a retirement allowance for less than two months and who becomes employed by a public employer shall forfeit the retirement allowance for any month in which such retirent is employed during the two month period immediately following such retirent's effective retirement benefit date.

(D) Employment by legislative authority

- (1) A PERS retirent may be employed irrespective of the length of time such retirent has received a retirement benefit:
 - (a) In a position authorized by section 101.31, 121.03 or 121.04 of the Revised Code; or
 - (b) In a position to which appointment is made by the governor with the advice and consent of the senate; or

- (c) As the head of a division of a state department.
- (2) A retirant described in paragraph (D)(1) of this rule, upon employment, shall elect in writing to the retirement system to have such employment covered either by:
 - (a) Section 145.38 of the Revised Code; or
 - (b) Section 145.382 of the Revised Code and paragraph (D)(3) of this rule.
- (3) (a) A retirant described in paragraph (D)(1) of this rule who elects to have such employment covered by section 145.382 of the Revised Code, upon employment, shall become a member of the retirement system based upon such employment with all obligations and rights except those pursuant to section 145.45 of the Revised Code, and shall forfeit such retirant's retirement allowance.
 - (b) Upon termination of employment, the retirant shall have a retirement allowance recalculated based on an allowance described in section 145.33 or 145.46 of the Revised Code utilizing the retirant's original service and service after retirement covered by section 145.382 of the Revised Code.

(E) Restoration to service by a disability benefit recipient shall be governed by section 145.362 of the Revised Code and rule 145-2-22 of the Administrative Code.

(F) Determinations

A retirant or benefit recipient may request a determination from the retirement system as to the effect on the benefit of the retirant or recipient of a return to employment or restoration to service covered by Chapter 145. of the Revised Code, rule 145-2-22 of the Administrative Code, or other employment.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.38

Rule Amplifies: 145.362, 145.37, 145.38, 145.382

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 2/19/60, 9/6/88, 8/1/92, 2/1/93, 3/17/94, 1/31/98, 8/1/98, 4/5/01, 2/14/02, 1/1/03, 1/1/06, 1/1/07, 1/1/09, 7/11/09, 1/7/13 (Emer.), 3/24/13, 5/8/14, 11/6/14, 1/1/16, 1/1/22, 1/1/25

Benefits payable to a reemployed retireant

(A) (1) Benefits payable to a PERS or other system retireant pursuant to section 145.384 of the Revised Code shall be effective as provided in that section.

(2) Benefits payable to the beneficiary of a PERS or other system retireant shall be effective the first of the month following the retireant's date of death.

(B) A PERS or other system retireant may withdraw an application for benefits in the same method as described in rule 145-1-71 of the Administrative Code.

(C) Unless voided by an event as described in division (G) of section 145.384 of the Revised Code, the designation of a beneficiary by a PERS or other system retireant shall apply for all re-employment periods except for a period for which a benefit has already been paid or for which a retireant is accruing a supplemental benefit. A designation shall be made on a form provided by the public employees retirement board, signed by the retireant and filed with the board.

(D) If a retireant makes an application for a benefit pursuant to division (B)(2) of section 145.384 of the Revised Code, the retireant shall select a plan of payment as described in division (B) of section 145.46 of the Revised Code and designate a beneficiary.

(E) For those contributors whose benefit under section 145.384 of the Revised Code is commenced under the single-life plan in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder, not later than one year after the effective date of the benefit described in this paragraph, a contributor who was married on the effective date of the benefit may elect the joint-life plan based on the actuarial equivalent of the contributor's single life annuity as determined by the board. The election shall be made on a form approved by the retirement system and shall be effective on the effective date of the benefit paid under the single-life plan. Any benefit overpayment may be recovered as provided in section 145.563 of the Revised Code.

(F) Except as provided in section 145.384 of the Revised Code or this rule, beneficiary and plan of payment changes shall be made in accordance with rules 145-2-44, 145-2-46, and 145-2-47 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.38, 145.383, 145.384

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 8/1/92, 4/5/01, 1/1/03, 6/20/03, 10/27/06, 4/1/08
(Emer.), 6/23/08, 1/1/10, 1/7/13 (Emer.), 3/24/13, 9/1/13 (Emer.), 9/16/13,
1/1/21

(A) This rule amplifies sections 145.38 and 145.384 of the Revised Code and rules 145-1-74 to 145-1-76 of the Administrative Code.

(B) As used in rule 145-1-74 of the Administrative Code, “PERS retitant” includes a member or former member of the public employees retirement system who is or has received a payment under section 145.335 of the Revised Code or article IX of the member-directed plan document, and has not withdrawn the application for retirement pursuant to rule 145-1-71 of the Administrative Code.

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.38, 145.384
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 1/1/03, 1/1/06, 1/7/13 (Emer.), 3/24/13, 3/23/15 (Emer.), 6/6/15, 1/1/25

(A) For purposes of section 145.383 of the Revised Code and this rule:

- (1) "Active position" means a position for which contributions were being received by a state retirement system in the month prior to and, for the active position described in paragraph (B)(1)(b) and (C)(1)(b) of this rule, the month of the member's effective date of retirement.
- (2) "PERS annual earnable salary" means a member's earnable salary for each active position reported by a public employer to the public employees retirement system for a calendar year. If a member has held an active position for less than a calendar year, this system shall convert the earnable salary to an annual amount.
- (3) "Other retirement system annual compensation" means a member's annual compensation for an active position as certified to this system by the state teachers retirement system or the school employees retirement system.
- (4) "Highest annual compensation" means the highest of the PERS annual earnable salary or the other retirement system annual compensation for an active position.
- (5) "Position" means employment for which a member is covered and contributing to a state retirement system.
- (6) "State retirement system" means the public employees retirement system, school employees retirement system or state teachers retirement system.
- (7) "Other retirement system" means the school employees retirement system or state teachers retirement system.

(B) (1) When a member holds more than one active position in this system, no active positions in an other retirement system, and is electing to take a retirement benefit pursuant to section 145.383 of the Revised Code, the member shall:

- (a) Apply for a benefit pursuant to section 145.32, 145.33, 145.332, or 145.46 of the Revised Code, for the active position which has the highest PERS annual salary, and,
- (b) Select which other active position or positions upon which the member shall continue to contribute to this system.

(2) In computing the benefit described in paragraph (B)(1) of this rule all service credit in this system shall be used.

(C) (1) When a member holds one or more active positions in this system and one or more active positions in an other retirement system, and the active position which has the highest annual compensation is in this system, the member shall:

- (a) Apply for a benefit pursuant to section 145.32, 145.33, 145.332, or 145.46 of the Revised Code, for the active position which has the highest annual compensation, and
- (b) Select which other active position or positions upon which the member shall continue to contribute to this system or an other retirement system.

(2) In computing the benefit described in paragraph (C)(1) of this rule all service credit in this system shall be used.

(D) Employment in any position covered by this system that begins subsequent to the effective retirement benefit date under section 145.383 of the Revised Code shall be subject to section 145.38 or 145.382 of the Revised Code, and rule 145-1-75 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.383

Rule Amplifies: 145.383

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 4/5/01, 1/1/03, 1/7/13 (Emer.), 3/24/13, 1/1/21

A board, commission, or legislative authority that proposes to continue the employment as a reemployed retirent or rehire as a reemployed retirent in the same position, a person who is or most recently has been employed by a public employer in a position that is customarily filled by a vote of members of a board or commission or by the legislative authority of a county, municipal corporation, or township, shall certify on a form provided by the public employees retirement system that the employer has done both of the following:

- (A) Not less than sixty days before the employment as a reemployed retirent was to begin, gave public notice that the person is or will be retired and is seeking employment with the public employer;
- (B) Between fifteen and thirty days before the employment as a reemployed retirent was to begin and after complying with paragraph (A) of this rule, held a public meeting on the issue of the person being employed by the public employer.

Promulgated Under: 111.15

Statutory Authority: 145.09; 145.381

Rule Amplifies: 145.381

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 10/23/03 (Emer.), 1/12/04, 1/1/06

(A) If a member has filed an application for retirement pursuant to section 145.32, 145.33, 145.331, 145.332, 145.335, 145.37 or 145.46 of the Revised Code or article IX of the member-directed plan document and the member's death occurs subsequent to the effective retirement benefit date, the beneficiary and benefit payable shall be determined by the plan of payment and beneficiary designated by the member on the application for retirement benefits.

(B) If a PERS retirant or other system retirant as defined in section 145.38 of the Revised Code, or a retirant described in section 145.382, or 145.383 of the Revised Code has filed an application for a benefit pursuant to section 145.382, 145.383 or 145.384 of the Revised Code, and the retirant dies subsequent to the effective date of the benefit, the benefit payable to the beneficiary shall be determined by the plan specified by the retirant on the application.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.38

Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.37, 145.38, 145.382, 145.383, 145.384, 145.46

Rule Review Date: 5/26/10, 9/29/12, 9/14/17, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 2/15/67, 8/6/90, 2/3/92, 2/1/93, 11/2/00, 3/22/02, 1/1/03, 6/6/05 (Emer.), 8/11/05, 1/1/09, 1/7/13 (Emer.), 3/24/13, 1/1/25

(A) As used in Chapters 145-1 to 145-4 of the Administrative Code:

- (1) “Traditional pension plan” means the PERS defined benefit plan established under sections 145.201 to 145.70 of the Revised Code.
- (2) “Combined plan” means the PERS combined defined benefit/defined contribution plan defined in section 145.196 of the Revised Code. Unless specifically identified otherwise within the text of the Administrative Code, references to the combined plan document refer to the version that includes amendments adopted through January 1, 2024.
- (3) “Member-directed plan” means the PERS defined contribution plan established under section 145.81 of the Revised Code. Unless specifically identified otherwise within the text of the Administrative Code, references to the member-directed plan document refer to the version that includes amendments adopted through January 1, 2024.

(B) The text of the combined and member-directed plan documents shall not be incorporated into this or any other rule of the Administrative Code. Current versions of the plan documents are available on the web site of the public employees retirement system at www.opers.org.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.81

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/1/03, 1/1/06, 5/8/14, 3/23/15 (Emer.), 6/6/15, 4/18/16, 1/1/17, 1/1/21, 1/1/22, 1/1/25

145-1-82 Exceptions to duty to notify

- (A) This rule amplifies sections 145.16, 145.17, and 145.171 of the Revised Code.
- (B) The public employees retirement system is not required to inform a public employee of the requirements of section 145.19 of the Revised Code if either of the following apply:
 - (1) The public employee fails to file the statement required under section 145.16 of the Revised Code.
 - (2) The head of each department, as defined in section 145.01 of the Revised Code, fails to provide the notice required by section 145.17 of the Revised Code.

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.171, 145.81
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 1/1/03

- (A) This rule amplifies sections 145.19 and 145.191 of the Revised Code.
- (B) As used in this rule, “service in the uniformed services” and “uniformed services” have the same meanings as in section 145.302 of the Revised Code.
- (C) This rule applies to a member whose service in the uniformed services occurs during the member’s one hundred eighty day election period as described in section 145.19 or 145.191 of the Revised Code.
- (D) Upon a member described in paragraph (C) of this rule being reemployed with the same public employer that employed the member prior to the member’s service in the uniformed services, the member may, not later than ninety days after the reemployment, apply to the public employees retirement system on a form provided by the system to reestablish all or a portion of the member’s one hundred eighty day election period.
 - (1) On receipt of the application, the system shall request from the public employer that employed the member prior to the military service a certification that the member was employed by the public employer prior to, and returned to employment with the employer within three months of honorable discharge or release from, service in the uniformed services. If the public employer can so certify, the employer shall do so.
 - (2) The member shall submit to the system report(s) of separation (form DD214) or other satisfactory documentation as evidence of the member’s military service.
- (E) On receipt of the certification and documentation under paragraph (D) of this rule and approval of the certification, the system shall reestablish the member’s election period as follows:
 - (1) If all of the member’s one hundred eighty day election period was interrupted by the member’s service in the uniformed services, the member shall have one hundred eighty days after the date certification is approved by the system to make an election under section 145.19 or 145.191 of the Revised Code.
 - (2) If a portion of the member’s one hundred eighty day election period was interrupted by the member’s service in the uniformed services, the member shall have the same portion of the member’s one hundred eighty day election period after the date certification is approved by the system to make an election under section 145.19 or 145.191 of the Revised Code.
- (F) The election of a member under this rule takes effect as follows:
 - (1) For members who are eligible to make an election under section 145.191 of the Revised Code, the election shall take effect on January 1, 2003.
 - (2) For members who are eligible to make an election under section 145.19 of the Revised Code, the election shall take effect on the date employment began.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.19, 145.191
Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30
Effective Date History: 11/15/03

- (A) This rule amplifies section 145.814 of the Revised Code and section 2.03 of the combined and member-directed plan documents.
- (B) As used in this rule and rules 145-1-89, 145-2-18, and 145-3-40 of the Administrative Code:
 - (1) “Eligible member” has the same meaning as in section 145.814 of the Revised Code and includes a member who was not eligible to make an election under section 145.19 or 145.191 of the Revised Code due to the member’s status as a law enforcement or public safety officer and who is not currently contributing as a law enforcement or public safety officer;
 - (2) “Amount on deposit” means the sum of the amounts available to a member to purchase service credit in the member’s new plan as described in section 6.01 of the combined plan or section 6.01 or 6.02 of the member-directed plan.
- (C) (1) As used in this rule, “total service credit” means the sum of a member’s service credit in the traditional pension plan, service credit in the combined plan, and contributing months in the member-directed plan.
 - (2) Subject to the requirements of this rule and rule 145-1-89 of the Administrative Code, in addition to the enrollment period described in sections 145.19 and 145.191 of the Revised Code, an eligible member who is actively contributing to the retirement system may elect to participate in a different plan as follows:
 - (a) For elections effective on or before July 1, 2015, during the following periods of service as a public employee:
 - (i) Once prior to attaining five years of total service credit;
 - (ii) Once after attaining five and prior to attaining ten years of total service credit;
 - (iii) Once after attaining ten years of total service credit.
- (D) Except as provided in rule 145-1-89 of the Administrative Code, an election under this rule applies only to employer and employee contributions made after the effective date of the election.
- (E) An election to transfer under section 10.03(a) of the combined plan document for the payment of a disability benefit is irrevocable. Any member that returns to service as a public employee following receipt of a disability benefit is not eligible to make an election under paragraph (C) of this rule.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.81, 145.814

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/1/03, 11/15/03, 1/1/06; 1/1/09, 1/1/11, 7/7/13 (Emer.), 9/16/13, 3/23/15 (Emer.), 6/6/15, 1/1/16, 1/1/21, 1/1/22, 1/1/25

(A) This rule amplifies section 145.814 of the Revised Code and sections 2.03 and 2.04 and article VI of the combined and member-directed plan documents.

(B) Except as provided in paragraph (C) of this rule, an eligible member who elects a different plan under rule 145-1-88 of the Administrative Code may have the amounts on deposit for the prior plan transferred in accordance with the member's new plan if one of the following applies:

- (1) The member, by an election under rule 145-1-88 of the Administrative Code, will cease participation in the member-directed plan and begin participating in the traditional pension plan;
- (2) The member, by an election under rule 145-1-88 of the Administrative Code, will cease participating in the combined plan and begin participating in the traditional pension plan.

(C) For an election under rule 145-1-88 of the Administrative Code that is effective on or before July 1, 2015, the eligible member may transfer the amounts described in paragraph (B) of this rule to the member's new plan not later than one hundred eighty days after the effective date of the election. For an election that is effective on and after August 1, 2015, an eligible member may transfer such amounts at any time prior to retirement or distribution under any of the plans defined in rule 145-1-81 of the Administrative Code or a refund from the member's current plan.

(D) For a member described in paragraph (B)(1) or (B)(2) of this rule, the amount on deposit shall be transferred in accordance with rule 145-2-18 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.81, 145.814

Rule Review Date: 9/29/10, 9/29/15, 9/29/20, 9/25/25, 9/25/30

Effective Date History: 1/1/03, 3/23/15 (Emer.), 6/6/15, 1/1/21, 1/1/22, 1/1/25

145-1-90 Consolidation of the combined plan into the traditional pension plan

- (A) This rule amplifies section 145.196 of the Revised Code.
- (B) Pursuant to the authority specified in section 145.196 of the Revised Code, the combined plan shall be consolidated into the traditional pension plan effective January 1, 2024, for administrative and accounting purposes.
- (C) For the purpose of administering the individual account, as defined in section 145.196 of the Revised Code, in a manner consistent with PERS defined contribution plan, the plan document for the combined plan described in rules 145-3-01 and 145-3-02 of the Administrative Code shall remain in effect on and after the date of consolidation.
- (D) As used in Chapter 145. of the Administrative Code, all references to the “combined plan” mean the combined plan consolidated into the traditional pension plan as described in section 145.196 of the Revised Code and division (B) of this rule.

Promulgated Under: 111.15
Statutory Authority: 145.09 and 145.196
Rule Amplifies: 145.196
Rule Review Date: 9/25/25, 9/25/30
Effective Date History: 1/1/25

145-2-01 Service credit definitions

- (A) For service purchased or restored in the traditional pension plan under section 145.28, 145.295, 145.2911, 145.2913, 145.31, and 145.311 of the Revised Code, “eighteen months of contributing service credit in the system,” means eighteen months of contributing service credit under the traditional pension plan, inclusive of service credit transferred from a prior plan to the traditional pension plan pursuant to rule 145-2-18 of the Administrative Code.
- (B) For purposes of division (H)(1) of section 145.01 of the Revised Code, “contributing service in this system” means contributing service credit under the traditional pension plan.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01, 145.28, 145.295, 145.2911, 145.2913, 145.31, 145.311

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 6/19/47, 12/4/89, 10/3/92, 1/1/03, 1/1/09, 1/1/11, 1/7/13 (Emer.), 3/24/13, 1/1/16

- (A) This rule amplifies section 145.29 of the Revised Code.
- (B) As used in this rule, “service credit” means both of the following:
 - (1) Service credit that may be purchased or obtained under sections 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, and 145.47 of the Revised Code, as those sections existed on and after January 7, 2013.
 - (2) Service credit that may be purchased or obtained under section 145.814 of the Revised Code or rule 145-2-18 of the Administrative Code for an election that is effective on or after August 1, 2013, under section 2.03 of the combined or member-directed plan document, as amended on January 7, 2013.
- (C) (1) Except as provided in this paragraph, the public employees retirement system shall calculate the cost to purchase service credit by using the greater of the member’s final average salary or the member’s earnable salary for the twelve months of contributing service under Chapter 145., 3307., or 3309. of the Revised Code immediately preceding the month in which the application to purchase is received by the system. If the member’s election to purchase service described in paragraph (B)(2) of this rule occurs less than twelve months after the effective date of a plan change, the system shall calculate the cost to purchase service credit by using the final average salary or last twelve months of earnable salary in the prior plan.
 - (2) The public employees retirement board shall, based upon its actuary’s recommendation, establish the percentage rate for the cost of the service credit in the traditional pension plan.
- (D) Payments made by a member to purchase service credit under section 145.29 of the Revised Code and this rule shall be credited to the employees’ savings fund and shall be considered the accumulated contributions of the member.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.29

Rule Review Date: 9/29/16, 9/29/21, 9/29/26

Effective Date History: 1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13, 5/8/14, 3/23/15 (Emer.), 6/6/15

145-2-03 Purchase of workers' compensation service

(A) A member is not eligible to purchase service under section 145.2915 of the Revised Code if any of the following circumstances apply:

- (1) Service credit for the period of receiving workers compensation was obtained by the member under the version of division (H) of section 145.01 of the Revised Code that existed prior to January 7, 2013;
- (2) The member is eligible to purchase the service under section 145.291 or division (G) of section 145.47 of the Revised Code;
- (3) Service credit for the period of receiving workers compensation was obtained under section 145.483 of the Revised Code;
- (4) The member has not made a redeposit of contributing service pursuant to section 145.31 of the Revised Code or rule 145-3-22 of the Administrative Code for which a member received a refund of the member's accumulated contributions pursuant to section 145.40 of the Revised Code or article VIII of the combined plan document, for any period of contributing service adjacent to the period of receiving workers compensation; or
- (5) The member received a benefit from the system for the period of receiving workers compensation.

(B) The employer contributions due pursuant to section 145.2915 of the Revised Code shall be billed to the public employer after the member has paid all or part of the corresponding employee contributions. If the employer fails to remit the required payments, any employer contributions not paid shall be certified for collection and subject to the same penalty and interest described in section 145.51 of the Revised Code.

(C) The limit described in paragraph (F) of section 145.2915 of the Revised Code also applies to service credit obtained under Chapter 742. or 5505. of the Revised Code for a period the member was out of service and receiving workers' compensation.

(D) If a member is eligible to purchase more than one period of workers compensation service, the purchase shall be completed in the order of the most recent period to the earliest period.

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.2915
Rule Amplifies: 145.2915
Rule Review Date: 9/29/16, 9/29/21, 9/29/26
Effective Date History: 7/7/13 (Emer.), 9/16/13, 3/23/15 (Emer.), 6/6/15

- (A) For the purpose of section 145.293 of the Revised Code “comparable position” means a comparable public position that if it had been performed for an Ohio public employer would have been covered by an Ohio state retirement system.
- (B) A member shall have at least twelve months of contributing service for purposes of the calculation described in rules 145-2-02 and 145-3-23 of the Administrative Code and shall apply for the purchase on a form provided by the public employees retirement system.
- (C) Service credit under section 145.293 of the Revised Code may be purchased if such credit cannot be purchased in another Ohio state retirement system and will not exceed the limitations of section 145.293 of the Revised Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.29, 145.293

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 5/21/75, 1/1/78, 8/6/90, 1/1/03, 1/1/07, 1/7/13 (Emer.), 3/24/13, 1/1/22

145-2-05 Free credit for military service

- (A) This rule amplifies section 145.30 of the Revised Code.
- (B) Definitions
 - (1) “Maintained membership” means any of the following:
 - (a) The member’s contributions remained with the public employees retirement system during the military service;
 - (b) The member’s accumulated contributions before the member’s military service were refunded pursuant to section 145.40 of the Revised Code or Article VIII of the combined plan and redeposited pursuant to section 145.31 of the Revised Code or rule 145-3-22 of the Administrative Code;
 - (c) The member was exempt from membership or not a contributor to the retirement system before the member’s military service, but Chapter 145. of the Revised Code authorizes a retroactive payment to establish membership before the member’s military service.
 - (2) “Military service” means active duty in the branches of the armed forces as defined in section 145.30 of the Revised Code.
 - (3) “Total service credit as defined in section 145.01 of the Revised Code of twenty years” means twenty years of Ohio credit exclusive of military or uniformed service.
 - (4) “Was a member” means membership before the member’s military service was established in the same manner as defined in paragraph (B)(1) of this rule.
 - (5) “Was or is out of active service as a public employee by reason of having become a member of the armed forces” means:
 - (a) On or before November 13, 1965, the member established membership in the retirement system with one deduction and no more than three months had elapsed between the termination of the member’s contributing service and the date the member entered military service.
 - (b) After November 13, 1965, the member established one year of service credit in the retirement system and no more than three months have elapsed between the termination of the member’s contributing service and the date the member entered military service.
 - (c) For military service that begins before November 13, 1965, and terminates after such date, free military service credit shall be granted if the member meets the eligibility requirements pursuant to section 145.30 of the Revised Code in effect during each period of military service before and after November 13, 1965, and not more than three months had elapsed between the termination of the member’s contributing service and the date the member entered military service.
- (C) (1) The service credit to which a member is entitled shall be calculated from the date the member entered military service through the date the military service terminated.
 - (2) The member shall submit report(s) of separation (form DD214) or other satisfactory documentation as evidence of military service and discharge to the retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.30

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 7/13/72, 1/2/90, 11/2.96, 3/27/99,
11/2/00, 1/1/03, 1/1/07, 1/7/13 (Emer.), 3/24/13, 1/1/25

145-2-06 Purchase of military service credit

- (A) This rule amplifies sections 145.301 and 145.302 of the Revised Code.
- (B) The member shall submit report(s) of separation (form DD214) or other satisfactory documentation to the public employees retirement system as evidence of the member's military service, active or inactive duty points, if applicable, and discharge.
- (C) If a member has been in military service more than once as evidenced by more than one report of separation or service and wishes to purchase credit under section 145.302 of the Revised Code for more than one period of military service, interest as set in rule 145-1-35 of the Administrative Code shall be charged from the date the member last terminated military service.
- (D) For military service purchased under section 145.301 of the Revised Code:
 - (1) A member shall have at least twelve months of contributing service for purposes of the calculation described in paragraph (D)(2) of this rule;
 - (2) The retirement system shall calculate the cost by using the greater of the member's final average salary or earnable salary for the twelve months of contributing service under Chapter 145., 3307., or 3309. of the Revised Code immediately preceding the month in which the application to purchase is received by the system. For members participating in the combined plan, the cost shall be calculated using the greater of the member's final average salary or earnable salary for the twelve months of contributing service under Chapter 145. of the Revised Code immediately preceding the month in which the application is received by the system.

The public employees retirement board shall, based upon its actuary's recommendation, set the percentage rate for the cost of service allowed under section 145.301 of the Revised Code.

- (E) Where applicable, the member's public employer shall certify information including, but not limited to, the earnable salary the member would have earned during the member's military service on a form provided by the retirement system.
- (F) The employer contributions due pursuant to section 145.302 of the Revised Code shall be billed to the employer for payment after the member has paid all or part of the employee contributions due. If the employer fails to make the payments required, any employer amounts not paid shall be certified for collection and subject to the same penalty and interest described in section 145.51 of the Revised Code.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.301, 145.302.
Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26
Effective Date History: 8/15/73, 1/1/78, 1/2/90, 8/6/90, 11/2/96, 5/4/00, 1/1/03, 1/1/07, 1/7/13 (Emer.), 3/24/13, 1/1/17, 1/1/25

- (A) This rule amplifies section 145.201 of the Revised Code.
- (B)
 - (1) For contributing service that occurred prior to January 1, 2014, “full-time service” does not include service computed as part-time pursuant to section 145.016 of the Revised Code. For contributing service that occurred on and after January 1, 2014, “full-time service” means service for which the monthly earnable salary, as reported for each month, equals or exceeds one thousand dollars.
 - (2) The public employees retirement system shall prepare a statement of cost for the additional service credit to be purchased based on the request of an eligible member.
 - (3) The statement of cost shall be based on thirty-five per cent of all eligible full-time service.
 - (4) Each statement of cost issued under section 145.201 of the Revised Code prior to July 7, 2013, shall include full calendar years of eligible service; however, payment for the service credit may be made in full or partial year increments, provided the system has issued a full calendar year statement of cost for the service credit being purchased or a partial calendar year statement of cost as provided in this rule. A statement of cost may include a partial calendar year if the partial calendar year is:
 - (a) The only eligible service;
 - (b) The first year of a term of eligible service; or
 - (c) The last year of a term of eligible service.
 - (5) Each statement of cost issued under section 145.201 of the Revised Code on and after July 7, 2013, shall include the cost of full calendar years and any portion of a year the member elects to purchase.
 - (6) A member shall have at least twelve months of contributing service for purposes of the calculation described in rules 145-2-02 and 145-3-23 of the Administrative Code.
- (C) A member who purchased service under section 145.201 of the Revised Code may elect to receive all or a portion of the amount paid under that section if, in calculating the member’s age and service retirement allowance, either of the following apply:
 - (1) In the case of a member of the traditional pension plan whose retirement allowance is calculated under division (A) of section 145.33 of the Revised Code, the member’s total annual single lifetime allowance exceeds the lesser of one hundred per cent of the member’s final average salary or the limit established by section 415 of the Internal Revenue Code of 1986, 26 U.S.C.A. 415.
 - (2) In the case of a participant in the combined plan, the participant’s single total annual single lifetime allowance exceeds the lesser of the limits described in section 145.335 of the Revised Code.
- (D)
 - (1) Upon the member’s election under paragraph (C) of this rule, the retirement system shall refund to the member all or a portion of the amount paid to purchase service. The retirement system shall refund the amounts paid to purchase service credit in the reverse order of the member’s purchase, with the most recent service purchased being the first amount refunded.

- (2) The amount refunded to the member shall not exceed the actual amount paid by the member for the service credit to be refunded. No interest shall be paid on the amount refunded. If applicable, the retirement system shall withhold taxes on amounts paid to a member that have not yet been taxed.
- (3) The amount refunded to the member shall not be paid prior to the issuance of the member's retirement benefit, as defined in rule 145-1-65 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.201, 145.29

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 4/7/88, 9/6/88, 1/1/03, 1/1/07, 12/30/07, 1/1/09, 1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13, 1/1/17, 1/1/22, 1/1/25

145-2-08 Purchase of school board member service

- (A) This rule amplifies section 145.299 of the Revised Code.
- (B)
 - (1) The member shall submit a written request that shall include a certification of the service on a form provided by the public employees retirement system.
 - (2) A member shall purchase credit for such service only by a lump-sum payment as defined in rule 145-1-35 of the Administrative Code.
 - (3) A member may purchase credit only for such qualified service that occurred prior to June 30, 1991.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.299

Rule Amplifies: 145.29, 145.299

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 9/30/91, 1/1/03, 1/1/07, 1/7/13 (Emer.), 3/24/13

145-2-09 Purchase of exempted service credit

(A) (1) For service which would have been covered by Chapter 145. of the Revised Code, but was exempted, a member shall make a request to purchase credit for this service on a form provided by the public employees retirement system.

(2) The employer for which the service was performed shall complete the certification of such service on the form and attach to the form a copy of each approved written exemption from membership on file with the employer for such member.

(3) After receipt of the completed form, the retirement system shall determine the amount of service credit that would have been earned had the service not been exempted.

(B) Other than for members participating in the combined plan, for service that would have been covered by Chapter 3307. or 3309. of the Revised Code, but was exempted and must be purchased in this system, this retirement system shall request certification from the other retirement system that such service was exempted and the amount of the credit for such service, which shall be determined from a certification of the employer for which the service was performed.

(C) The service credit purchased pursuant to section 145.28 of the Revised Code and this rule shall be adjusted to the extent that one of the following apply:

(1) The service is concurrent with any other service that will be used in calculating a benefit;

(2) The purchase of the service credit results in more than twelve months of credit in a year.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.28

Rule Amplifies: 145.28, 145.29

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 5/21/92 (Emer.), 8/1/92, 1/1/03, 1/1/07, 1/1/12, 1/7/13 (Emer.), 3/24/13, 1/1/25

145-2-10 Intersystem transfers with non-uniform systems

- (A) This rule amplifies section 145.37 of the Revised Code and applies to members who retire with an effective date of retirement on or after February 1, 2013.
- (B) For the purpose of this rule:
 - (1) “State retirement system” and “retention percentage” have the same meanings as in section 145.37 of the Revised Code.
 - (2) “Fiscal year” means, for the public employees retirement system, a calendar year and, for the school employees retirement system and state teachers retirement system, the twelve-month period beginning on July first and ending on June thirtieth.
- (C) For purposes of determining the amount transferred under division (B)(6)(a) of section 145.37 of the Revised Code, all of the following applies:
 - (1) The amount contributed by the member includes any amounts paid to restore service credit under section 145.31 of the Revised Code.
 - (2) The amount of employer contributions shall be determined using the lesser of the employer contribution rate in effect at the beginning of the fiscal year for each of the state retirement systems involved in the transfer, less the retention percentage.
 - (3) Any amounts paid by the member to purchase service credit shall include, if applicable, any amounts paid by the employer to purchase service credit.
 - (4) Except as provided in this paragraph, interest shall be calculated beginning on the first day of the fiscal year following the year in which the contributions were made and ending on the last day of the month in which the transfer occurs. If the amount to be transferred includes any amounts paid to purchase service credit, other than amounts paid to restore service credit under section 145.31 of the Revised Code, interest on the amounts paid to purchase service credit shall be calculated beginning on the first day of the month following the last payment to purchase the credit and ending on the last day of month in which the transfer occurs. For each year of service credit to be transferred, the interest rate shall be determined by using the lesser of the actuarial assumption rate in effect at the beginning of the fiscal year for each of the state retirement systems involved in the transfer.
- (D) If a member of the public employees retirement system has contributions to more than one employer division of the system, the employer contribution rate for the system shall be determined using the last division to which the member contributed. If the period of service and contributions to be transferred includes service that occurred prior to the date the member’s most-recent division was established, the other state retirement systems shall use the employer contribution rate for the other system for that year.
- (E) For purposes of calculating a retirement or disability benefit under division (B) of section 145.37 of the Revised Code, all of the following apply:
 - (1) Except as provided in this paragraph, the service credit and contributions certified by the transferring system shall be divided equally over the number of months in the service credit period certified by the transferring system beginning on the first day of the service credit period and ending on the last day of the service credit period.
 - (2) Service credit certified by the transferring system shall be reduced for any month that the member

earned full-time service credit in this system. If the member earned less than full-time service credit in this system for any month, the service credit certified by the transferring system may be added to the earned credit to equal full-time service credit.

(3) Except as provided in division (B)(5)(c) of section 145.37 of the Revised Code, service credit certified by the transferring system shall not be reduced for any month that the member did not earn service credit in this system.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.37

Rule Review Date: 9/29/16, 9/29/21, 9/29/26

Effective Date History: 1/7/13 (Emer.), 3/24/13, 3/23/15 (Emer.), 6/6/15

145-2-11 Police and fire or highway patrol service

- (A) This rule amplifies sections 145.295 and 145.2913 of the Revised Code.
- (B) Any payments made by a member to purchase credit pursuant to section 145.295 or 145.2913 of the Revised Code shall not be refunded to a member except as authorized or required under those sections or section 145.40 of the Revised Code or Article VIII of the combined plan document.
- (C) A member who purchases or transfers credit under section 145.295 or 145.2913 of the Revised Code shall receive service credit in the public employees retirement system as follows:
 - (1) For service earned as a police officer under Chapter 742. of the Revised Code or service earned under Chapter 5505. of the Revised Code, the service credit shall be treated as if it was earned in this system as a law enforcement officer.
 - (2) For service earned as a firefighter under Chapter 742. of the Revised Code, the service credit shall be treated as if it was earned in this system as a member who is not a law enforcement or public safety officer.
- (D) This paragraph applies to purchases and transfers initiated after January 7, 2013. The member's effective date of retirement or disability benefit shall be no earlier than the first day of the month following receipt by the retirement system of the first partial payment or total payment, if paid in full in one payment. The member's effective date of retirement or disability benefit shall be no later than the first day of the month following the ninetieth day after receipt by the retirement system of the first partial payment or total payment, if paid in full by one payment. If the member fails to retire, or terminate employment for purposes of a disability benefit, before the ninetieth day after the first partial payment or total payment is received, the retirement system shall return the amount paid by the member to the member. If the payment was transmitted to the retirement system by a financial institution, the amount received by the retirement system shall be returned to the financial institution.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.295

Rule Amplifies: 145.295, 145.2913

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date: 4/5/93, 12/9/95, 9/27/98, 3/22/02, 1/1/03, 1/1/07, 1/7/13 (Emer.), 3/24/13, 5/8/14, 1/1/25

For the purpose of section 145.292 of the Revised Code, a member shall have at least twelve months of contributing service for purposes of the calculation described in rules 145-2-02 and 145-3-23 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.292

Rule Review Date: 9/29/16, 9/29/21, 9/29/26

Effective Date: 1/7/13 (Emer.), 3/24/13

145-2-13 Purchase of leave of absence

- (A) This rule amplifies section 145.291 of the Revised Code.
- (B) A member can purchase service credit for a leave of absence period that occurred during a period of contributing service for which the member received a refund of contributions pursuant to section 145.40 of the Revised Code, only if the member has made a redeposit of the refund pursuant to section 145.31 of the Revised Code.
- (C) The service credit purchased pursuant to section 145.291 of the Revised Code shall be adjusted to the extent:
 - (1) The service is concurrent with any other service that will be used in calculating a benefit;
 - (2) The purchase of the service credit results in more than twelve months of credit in a year.
- (D) (1) The member's employer at the time the member was off the payroll shall certify the member's earnable salary for the period, and the member's authorized leave or resignation.
- (2) A member purchasing service credit for a period of time when the member was off the payroll due to resignation because of pregnancy shall submit a certified copy of the child's birth certificate or, because of adoption of a child, shall submit evidence of such adoption.
- (3) A member described in paragraphs (D)(1) and (2) of this rule shall submit the required information on a form provided by the public employees retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.29, 145.291

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 3/27/99, 11/2/00, 1/1/03, 1/1/07, 1/7/13
(Emer.), 3/24/13, 1/1/22

Service credit that is purchased or obtained under section 145.295, 145.2911, 145.2913, 145.301, or 145.302 of the Revised Code that is, or is considered to be the equivalent of, Ohio service credit, shall be used in determining eligibility for a benefit as provided in Chapter 145. of the Revised Code, including the calculation of the member’s final average salary and contributing service credit in the public employees retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies 145.295, 145.2911, 145.2913, 145.301, 145.302

Rule Review Date: 9/29/16, 9/29/21, 9/29/26

Effective Date History: 1/7/13 (Emer.), 3/24/13

145-2-15 Cincinnati retirement system

- (A) This rule amplifies sections 145.2910, 145.2911, and 145.2912 of the Revised Code.
- (B) “Eligible service credit” means service earned under this system or the Cincinnati retirement system or military service credit purchased or obtained in this system or the Cincinnati retirement system.
- (C)
 - (1) A member of this system, who is eligible to obtain eligible service credit in this system for service credit with the Cincinnati retirement system, shall make a request to obtain credit for such service on a form provided by this system.
 - (2) Except as otherwise provided in this rule, a member shall make payments required under division (C)(4)(a) of section 145.2911 of the Revised Code pursuant to rule 145-1-35 or 145-1-38 of the Administrative Code. A member may use an eligible rollover distribution for such payments as allowed by rule 145-1-37 of the Administrative Code.
 - (3) Service credit for a member who obtains credit pursuant to section 145.2911 of the Revised Code and this rule shall be the amount certified by the Cincinnati retirement system upon payment of the following amounts:
 - (a) Any required amounts due from the member under section 145.2911 of the Revised Code and this rule; and,
 - (b) The required amounts due from the Cincinnati retirement system under division (C)(4)(b) of section 145.2911 of the Revised Code.
 - (4) If the Cincinnati retirement system fails to transfer those amounts required under division (C)(4)(b) of section 145.2911 of the Revised Code, this system shall notify the member, and shall not grant the service credit.
- (D)
 - (1) This system shall transfer those amounts required under section 145.2912 of the Revised Code for a member or former member of this system, who is eligible to obtain eligible service credit in the Cincinnati retirement system for service credit with this system pursuant to section 145.2912 of the Revised Code, after:
 - (a) Receiving notification from the Cincinnati retirement system that the member has requested such transfer;
 - (b) The member has paid any required amounts to this system; and,
 - (c) This system has notified the member.
 - (2) If a member’s request for a transfer under division (A)(4)(a) of section 145.2912 of the Revised Code is for less than the member’s total eligible service credit with this system, any benefits or payments to which the member or the member’s beneficiary or beneficiaries may be entitled shall be based on the remaining service credit with this system.
- (E) A member who purchases or transfers credit under section 145.2912 of the Revised Code shall receive service credit in the public employees retirement system as follows:
 - (1) For service earned as a police officer under the Cincinnati retirement system, the service credit shall be treated as if it was earned in this system as a law enforcement officer.

(2) For all other service earned under the Cincinnati retirement system, the service credit shall be treated as if it was earned in this system as a member who is not a law enforcement or public safety officer.

(F) This paragraph applies to purchases and transfers initiated after January 7, 2013. The member's effective date of retirement or disability benefit shall be no earlier than the first day of the month following receipt by the retirement system of the first partial payment or total payment, if paid in full in one payment. The member's effective date of retirement or disability benefit shall be no later than the first day of the month following the ninetieth day after receipt by the retirement system of the first partial payment or total payment, if paid in full by one payment. If the member fails to retire, or terminate employment for purposes of a disability benefit, before the ninetieth day after the first partial payment or total payment is received, the retirement system shall return the amount paid by the member to the member. If the payment was transmitted to the retirement system by a financial institution, the amount received by the retirement system shall be deposited in accordance with section 145.62 of the Revised Code or returned to the financial institution.

(G) Any payments made by a member to purchase credit pursuant to section 145.2910, 145.2911, or 145.2912 of the Revised Code shall not be refunded to a member except as authorized or required under those sections or section 145.40 of the Revised Code or Article VIII of the combined plan document.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.2910, 145.2911, 145.2912

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 11/30/01 (Emer.), 2/14/02, 1/1/03,

1/1/07, 4/6/07 (Emer.), 7/1/07, 1/7/13 (Emer.), 3/24/13, 1/1/18,

1/1/25

(A) For purposes of this rule and section 145.2914 of the Revised Code:

- (1) "Law enforcement service credit" means service earned as a PERS law enforcement officer, as defined in section 145.01 of the Revised Code.
- (2) "Public safety service credit" means service credit earned as a PERS public safety officer, as defined in section 145.01 of the Revised Code.
- (3) "Regular service credit" means service credit earned as a contributor under section 145.47 of the Revised Code that is not concurrent with any public safety or law enforcement service credit, including service purchased under section 145.31, 145.312, 145.814 of the Revised Code, or for which contributions should have been deducted as described in section 145.483 of the Revised Code. "Regular service credit" does not include any other type of service credit that may be purchased or transferred under Chapter 145. of the Revised Code.
- (4) "Notice of the additional liability" is the cost statement provided to the member that specifies the number of years, or portions of a year, the member may convert and includes the amount of service credit that may be prorated under paragraph (B)(1) of this rule, if applicable.

(B) Subject to the requirements described in section 145.2914 of the Revised Code and this rule, a member who has contributed to the retirement system as a PERS public safety officer or PERS law enforcement officer and has regular service credit or public safety service credit that the member would like to be treated as law enforcement of public safety service credit may elect to do one of the following:

- (1) To have the total amount of the regular service credit and public safety service credit reduced to an amount of public safety service credit or law enforcement service credit that has no additional liability to the system, which shall be referred to as proration;
- (2) To convert up to five total years of regular service credit or public safety service credit, or a combination of both types of service credit.

If the member is eligible to retire as a PERS law enforcement officer or will be eligible to retire as a PERS law enforcement officer as a result of the proration or conversion, the member may prorate or convert regular service credit, public safety service credit, or both types of service credit to law enforcement service credit. If the member is eligible to retire as a PERS public safety officer or will be eligible to retire as a PERS public safety officer as a result of the conversion, the member may convert regular service credit to public safety service credit.

(C) The cost to convert service credit under paragraph (B)(2) of this rule shall be an amount specified by the public employees retirement board that is not less than one hundred per cent of the additional liability resulting from the conversion of a year, or portion of a year, of service as recommended by the actuary for the board. The actuary shall recommend to the board a cost calculation to convert each of the types of service credit described in this rule. The cost calculation shall be based on the final average salary that will be used in calculating the member's monthly benefit as determined at the time the cost statement is prepared. The actuary may recommend modifications to the cost calculations if the actuary determines it is necessary to mitigate any negative financial impact on the retirement system.

(D) (1) The retirement system shall not accept any other payments for the purchase or transfer of service credit after the issuance of the cost statement for proration or conversion of service credit, except for payments made pursuant to an irrevocable, pre-tax payroll deduction agreement.

- (2) If a member converts only a portion of the service credit that is eligible for conversion or the member has more than five years of service credit that is eligible for conversion, the service credit that is converted shall be the most recent regular service credit.
- (3) A member who elects to prorate under paragraph (B)(1) of this rule shall prorate all regular service credit or public safety service credit.
- (4) 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 provided in section 145.332 of the Revised Code.
- (5) Service credit converted under this rule shall be considered in determining the member's final average salary. Service credit prorated under this rule shall not be considered in determining the member's final average salary
- (6) For service credit prorated under this rule, contributing service credit, as defined in section 145.01 of the Revised Code, shall be determined based on the lesser of the number of months of contributing service prior to the proration or the number of months of contributing service after the proration.

(E) Not later than ninety days after receiving notice of the additional liability or of the prorated amount of service credit, the member shall agree to retire by submitting to the retirement system an executed cost statement and, if the member has elected conversion, the first partial or total payment for the service credit. The member may make direct payment to the retirement system for the cost of the conversion or the member's financial institution to transmit the amount directly to the retirement system.

(F) If a member has elected conversion, the member's effective date of retirement shall be no earlier than the first day of the month following receipt by the retirement system of the first partial payment or total payment, if paid in full in one payment. If the member has elected proration, the member's effective date of retirement shall be no earlier than the first day of the month following receipt by the retirement system of the executed cost statement. In both instances, the member's effective date of retirement shall be no later than the first day of the month following the ninetieth day after receipt by the retirement system of the first partial payment or total payment, if paid in full by one payment, or the executed cost statement, whichever is applicable. If the member fails to retire as described in this paragraph, the retirement system shall return the amount paid by the member to the member. If the payment was transmitted to the retirement system by a financial institution, the amount received by the retirement system shall be returned to the financial institution.

(G) Notwithstanding rule 145-1-71 of the Administrative Code, a member who converts service credit and retires as provided in this rule may not withdraw his or her retirement application.

(H) No amount paid under this rule to convert service credit shall be used in calculating the additional payment described in section 145.401 of the Revised Code.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.2914, 145.33, 145.332, 145.401
Rule Review Date: 9/29/11, 9/29/16, 9/29/21, 9/29/26
Effective Date History: 8/3/09 (Emer.), 10/19/09, 1/7/13 (Emer.), 3/24/13, 6/1/14, 1/1/22

A firefighter employed before May 1, 1991, who is or becomes a member of the public employees retirement system on May 1, 1991, may purchase firefighter service before May 1, 1991 for any year of non-contributing service as a firefighter not covered by an approved exemption.

A purchase under this rule shall be made in accordance with section 145.292 of the Revised Code and rule 145-2-12 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01, 145.012, 145.03, 145.29, 145.292

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 1/21/76, 10/30/78, 5/1/91, 8/1/92, 1/1/03, 1/1/07, 1/7/13 (Emer.), 3/24/13

Service credit in the traditional pension plan for participation in combined plan or member-directed plan

(A) This rule amplifies section 145.814 of the Revised Code and sections 2.03, 2.04, and 6.01 of the combined and member-directed plan documents.

(B) For each member participating in the traditional pension plan who elects under division (D) of section 145.814 of the Revised Code, the public employees retirement system shall prepare a statement of cost for service credit to be purchased in the traditional pension plan based on participation in the combined plan or member-directed plan, as appropriate, at the request of an eligible member. An actuary employed by the public employees retirement board shall determine the additional liability, as defined in section 145.814 of the Revised Code, as described in rule 145-2-02 of the Administrative Code.

(C) An eligible member shall purchase the service credit only by a lump-sum payment of the amount on deposit, as defined in rule 145-1-35 of the Administrative Code, except that a member described in division (D)(1) of section 145.814 of the Revised Code may pay any additional liability that exceeds the amount on deposit by initiating payroll deduction under rule 145-1-38 of the Administrative Code or by direct partial payment. For plan elections effective on or before July 1, 2015, the payroll deduction must be initiated or direct partial payment shall be made not later than one hundred eighty days after the effective date of an election to participate in the traditional pension plan under section 2.03 of the combined plan document. Service credit purchased under this rule shall be included in the member's total service credit in the traditional pension plan but shall not be used in the calculation of a benefit under section 145.332 of the Revised Code. If the member elects to receive pro-rated service credit, the period of service upon which contributing service is based shall be the member's earliest service credit available to purchase under this rule.

(D) Any funds remaining in an eligible member's accounts, as defined in section 1.01 of the combined or member-directed plan document, after the purchase of service credit under this rule shall be deposited in an additional annuity account in accordance with rule 145-2-43 of the Administrative Code. A member may also elect, at the time of service purchase, to leave any remaining funds on deposit in the prior plan; any funds remaining in the prior plan shall be credited to the member's rollover account, as defined in section 1.35 of the combined plan document and section 1.31 of the member-directed plan document, and treated as a rollover.

(E) (1) Service credit purchased under this rule cancels the corresponding years of service credit in the combined plan or years of participation in the member-directed plan, as applicable.

(2) For plan elections effective on or before July 1, 2015, service credit that is not purchased under this rule shall be cancelled immediately upon the expiration of the one hundred eighty day period following the effective date of an election to participate in the traditional pension plan under section 2.03 of the combined or member-directed plan document.

(F) For each member described in paragraph (B) of this rule who transferred the member's accumulated contributions under section 145.191 of the Revised Code, the statement of cost shall include the cost to restore in the traditional pension plan the accumulated contributions and service credit cancelled under that section. The cost shall consist of the amount transferred, with interest on such amount, compounded annually at a rate to be determined by the public employees retirement board from the first day of the month of transfer to and including the month of redeposit. The amount redeposited shall be considered the accumulated contributions of the member and shall be credited in the same manner as a redeposit under section 145.31 of the Revised Code.

(G) For each member described in paragraph (B) of this rule who purchased service credit under rule 145-3-21 or 145-3-40 of the Administrative Code, the statement of cost shall include, if applicable, the difference between the amount paid in the combined plan to purchase the service credit and the cost to purchase the service credit in the traditional pension plan as determined at the time the statement of cost is issued under this rule. Pursuant to section 6.01 of the combined plan document, if the amount paid in the combined plan to purchase the service credit was less than the cost to purchase the service credit in the traditional pension plan, the member may elect to receive a pro-rated amount of service credit in the traditional pension plan or may make an additional payment equal to the difference in order to receive the full amount of service credit.

(H) This paragraph applies to a former member of the combined plan who terminated service and received a refund under Article VIII of the combined plan prior to January 1, 2022. If such 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 after participating in the traditional pension plan for at least twelve contributing months. Such former member shall be treated as if the former member was a participant in the combined plan and elected to plan change to the traditional pension plan.

The public employees retirement system shall prepare a statement of cost for service credit to be purchased in the traditional pension plan based on participation in the combined plan at the request of an eligible member. An actuary employed by the public employees retirement board shall determine the additional liability, as defined in section 145.814 of the Revised Code, as described in rule 145-2-02 of the Administrative Code. Paragraphs (C), (D), (E), (F), and (G) of this rule shall apply to the purchase described in this paragraph.

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, 145.301, 145.47, 145.81, 145.814
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145-2-19 Aggregating combined and traditional plan service credit in the traditional pension plan for retirement eligibility

- (A) This rule amplifies section 145.195 of the Revised Code.
- (B) Pursuant to the authority specified in section 145.195 of the Revised Code, members who have service credit in both the traditional pension plan and the combined plan may aggregate such service credit for determining eligibility for age and service retirement if the following conditions are met:
 - (1) The member shall have attained at least five years of contributing service in either the traditional pension plan or the combined plan and is, or will become, eligible for an unreduced age and service retirement allowance after the service credit is aggregated.
 - (2) Service credit shall be aggregated for retirement eligibility into the retirement plan in which the member has the most total service credit and, if the member has an equal amount of total service credit in both retirement plans, the retirement plan in which the member has the greatest total contributions.
 - (3) Calculation of the unreduced retirement allowance shall be based solely on the total service credit in the retirement plan into which service credit was aggregated for retirement eligibility.
 - (4) The member shall apply, at the time of application for retirement, for a refund of contributions under section 145.40 of the Revised Code or Article VIII of the combined plan document, as applicable, for the service credit that was aggregated for retirement eligibility. A member who elects to aggregate for retirement eligibility is not eligible for the additional amount described in rule 145-2-54 of the Administrative Code.
- (C) If a member described in this rule has service credit and contributions in the school employees retirement system or state teachers retirement system, the member may aggregate service credit under this rule if the public employees retirement system is the paying system, as defined in section 145.37 of the Revised Code, and the member otherwise meets the requirements of that section regarding the member's service credit in the traditional pension plan, prior to a determination of aggregating service credit under this rule.
- (D) A member who elects to aggregate service credit for age and service retirement eligibility, as described in this rule, shall do so on a form provided by the retirement system. If such member later elects to withdraw the retirement application or the refund application as permitted under rules 145-1-71 and 145-1-73 of the Administrative Code, the member shall withdraw both the retirement and refund applications.
- (E) For purposes of determining eligibility under rule 145-4-27 of the Administrative Code, the retirement system may aggregate years of employer contributions earned and purchased in both the traditional pension plan and the combined plan if the requirements described in this rule are met.

Promulgated Under: 111.15
Statutory Authority: 145.195
Rule Amplifies: 145.195
Rule Review Date: 9/29/26
Effective Date History: 10/5/25

145-2-21 Application for a disability benefit

(A) For the purpose of sections 145.35, 145.36, 145.361, 145.362, and 145.37 of the Revised Code and Chapter 145. of the Administrative Code:

- (1) “Disability” means a presumed permanent mental or physical incapacity for the performance of a member’s present or most recent public duty that is the result of a disabling condition that has occurred or has increased since an individual became a member.
- (2) “Has not attained the applicable age” means a member has filed an application for a disability retirement with the public employees retirement system and not become the applicable age before the last day public service terminated.
- (3) “On-duty illness or injury” means an illness or injury that: (a) occurred during or resulted from performance of duties under the direct supervision of a member’s public employer, and (b) is not an exacerbation of an existing illness or injury medically diagnosed before the first day of employment with the employer reporting to the retirement system.
- (4) “Original disability plan” means the plan that provides a benefit pursuant to section 145.36 of the Revised Code.
- (5) “Revised disability plan” means the plan that provides a benefit pursuant to section 145.361 of the Revised Code.
- (6) “Medical examination” means a physical or psychological examination, as appropriate, or an examination of the entire disability application and medical reports.
- (7) “Rehabilitative services” includes, but is not limited to, treatment, evaluations, or training, or any combination of them.
- (8) “Receiving rehabilitative services” means that the recipient has elected to participate in rehabilitative services not less than six months prior to the beginning of the third year following the benefit effective date.
- (9) “Regional job market” means within a seventy-five mile radius of the member’s address on file with the retirement system.

(B) A member shall make application for a disability benefit on a form provided by the retirement system.

- (1) A complete disability application shall consist of the member’s disability benefit application, the report of the employer, job description, and the report of physician that has been completed by the member’s physician and affirmatively indicates the existence of the member’s disability and the date on which the illness or injury occurred. The application and supporting reports must be submitted on forms provided by the retirement system. Medical information submitted in support of a member’s application shall not be accepted after the business day immediately prior to the member’s first or only medical examination.
- (2) Consideration of a member’s application shall be limited to the disabling condition(s) listed in the report of attending physician(s) that was completed by the member’s physician.

(3) Upon receipt of a complete disability application, as described in paragraph (B)(1) of this rule, the retirement system's medical consultant(s) shall review all such documentation and prepare a recommendation to the board.

(a) Payment of any administrative fees or fees for the preparation of the report of the member's physician(s) shall be the responsibility of the member.

(b) Payment of any fees for the preparation of the report of the examining physician(s) shall be the responsibility of the retirement system. Fees assessed by the examining physician(s) due to the member's cancellation of an examination are the responsibility of the member.

(C) The board shall review disability applications and the written recommendations of its medical consultant at its regular meetings. The determination by the board on any application is final.

The board may approve a member's application contingent on the following conditions.

(1) The medical consultant determines that:

(a) The member has a disability as defined in section 145.35 of the Revised Code and this rule, and whichever of the following apply:

(b) (i) For disability benefit applications received before January 7, 2013, and for disability benefit recipients whose applications were received on or after January 7, 2013, and who are on leave of absence as defined in section 145.362 of the Revised Code, additional medical treatment offers an expectation of improvement of the disabling condition to the extent a member may return to the member's previous or similar job duties; or

(ii) For disability benefit recipients whose application is received on or after January 7, 2013, and who are not on leave of absence as defined in section 145.362 of the Revised Code, additional medical treatment or rehabilitative services offers an expectation of improvement of the disabling condition to the extent a member may return to work in any position described in division (B) of that section.

(2) Such additional medical treatment shall be of common medical acceptance and readily available, and may include, but is not limited to, medicine, alcohol or drug rehabilitation, or mechanical devices but would exclude surgery or other invasive procedures.

(3) The member, prior to receipt of disability benefits, shall agree in writing on a form provided by the board to obtain the recommended treatment and submit required medical reports during the treatment period.

(4) The member terminates public employment not later than the end of the month following the month in which the board made its decision to approve the disability benefit application. If a member fails to terminate public employment within this time frame, the disability application is void and the disability benefit shall not be paid and is forfeited. If eligible, the member may file a new disability application.

(D) A member may withdraw an application for a disability benefit prior to receipt of the initial benefit payment in the same method as described in rule 145-1-65 of the Administrative Code.

(E) The following apply to disability applications filed after the board's decision is final:

- (1) Any subsequent applications for a disability benefit filed within the two years following the board's final decision of denial shall be submitted with medical evidence supporting progression of the disabling condition or evidence of a new disabling condition.
- (2) The board shall not consider an application under this paragraph if the medical consultant or examining physician concludes there is no evidence of progression or a new disabling condition and the application shall be voided.
- (3) Notwithstanding paragraphs (E)(1) and (E)(2) of this rule, a member may file a new disability application without showing progression or a new condition if the member has changed his or her position of public employment since the board's decision became final.
- (4) If two years have elapsed since the date the member's contributing service terminated, no subsequent application shall be accepted.

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Statutory Authority: 145.09
Rule Amplifies: 145.35, 145.36, 145.361, 145.362, 145.37
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145-2-22 Receipt of disability benefits

- (A) The public employees retirement system shall notify, by regular mail, the member and the member's last employer reporting to the retirement system or other retirement system, as applicable, of an approval or denial of an application for a disability benefit.
- (B) The board may require a member to submit to subsequent medical examination(s) by an examining physician(s) provided the medical consultant recommends such examination(s) in order to evaluate continued eligibility for disability benefits. The board's consideration shall remain limited to the disabling condition(s) described in paragraph (B)(2) of rule 145-2-21 of the Administrative Code or as described in paragraph (G) of this rule.
- (C) The board may waive the periodic medical examination as described in section 145.362 of the Revised Code upon the recommendation of the board's medical consultant or when the recipient of a disability allowance is within twelve months of becoming eligible for a benefit under section 145.331 of the Revised Code. A waiver of the periodic medical examination does not prohibit the board from requiring the member to submit to future medical examinations.
- (D) Continued medical treatment
 - (1) A member whose disability benefit is approved with the requirement of continued medical treatment must submit required medical treatment reports on a form provided by the retirement system. If the member fails to submit a required report or does not continue the required treatment, the member's disability benefit shall be suspended until such report is received by the retirement system or the member resumes treatment. If such failure continues for one year, the disability benefit shall be terminated in accordance with section 145.35 of the Revised Code and is not subject to appeal to the public employees retirement board.
 - (2) The medical consultant may waive the requirement for continued medical treatment if the medical consultant determines that the treatment is no longer helpful or advisable.
 - (3) A disability benefit recipient enrolled in the rehabilitative services program shall comply with the continued medical treatment as described in paragraph (F) of this rule.
- (E) Reemployment of or public service provided by a disability benefit recipient
 - (1) If a disability benefit recipient is restored to service as defined in this rule, the disability benefit shall cease in accordance with section 145.362 of the Revised Code and is not subject to appeal to the public employees retirement board.
 - (2) Subject to paragraph (E)(3) of this rule, "restored to service" means holding elective office or service as a public employee with any public employer covered by Chapter 145. of the Revised Code, regardless of whether the service is similar or dissimilar to the public employment from which the recipient was found disabled, the amount or type of compensation, if any, or whether the compensation is earnable salary.
 - (3) "Restored to service" does not include either of the following:
 - (a) On and after July 1, 2015, service the disability benefit recipient terminates immediately upon notice from the retirement system as described in this paragraph.

Upon receipt of notice that the disability benefit recipient has been restored to service, the

system shall notify the recipient on a form provided by the system. The form shall require an affirmation by the recipient that either the service will be terminated in order to continue to receive a disability benefit or the service will continue, which will cause the disability benefit to be terminated. The recipient shall return to the retirement system the signed and notarized form not later than forty-five days after the date it was mailed by the retirement system. If the recipient affirms a continuation of service or the recipient fails to return the form to the retirement system within forty-five days, the disability benefit shall be terminated on the date the recipient was restored to service and any overpayment of disability benefits shall be collected as authorized in Chapter 145. of the Revised Code. If the recipient affirms a termination of service, the termination of service shall be effective on receipt of the notice from the retirement system and any employee contributions remitted for the service shall be unauthorized and returned to the employer. The corresponding employer contributions shall be unauthorized and shall be credited against future employer liabilities.

- (b) Service performed as an election worker, as defined in rule 145-1-44 of the Administrative Code, who is not a public employee pursuant to section 145.012 of the Revised Code.
- (4) The retirement board shall review the employment of a disability benefit recipient who seeks employment or is employed or compensated by an employer other than a public employer in a position similar to the position the recipient held as a public employee to determine if the recipient must undergo a medical examination to determine if the disability is ongoing or whether the benefit should be terminated.

(F) Rehabilitative services program

- (1) A disability benefit recipient whose application for a disability benefit was received by the retirement system on or after January 7, 2013, and who was not a law enforcement officer at the time contributing service terminated, may elect to participate in the rehabilitative services program. If the recipient withdraws from the rehabilitative services program, the recipient is eligible to make one additional election to participate. A recipient may elect to participate in the rehabilitative services program under this paragraph not later than six months prior to the beginning of the third year following the benefit effective date.
- (2) For a disability benefit recipient who has elected to participate in the rehabilitative services program, the continued treatment requirement will be satisfied by the recipient's participation in the case management treatment plan through the rehabilitative services program. Prior to the conclusion of the third year following the benefit effective date, non-compliance with the case management treatment plan shall be treated as described in paragraph (D) of this rule. After the conclusion of the third year following the benefit effective date, non-compliance with the case management treatment plan irrevocably terminates the disability benefit recipient's participation in the rehabilitative services program and thereafter the medical examination of the recipient shall be conducted under the standard described in division (B) of section 145.362 of the Revised Code.
- (3) If the recipient has been receiving the benefit for less than five years and the medical consultant determines that there are no rehabilitative services acceptable to the board's medical consultant, the recipient shall be considered on leave of absence and the standard for termination of the benefit is that the recipient is not physically or mentally incapable of resuming the service from which the recipient was found disabled.

(G) Disability from the duties of any position

- (1) Consideration of a recipient's ability to perform any position that meets the criteria in division (B) of section 145.362 of the Revised Code shall include the recipient's physical and mental functionality as based on the recipient's disability record.
- (2) For purposes of evaluating the ability to perform the duties of any position described in division (B) of section 145.362 of the Revised Code, all criteria described in that division shall be determined at the beginning of each review.

(H) Information gathered or obtained regarding the disabling condition(s) under this rule becomes part of the disability record that is available for review by the medical examiner and medical consultant.

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Rule Amplifies: 145.35, 145.36, 145.361, 145.362, 145.37

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(A) Except as provided in this paragraph, this rule applies when an application for a disability benefit filed pursuant to section 145.35 of the Revised Code is denied or a disability benefit pursuant to section 145.362 of the Revised Code is terminated due to the recipient no longer being disabled. The termination of a disability benefit due to any of the following are not subject to the discretion of nor appeal to the board:

- (1) The disability benefit recipient being restored to service, refusing to undergo medical examination, or noncompliance with the annual statement requirement as provided in section 145.362 of the Revised Code and rule 145-2-22 of the Administrative Code;
- (2) The disability benefit recipient's failure to obtain treatment or submit a medical report as provided in division (F) of section 145.35 of the Revised Code and rule 145-2-22 of the Administrative Code.

(B) (1) After an application is denied or a disability benefit is terminated, the member shall be notified in writing of such action.

(2) The notice shall be sent by regular mail.

(3) The notice shall include the following information:

- (a) The denial or termination of the disability benefit.
- (b) The member's right to file a written request to appeal. Such written request to appeal must be received by the public employees retirement system no later than thirty days from the date of the notice of denial or termination.
- (c) Failure of a member to submit a written request to appeal shall make the action final as to such application or benefit.
- (d) In addition to the written request to appeal, the member must also submit additional objective medical evidence. For appeals under the own occupation standard of review, such additional evidence shall be current medical evidence documented by a licensed physician specially trained in the field of medicine covering the illness or injury for which the disability is claimed and such evidence has not been considered previously by the examining physician or medical consultant. For appeals under the any occupation standard of review, such additional medical evidence shall be current medical evidence documented by a licensed physician specially trained in the field of medicine covering the illness or injury that supports the member's inability to perform the duties of any occupation described in division (B) of section 145.362 of the Revised Code and such evidence has not been considered previously by the examining physician or medical consultant. Such additional medical evidence shall be presented on a form provided by the retirement system.
- (e) Failure to provide the additional medical evidence within forty-five days of the member's appeal request shall make the action final to such application or benefit unless an extension for submission of such evidence has been requested and granted within the forty-five days. Only one extension, not to exceed forty-five days, may be granted by the retirement system.

- (f) All medical costs of physicians selected by the member and incident to the appeal shall be at the expense of the member.
- (g) Returning to public employment covered by Chapter 145. of the Revised Code during an appeal process that follows a termination of benefits automatically voids the member's appeal and the termination of disability benefits is final.

(C) (1) After submission of any additional medical evidence as described in paragraph (B)(3)(d) of this rule, all evidence shall be reviewed by the medical consultant(s) who shall recommend action for concurrence by the board.

(2) If the board concurs with a recommendation for approval of the appeal, disability benefits shall be paid from the date that was established when the original application for a disability benefit was filed. If a recommendation for termination of a disability benefit was appealed and the appeal is approved by the board, the payments shall be resumed from the date of termination. The member shall be notified by regular mail of the board's decision.

(3) If the board concurs with a recommendation for denial of the appeal, the member shall be notified by regular mail of the board's decision and such decision shall be final.

(D) The following apply to disability appeals or applications after the board's decision on an appeal is final:

(1) If two years have elapsed since the date the member's contributing service terminated, no subsequent application shall be accepted.

(2) Any subsequent applications for a disability benefit filed after the board's decision on a denial of an appeal and within the two years following the date the member's contributing service terminated shall be submitted with medical evidence supporting progression of the disabling condition or a new disabling condition. The board shall not consider an application under this paragraph if the medical consultant or examining physician concludes there is no evidence of progression or a new disabling condition and the application shall be voided.

(3) Notwithstanding paragraph (D)(2) of this rule, a member may file a new disability application without showing progression or a new condition if the member has changed his or her position of public employment since the board's decision on the appeal became final.

(E) If an appeal is pending, the retirement system shall void the appeal of a member who returns to public employment covered by Chapter 145. of the Revised Code or files a new disability application and the board's denial or termination of disability benefits is final.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.35, 145.36, 145.361, 145.362, 145.37
Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26
Effective Date History: 9/18/63, 2/1/93, 10/7/99, 1/1/03, 2/1/11
(Emer.), 4/18/11, 1/1/12, 12/10/12, 1/7/13 (Emer.), 3/24/13,
11/6/14, 3/23/15 (Emer.), 6/6/15, 1/1/17, 1/1/20, 1/1/22

145-2-25 Combined disability benefits

- (A) This rule amplifies section 145.37 of the Revised Code.
- (B) “Paying system” shall have the same meaning as defined in section 145.37 of the Revised Code.
- (C) As used in this rule, “last date of service” means the last day of compensated service, either for a day worked or used paid leave, under the public employees retirement system, state teachers retirement system, or school employees retirement system.
- (D) If a member of the public employees retirement system files an application for a disability benefit pursuant to section 145.35 of the Revised Code and also chooses to apply for a combined disability benefit with the state teachers retirement system or school employees retirement system, the following shall apply.
 - (1) If this system receives the application for combined disability, it shall notify the other retirement system(s).
 - (2) If this system is the paying system, it shall request and pay for the examining physician(s) report(s).
 - (3) Disability shall be determined on the basis of the duties for the position held on the member’s last date of service under school employees retirement system, public employees retirement system, or state teachers retirement system. If the member’s last date of service is concurrent under two or more systems, disability for the performance of duty shall be determined on the basis of the duties for the position with the greater annual compensation or earnable salary at the time of application.
- (E) If this system is the paying system of a combined disability benefit, this system’s rules and statutes shall govern the disability benefits. A finding of disability shall be based on the member’s ability to perform the member’s last date of service under school employees retirement system, public employees retirement system, or state teachers retirement system. If a combined disability benefit is terminated and the member applies for a refund of accumulated contributions, the refund shall include any unused employee contributions received from the school employees retirement system or the state teachers retirement system.
- (F) For purposes of division (B)(9) of section 145.37 of the Revised Code, “employment amenable to coverage in any state retirement system” means employment that would impact a retirement or disability benefit under any state retirement system that participated in the former member’s combined retirement or disability benefit.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.35, 145.37
Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26
Effective Date History: 6/30/61, 2/1/93, 1/1/03, 1/1/07, 1/1/11, 1/7/13 (Emer.), 3/24/13, 3/23/15 (Emer.), 6/6/15, 1/1/22

145-2-27 Disability benefit recipient's annual statement

(A) (1) Except as provided in paragraph (A)(3) of this rule, on or before April fifteenth of each year, a disability benefit recipient shall file a statement with the public employees retirement system providing information including, but not limited to: work performed during the preceding calendar year, compensation received for work performed, and current medical information.

(2) For disability benefit applications filed on or after January 7, 2013, the statement must also include any evidence of application for social security disability insurance ("SSDI"), benefit payments, and a copy of the annual SSDI reward letter, if applicable.

(3) A disability benefit recipient is not required to file the statement described in this rule if the recipient is subject to a guardianship, has attained age seventy, or resides in a skilled nursing facility.

(B) The recipient's statement shall be made on a form provided by the retirement system.

(C) The failure of a recipient to file such statement shall result in the suspension of a disability benefit until such statement is filed. If such failure continues for one year, the disability benefit shall be terminated in accordance with section 145.362 of the Revised Code and is not subject to appeal to the public employees retirement system board.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.362

Rule Amplifies: 145.35, 145.36, 145.361, 145.362, 145.363, 145.37

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 6/4/82, 2/1/93, 9/27/98, 1/1/03, 1/1/07, 1/1/12, 1/7/13 (Emer.), 3/24/13, 3/23/15 (Emer.), 6/6/15, 5/20/19

145-2-30 Designation of beneficiary prior to retirement

- (A) This rule amplifies section 145.431 of the Revised Code.
- (B) A member may designate a beneficiary on a form provided by the public employees retirement system. The designation applies to all retirement plans in which the member has contributions on deposit prior to retirement. If a member or participant has not designated a beneficiary, the beneficiary shall be determined pursuant to section 145.43 of the Revised Code and applicable provisions of the combined and member-directed plan documents.
- (C) A member or participant who designated a beneficiary or beneficiaries prior to the effective date of this rule shall have the last designation in time maintained as the single designation for the member's accounts in the traditional pension plan, combined plan, and member-directed plan.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.431
Rule Review Date: 9/29/16, 9/29/21, 9/29/26
Effective Date History: 7/7/13 (Emer.), 9/16/13

Where dependency as defined in division (A) of section 145.43 of the Revised Code is required for eligibility of benefits pursuant to section 145.43 or 145.45 of the Revised Code, a beneficiary shall file a copy of the deceased member's federal income tax return for the year preceding the member's death, or other satisfactory evidence of dependency to the public employees retirement board.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.43, 145.45

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 8/18/65, 9/27/98, 1/1/03

For purposes of determining the interest credited to a deceased member's account under section 145.471 of the Revised Code, interest shall be earned through the last day of the month prior to the first payment to a beneficiary under section 145.43 of the Revised Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.431, 145.471

Rule Review Date: 9/29/21, 9/29/26

Effective Date History: 1/1/17

This rule was RESCINDED on 1/1/22.

In the absence of a valid marriage certificate, the public employees retirement board will accept only a decision rendered by a court, having jurisdiction in the state in which the member was domiciled at the time of death, that the relationship constituted a valid marriage at time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing in the distribution of the member's or retirant's intestate personal property.

Promulgated Under: 111.15.

Statutory Authority: 145.09

Rule Amplifies: 145.43, 145.65

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 5/4/00, 1/1/03, 1/1/07, 4/6/07 (Emer.), 7/1/07

145-2-37 Deferral of survivor benefits

- (A) This rule applies to the payment of a benefit to a surviving spouse who has not attained age sixty-five and who elects, pursuant to division (A) of section 145.45 of the Revised Code, to defer receipt of such benefit.
- (B) (1) The benefit shall be calculated as if payable on the first day of the month following the death of the member.
 - (2) Notwithstanding paragraph (B)(1) of this rule, the monthly benefit will accumulate and be paid in a single sum no earlier than the first of the month following the surviving spouse's attainment of age sixty-five.
 - (3) Interest shall accumulate during the time of deferral at the interest rate described in division (B) of section 145.473 of the Revised Code.
- (C) The amount calculated under this rule shall not be reduced due to a later recalculation as provided in section 3 of Amended Substitute House Bill 268 of the 111th General Assembly.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.45, 145.473

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 8/20/76, 8/31/92, 11/2/00, 1/1/03, 1/1/07

(A) As used in this rule:

- (1) "Law enforcement officer" has the same meaning as in rule 145-2-39 of the Administrative Code.
- (2) "Killed in the line of duty" has the same meaning as in section 145.45 of the Revised Code.

(B) For purposes of determining the eligibility of a qualified spouse under division (B)(2)(a)(i) of section 145.45 of the Revised Code, the employer of the law enforcement officer at the time of the officer's death shall certify, on a form provided by the public employees retirement system, that the law enforcement officer was killed in the line of duty.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.45

Rule Review Date: 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 4/6/07 (Emer.), 7/1/07

(A) Definitions

- (1) "Law enforcement officer" means a member described in division (YY) of section 145.01 of the Revised Code.
- (2) "Law enforcement service" means service as a law enforcement officer or public safety officer.
- (3) "Non-law enforcement service" means service covered by the public employees retirement system that is other than law enforcement service;
- (4) "Public safety officer" means a member described in division (AAA) of section 145.01 of the Revised Code.

(B) If a member who has both law enforcement service credit and non-law enforcement service credit dies prior to retirement, the member's qualifying beneficiary or beneficiaries as determined in accordance with section 145.43, 145.431, or 145.45 of the Revised Code may elect to have benefits paid pursuant to section 145.33, 145.332, 145.43, or 145.45 of the Revised Code. If the benefit is calculated pursuant to division (I)(2) or (I)(3) of section 145.332 of the Revised Code, the beneficiary shall be paid an amount equal to the amount the member would have received for the non-law enforcement service.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.01, 145.33, 145.332, 145.43, 145.431, 145.45

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 8/20/76, 7/31/89, 12/30/91, 12/6/93, 2/3/00, 4/5/01, 1/1/03, 1/1/07, 1/1/10, 1/7/13 (Emer.), 3/24/13, 9/1/17, 1/1/22

145-2-40 Benefits payable under section 145.333 of the Revised Code

- (A) As used in this rule, “retirement allowance” has the same meaning as defined in section 145.333 of the Revised Code.
- (B) If a retirement allowance is reduced under section 145.333 of the Revised Code, the reduced retirement allowance shall become the member’s single lifetime allowance for purposes of sections 145.33, 145.332, 145.335, and 145.45 of the Revised Code.
- (C) As used in division (E) of section 145.333 of the Revised Code, “full month of service” means any month during which a public employee has earnable salary in the public employees retirement system and does not include the first or last month of employment with a public employer or a leave of absence approved by a public employer.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.333

Rule Review Date: 9/29/16, 9/29/21, 9/29/26

Effective Date History: 1/7/13 (Emer.), 3/24/13, 1/1/14, 1/1/25

145-2-42 Retirement incentive plans

(A) For the purpose of this rule:

- (1) “Effective benefit date” means the first day of the month immediately following the latest of the following:
 - (a) The last day for which compensation was paid;
 - (b) The attainment of minimum age or service credit eligibility provided under Chapter 145. of the Revised Code;
 - (c) Ninety days prior to receipt by the public employees retirement system of the member’s completed retirement application;
 - (d) February 1, 2013, for retirement applications received by the retirement system on or after January 7, 2013.
- (2) “Employee” means each contributing member of the public employees retirement system who is an employee described in division (C) of section 145.297 of the Revised Code regardless of the years of service credit in the retirement system;
- (3) “Employing unit” means an employer as defined in division (A) of section 145.297 or division (A) of section 145.298 of the Revised Code, and if any subordinate designation of an employing unit is made then the retirement system shall be notified in accordance with paragraph (B) of this rule; and
- (4) “Retirement incentive plan” means a plan established pursuant to section 145.297 or 145.298 of the Revised Code.

(B) (1) (a) Upon adoption of a retirement incentive plan, an employing unit shall notify the retirement system of the adoption on a form provided by the public employees retirement board. A copy of the proposed plan shall be attached to the form. In the case of a retirement incentive plan established under section 145.297 of the Revised Code, the employing unit shall notify the retirement system at least sixty days prior to the date the plan goes into effect. In the case of a retirement incentive plan established under section 145.298 of the Revised Code, the employing unit shall notify the retirement system immediately upon adoption of the plan.

(b) Notwithstanding paragraph (B)(1)(a) of this rule, in the event a subordinate designation of an employing unit is made:

- (i) If by a state entity, notice to the retirement system shall be submitted by the appointing authority and include the signatures of the fiscal officer reporting to the retirement system and head of the subordinate employing unit; or
- (ii) If by a county board of commissioners, notice to the retirement system shall be submitted by the commissioners and include the signatures of the county auditor and head of the subordinate employing unit; or
- (iii) If by a municipal corporation legislative authority, notice to the retirement system shall be submitted by the legislative authority and include the signatures

of the fiscal officer reporting to the retirement system and head of the subordinate employing unit.

(2) The plan must be in writing and meet the following minimum requirements:

- (a) Incorporate the approval of the employing unit;
- (b) Provide for the employing unit's purchase and payment of service credit;
- (c) For retirement incentive plans adopted under section 145.297 of the Revised Code and received by the retirement system on or after January 1, 2008, provide for a prospective effective date of the plan that shall be at least sixty days after receipt by the retirement system of the notice described in paragraph (B) of this rule;
- (d) Specify the maximum number of years that can be purchased, not to exceed five years, and in no event to exceed an amount of service credit equal to one-fifth of the total service credited to an eligible employee under Chapter 145. of the Revised Code, exclusive of service credit purchased under the plan;
- (e) Be in effect for a minimum of one year except as provided in division (D) of section 145.298 of the Revised Code;
- (f) No more than one plan shall be in effect at one time for an employing unit or subordinate employing unit;
- (g) Be offered to not less than five per cent of the employing unit or subordinate employing unit's employees who are members of the retirement system as of the date the plan goes into effect;
- (h) Provide a grievance procedure for timely and impartial resolution of disputes arising under the plan; and
- (i) Provide thirty days prior notice to employees of the termination of the retirement incentive plan.

(3) In addition to providing thirty days prior notice to its employees of the termination of a retirement incentive plan, the employing unit shall provide similar written notice to the retirement system at the same time.

(4) Upon the written request of an employing unit or a subordinate employing unit, a retirement incentive plan may be extended beyond the date designated in the original plan. Such request shall be submitted in the same manner as notice of adoption of the original plan is required in this paragraph.

(C) Requests by an employing unit for the cost of service credit to be purchased for an employee under a retirement incentive plan shall be submitted to the retirement system on a form provided by the retirement board.

(D) (1) The additional liability resulting from a retirement incentive plan is established under contract as an employer liability by the employee-employer agreement. The cost to the employing unit for each year or fraction of a year of credit to be purchased will be determined by factors

recommended by the retirement system's actuary that yield an amount equal to the additional liability for the service credit to be purchased. Factors to establish actuarial cost will be revised no more than once annually and after such revision is approved by the retirement board shall apply to new credit calculations. The cost shall be stated in a statement of cost to the employer that shall be valid when computed for payment not earlier than three months preceding the effective benefit date.

(2) Except as otherwise provided in this rule, the employing unit shall pay in one payment after notice by the retirement system to the employing unit, or contract to pay, the cost of the service credit to be purchased by the earlier of either the last day of the month preceding the employee's effective benefit date, or the termination date of the retirement incentive plan.

(3) Notwithstanding paragraph (D)(2) of this rule, an employing unit that has established a voluntary retirement incentive plan pursuant to section 145.297 of the Revised Code, and that is terminating operations as a whole or in part shall pay in one payment after notice by the retirement system to the employing unit, or contract to pay, the cost of the service credit to be purchased by the earlier of either the last day of the month preceding the employee's effective benefit date, or the last day of operations.

(4) Any amounts not paid timely by the employing unit shall be certified for collection pursuant to section 145.51 of the Revised Code.

(E) (1) The service credit contracted for purchase under the retirement incentive plan shall be credited to the employee by the retirement system under the terms of the employee-employer agreement and the employee shall retire within ninety days thereafter.

(2) If an employee dies prior to an effective benefit date, a qualifying beneficiary shall be entitled only to those benefits provided by section 145.43 or 145.45 of the Revised Code exclusive of service credit that may have been available under a retirement incentive plan.

(F) Except as provided in sections 145.297 and 145.298 of the Revised Code, an employee who retires with service credit purchased pursuant to a retirement incentive plan is subject to the rights, privileges and obligations under sections 145.01 to 145.59 of the Revised Code in effect at the time of retirement.

(G) (1) "Total service credit" as used in section 145.297 or 145.298 of the Revised Code means all service that is credited pursuant to Chapter 145. of the Revised Code.

(2) Third-party requests for the total service credit of a member shall be honored only if accompanied by the member's written authorization that includes the member's federal identification number.

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.297
Rule Amplifies: 145.297, 145.298
Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26
Effective Date History: 12/22/86 (Emer.), 4/3/87, 2/1/88, 10/9/00, 1/1/03, 1/1/07, 1/1/08 (Emer.), 1/19/08, 1/7/13 (Emer.), 3/24/13, 1/1/17

(A) A member or contributor who makes a deposit for an additional annuity pursuant to section 145.62 of the Revised Code shall remit the first deposit with a form provided by the public employees retirement system. The retirement system shall not accept a payment for less than fifteen dollars. Deposits shall be credited to the tax year in which the deposit is posted to the account of the member or contributor.

(B) A member or contributor may elect to have an eligible rollover distribution paid directly to an additional annuity account as a direct rollover. Any non-taxable portion of an eligible rollover distribution shall be separately accounted for by the retirement system and shall only be accepted in a direct trustee-to-trustee transfer to the additional annuity account. The following definitions apply to this paragraph:

(1) “Eligible rollover distribution” means any distribution of all or any portion of the balance to the credit of a member or contributor from an eligible retirement plan. An eligible rollover distribution does not include:

- (a) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the member or contributor or the joint lives (or joint life expectancies) of the member or contributor and the member or contributor’s designated beneficiary, or for a specified period of ten years or more;
- (b) Any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401;
- (c) Any distribution that is made upon hardship of the member or participant; or
- (d) The portion of any distribution that is not includable in gross income, unless the distribution is being rolled over to either (i) a traditional individual retirement account or individual retirement annuity under sections 408(a) or 408(b) of the Internal Revenue Code of 1986, 26 U.S.C.A. 408, or (ii) a qualified trust which is part of a plan which is a defined contribution plan under sections 401(a) or 403(a) of the Internal Revenue Code of 1986, 26 U.S.C.A. 403, that will separately account for the distribution, including the taxable and non-taxable portions of the distribution, in a direct trustee-to-trustee transfer.

(2) “Eligible retirement plan” means any program defined in sections 401(a)(31) and 402(c)(8)(B) of the Internal Revenue Code of 1986, 26 U.S.C.A. 402, from which the member or contributor has a right to an eligible rollover distribution, as follows:

- (a) An individual retirement account under section 408(a) of the Internal Revenue Code;
- (b) An individual retirement annuity under section 408(b) of the Internal Revenue Code (other than an endowment contract);
- (c) A qualified trust;
- (d) An annuity plan under section 403(a) of the Internal Revenue Code;
- (e) An eligible deferred compensation plan under section 457(b) of the Internal Revenue Code of 1986, 26 U.S.C.A. 402, that is maintained by an eligible employer under section 457(e)(1)(A) of the Internal Revenue Code;

- (f) An annuity contract under section 403(b) of the Internal Revenue Code; and
- (g) An annuity described in section 408A of the Internal Revenue Code, subject to the limitations set forth in such Internal Revenue Code provision; provided, however, that the plan is not responsible for assuring that a distributee is eligible to make such a rollover.

(3) "Direct rollover" means a payment to the additional annuity account from an eligible retirement plan specified by the member or contributor.

(C) A member or contributor shall make application for an additional annuity payment under section 145.64 of the Revised Code or a one-time lump sum payment under section 145.63 of the Revised Code on a form provided by the public employees retirement system. In the event a member or contributor is deceased, the qualifying beneficiary shall make application. Except as provided in this paragraph, a member or contributor may apply for a one-time lump sum payment at any time. If, at the time of application for a one-time lump sum payment, the additional annuity account of the member or contributor includes mandatory employee or employer contributions that were transferred to the account in accordance with rules 145-1-74 or 145-2-18 of the Administrative Code, the member or contributor may only apply for a one-time lump sum payment under the circumstances described in section 145.63 of the Revised Code if the member has terminated service.

(D) Except as provided in this paragraph, monthly additional annuity payments shall commence at the time of issuance of an initial benefit payment, as defined in paragraph (A)(5) of rule 145-1-65 of the Administrative Code. In the case of a member or contributor who indicates on a form provided by the retirement system that the member or contributor will be making additional deposits into their additional annuity account, monthly additional annuity payments shall not be issued until one hundred twenty days following the initial benefit payment or, in the case of an additional annuity commenced in connection with a benefit under section 145.384 of the Revised Code, one hundred twenty days from issuance of the first payment under that section.

(E) All amounts on deposit with the retirement system on December 31, 2007, for an additional annuity, including any interest as may have been allowed by the public employees retirement board under former section 145.23 of the Revised Code, section 145.62 of the Revised Code, or prior versions of this rule, and any deposits made on or after January 1, 2008, shall be invested in the OPERS stable value fund, as described in the statement of investment objectives and policies for the defined contribution fund. The retirement system shall value the amounts described in this paragraph in accordance with the daily values determined for the OPERS stable value fund and acceptable industry practices. The board and the retirement system are not liable for losses or depreciation in the value of the amounts described in this paragraph.

(F) Pursuant to division (B)(6) of section 145.64 of the Revised Code, a member or contributor who fails to select a plan of payment for the monthly additional annuity shall receive monthly annuity payments under a plan of payment that is consistent with the marital status of the member or contributor.

(G) On application for a payment under section 145.63 or 145.64 of the Revised Code by a member, contributor, or beneficiary whose deposits were transferred to the income fund as described in section 145.41 of the Revised Code, the retirement system shall credit interest and invest the deposits as described in paragraph (E) of this rule.

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.62
Rule Amplifies: 145.62, 145.63, 145.64, 145.65
Rule Review Date: 9/29/11, 9/29/16, 9/29/21, 9/29/26
Effective Date History: 2/3/92, 10/9/00, 1/1/02 (Emer.), 3/22/02, 1/1/03, 1/1/07, 4/6/07 (Emer.), 7/1/07, 1/1/08 (Emer.), 1/19/08, 4/1/08 (Emer.), 6/23/08, 1/1/11, 2/1/11 (Emer.), 4/18/11, 1/1/12, 1/7/13 (Emer.), 3/24/13, 8/1/15 (Emer.), 9/30/15, 1/1/17, 1/1/21, 1/1/22, 1/1/25

145-2-44 Selection of payment plan – spousal consent

(A) A contributor who is married at the time of retirement under section 145.32, 145.33, 145.331, 145.332, 145.335, 145.37, or 145.46 of the Revised Code, section 9.02 of the combined plan document, or section 9.02 of the member-directed plan document, or at the time benefits are to commence under section 145.384 or 145.64 of the Revised Code, shall receive a retirement benefit under the joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse unless one of the following apply:

- (1) The spouse consents on a form provided by the public employees retirement system that the spouse is aware that the contributor has selected the joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse and a partial lump sum option payment as defined in rule 145-1-65 of the Administrative Code, or a payment plan other than a joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse.
- (2) The public employees retirement board waives the requirement of spousal consent in accordance with rule 145-1-70 of the Administrative Code.
- (3) The contributor is required to elect a plan of payment and designate a former spouse as beneficiary pursuant to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property and the contributor also designates the contributor's current spouse as a beneficiary under that plan.
- (4) The retirement system is required to commence a benefit described in this paragraph in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder.

(B) This paragraph applies to a contributor who elects a plan of payment under which a portion of the contributor's benefit continues, after the death of the contributor, to two, three, or four surviving beneficiaries. A contributor's current spouse must also consent to the election of a plan of payment described in this paragraph if either of the following applies:

- (1) The contributor is not subject to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that requires the contributor to elect the plan of payment described in this paragraph;
- (2) The contributor is ordered to designate a former spouse as beneficiary of a specified portion of the benefit under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property, but also designates a beneficiary or beneficiaries other than the contributor's current spouse and former spouse under that plan of payment.

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.46
Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.37, 145.384, 145.46, 145.64
Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26
Effective Date History: 8/6/90, 2/1/93, 9/27/98, 11/2/00, 1/1/03, 1/1/04 (Emer.), 2/16/04, 10/27/06, 4/6/07 (Emer.), 7/1/07, 4/1/08 (Emer.), 6/23/08, 1/7/13 (Emer.), 3/24/13, 9/1/13 (Emer.), 9/16/13, 1/1/25

- (A) Benefits available under section 145.331 of the Revised Code shall be effective as provided in that section.
- (B) A disability benefit recipient who applies for retirement under section 145.331 of the Revised Code shall select a plan of payment and designate a beneficiary pursuant to section 145.46 of the Revised Code. A plan of payment or a beneficiary may be changed only pursuant to section 145.46 of the Revised Code and rule 145-2-47 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.331

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 2/1/93, 10/9/00, 1/1/03, 1/1/07

Unless a court order specifically requires a member to allocate to the member's former spouse less than ten per cent of the member's monthly retirement allowance, the portion of a retirement allowance that continues after death to a member's surviving beneficiary pursuant to the plan of payment described in division (B)(1) or (B)(3) of section 145.46 of the Revised Code shall be expressed as a whole percentage and shall meet or exceed the greater of the following:

- (A) Ten percent of the member's monthly retirement allowance;
- (B) A percentage that causes the beneficiary's monthly benefit to be at least fifty dollars.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.46

Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.37, 145.46

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 7/01/04, 10/27/06, 4/6/07 (Emer.),

7/1/07, 1/1/10, 1/7/13 (Emer.), 3/24/13, 9/1/13 (Emer.), 9/16/13, 1/1/21, 1/1/25

145-2-47 Beneficiary and payment plan changes after retirement

(A) Section 145.46 of the Revised Code as effective January 7, 2013, renames the plans of payment available under sections 145.32, 145.33, 145.332, 145.335, and 145.46 and former section 145.34 of the Revised Code. For purposes of Chapter 145. of the Revised Code and Chapters 145-1 to 145-4 of the Administrative Code, such payment plans shall be treated the same as follows:

- (1) A straight or single life annuity payment plan and plan B shall be known as “the single-life plan”.
- (2) An option 1 payment plan and plan D shall be known as “the joint-life plan”.
- (3) An option 2 payment plan and plan A when the retirant’s spouse is the retirant’s beneficiary and the amount payable after the retirant’s death is fifty per cent shall be known as “the joint-life plan”.
- (4) An option 2 payment plan and plan C when the beneficiary is someone other than the retirant’s spouse or the amount payable to a beneficiary after the retirant’s death is other than fifty per cent shall be known as “the joint-life plan”.
- (5) An option 3 payment plan and plan E.
- (6) Plan F shall be known as “the multiple-life plan”.

(B) Except as provided in paragraph (I) of this rule, a designation of beneficiary may be changed after retirement when the retirant is receiving benefits under:

- (1) A payment plan B or the single-life plan.
- (2) A payment plan E under the version of section 145.46 in effect immediately prior to January 7, 2013, but the payment plan cannot be changed.

(C) When a retirant is receiving benefits under the joint-life plan, the plan shall be changed to the single-life plan and a new beneficiary may be designated:

- (1) The first day of the month following the date on which the public employees retirement system receives the death certificate of the spouse or other individual designated as beneficiary under the plan, but any change in the benefit amount shall be effective the first day of the month following the date of death of the spouse or beneficiary.
- (2) On the first day of the month after receipt of the election of the retirant to revert to the single-life plan following divorce, annulment or dissolution of marriage with a spouse designated as beneficiary under the plan, except that no benefit shall be increased without the written consent of the former spouse who was the designated beneficiary or an order from the court with jurisdiction over the termination of the marriage.

(D) The right to have the joint-life plan recomputed as the single-life plan upon the date of death of the beneficiary, or upon divorce, annulment or dissolution of marriage with a spouse who was designated as beneficiary, applies to all retirants who are receiving benefits under the joint-life plan regardless of the original effective date of benefits.

(E) Subject to the requirements of division (H)(1)(b) of section 145.46 of the Revised Code, upon the marriage or remarriage of a retirant receiving benefits under the multiple-life plan, the retirant

may designate the new spouse as a beneficiary under the multiple-life plan only if the retireant does not already have four beneficiaries designated under that plan at the time the retireant applies to add the new spouse.

- (F) (1) The death or disqualification of any designated beneficiary under the multiple-life plan shall not change the plan of payment. The multiple-life plan benefit shall continue to the remaining designated beneficiaries in their same percentages. If the death or disqualification occurs prior to the retireant's death, the deceased beneficiary's portion shall revert to the retireant for the remainder of his or her lifetime.
- (2) A retireant may not cancel the multiple-life plan and return to a single lifetime benefit equivalent until the date of death of all designated beneficiaries under that plan. The effective date of this change shall be the first day of the month following the date of death of the last living beneficiary.
- (G) (1) A retireant who is receiving benefits under the single-life plan may, upon the retireant's later marriage or remarriage, elect to have the retireant's benefit recomputed as the joint-life plan and designate only the new spouse as beneficiary, as provided in division (H) of section 145.46 of the Revised Code, section 9.02(f) of the combined plan document, and section 9.02(f) of the member-directed plan document.
- (2) A retireant who is receiving benefits under a plan of payment providing for payment to a former spouse pursuant to a court order described in division (C)(2) of section 145.46 of the Revised Code may, upon the retireant's later marriage or remarriage, elect to have the retireant's benefit recomputed as the multiple-life plan and designate only the new spouse as beneficiary, as provided in division (H) of section 145.46 of the Revised Code, section 9.02(f) of the combined plan document, and section 9.02(f) of the member-directed plan document.
- (3) The actuarial factors shall be based on the actuarial ages of the retireant and beneficiary at the time the benefit is recomputed.
- (H) A retireant who elected to receive a partial lump sum option payment, as defined in rule 145-1-65 of the Administrative Code, shall have the partial lump sum option payment accounted for upon the recomputation of the retireant's benefit.
- (I) Any request for a change of plan of payment or of beneficiary shall be made on a form approved by the public employees retirement board. If a retireant dies prior to the retirement system's receipt of the form, the retireant's request for a change of plan of payment or beneficiary is void.
- (J) For those retireants whose benefit is commenced under the single-life plan in accordance with section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401, and the regulations thereunder, not later than one year after the effective date of the benefit described in this paragraph, a retireant who was married on the effective date of the benefit may elect the joint-life plan based on the actuarial equivalent of the retireant's single life annuity as determined by the board and designate the retireant's current spouse as beneficiary. The election shall be made on a form approved by the retirement system and shall be effective on the effective date of the benefit paid under the single-life plan. Any benefit overpayment may be recovered as provided in section 145.563 of the Revised Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.32, 145.33, 145.332, 145.43, 145.46

Rule Review Date: 7/10/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 8/20/76, 10/30/78, 8/6/90, 9/27/98,

1/1/03, 1/1/04 (Emer.), 2/16/04, 6/6/05 (Emer.), 8/11/05,

10/27/06, 5/8/07 (Emer.), 8/9/07, 4/1/08 (Emer.), 6/23/08,

1/1/10, 1/7/13 (Emer.), 3/24/13, 9/1/13 (Emer.), 9/16/13, 1/1/17,

1/1/25, 1/1/06

- (A) Except as provided in paragraph (G) of this rule, a designation of beneficiary may be changed after commencement of benefits under section 145.64 of the Revised Code when the contributor is receiving benefits under the single-life plan.
- (B) When a contributor is receiving an additional annuity under a plan providing continuing lifetime payments to a designated beneficiary, the plan shall be changed to the single-life plan and a new beneficiary may be designated:
 - (1) The first day of the month following the date on which the public employees retirement system receives the death certificate of the individual designated as beneficiary under the plan but any change in the benefit amount shall be effective the first day of the month following the date of death of the beneficiary.
 - (2) On the first day of the month after receipt of the election of the contributor to revert to the single-life plan following divorce, annulment, or dissolution of marriage with a spouse designated as beneficiary under the plan, except that no benefit shall be increased without the written consent of the former spouse who was the designated beneficiary or an order from the court with jurisdiction over the termination of the marriage.
- (C) The right to have a plan providing continuing lifetime payments to a designated beneficiary recomputed as the single-life plan upon the date of death of the beneficiary, or upon divorce, annulment or dissolution of marriage with a spouse who was designated as beneficiary, applies to all contributors who are receiving benefits under former section 145.23 or section 145.64 of the Revised Code, regardless of the original effective date of the benefits.
- (D) Upon the marriage or remarriage of a contributor receiving benefits under the multiple-life plan, the contributor may designate the new spouse as a beneficiary under the multiple-life plan only if the contributor does not already have four beneficiaries designated under that plan at the time the contributor applies to add the new spouse.
- (E) The death of any designated beneficiary under the multiple-life plan shall not change the plan of payment. The multiple-life plan benefit shall continue to the remaining designated beneficiaries in the same percentages and the deceased beneficiary's portion shall revert to the contributor for the remainder of his or her lifetime. A contributor may not cancel the plan of payment and return to a single lifetime benefit equivalent until the date of death of all designated beneficiaries under that plan. The effective date of this change shall be the first day of the month following the date of death of the last living beneficiary.
- (F) A contributor who is receiving benefits under the single-life plan may, upon the contributor's later marriage or remarriage, elect to have the contributor's benefit under the single-life plan recomputed as the joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse, as provided in division (F) of section 145.64 of the Revised Code. The actuarial factors shall be based on the actuarial ages of the retirant and spouse beneficiary at the time the benefit is recomputed.
- (G) Any request for a change of plan of payment or beneficiary shall be made on a form approved by the public employees retirement board. If a contributor dies prior to the retirement system's receipt of the form, the contributor's request for a change of plan of payment or beneficiary is void.
- (H) For those contributors whose benefit under section 145.64 of the Revised Code is commenced under the single-life plan in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder, not later than one year after the effective date of the benefit described in this paragraph, a

contributor who was married on the effective date of the benefit may elect the joint-life plan with one-half of such allowance continuing after death to the contributor's surviving spouse based on the actuarial equivalent of the contributor's single life annuity as determined by the board. The election shall be made on a form approved by the retirement system and shall be effective on the effective date of the benefit paid under the single-life plan. Any benefit overpayment may be recovered as provided in section 145.563 of the Revised Code.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.62

Rule Amplifies: 145.64

Rule Review Date: 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 4/6/07 (Emer.), 7/1/07, 7/30/07 (Emer.), 11/18/07, 4/1/08 (Emer.), 6/23/08, 1/1/10, 1/7/13 (Emer.), 3/24/13, 9/1/13 (Emer.), 9/16/13

145-2-49 Retirement benefits for law enforcement officers

(A) Definitions

- (1) “Law enforcement officer” means a member described in division (YY) of section 145.01 of the Revised Code.
- (2) “Law enforcement service” means service as a law enforcement officer or public safety officer.
- (3) “Non-law enforcement service” means service covered by the public employees retirement system that is other than law enforcement service.
- (4) “Public safety officer” means a member described in division (AAA) of section 145.01 of the Revised Code.

(B) If a law enforcement or public safety officer is eligible, applies for, and elects to receive retirement benefits pursuant to division (I)(2) or (I)(3) of section 145.332 of the Revised Code, the law enforcement or public safety officer shall elect one of the following, subject to the limitation described in division (N) of that section:

- (1) For a member who has law enforcement service and non-law enforcement service prior to March 22, 2019, either a monthly benefit as provided in division (I)(2)(b) and (c) or (I)(3)(b) and (c) of section 145.332 of the Revised Code or lump sum payment discounted to the present value of the non-law enforcement service benefit.
- (2) For a member who is not described in paragraph (B)(1) of this rule, either a monthly benefit as provided in division (I)(2)(b) and (c) or (I)(3)(b) and (c) of section 145.332 of the Revised Code or an amount determined under section 145.40 of the Revised Code as a refund of accumulated contributions for the non-law enforcement service.

(C) If, at the time of the retirant’s death, the retirant has received a total amount of monthly benefits that were less than the retirant would have received as described in paragraph (B) of this rule, the difference between the amount the retirant received and the amount the retirant would have received shall be paid to the retirant’s beneficiary in a one-time payment.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.332

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 8/20/76, 7/31/89, 12/30/91, 12/6/93,

2/03/00, 4/5/01, 1/1/03, 1/1/06, 1/1/07, 1/1/10, 1/7/13 (Emer.),

3/24/13, 9/1/17, 5/20/19

The public employees retirement board shall, based on the recommendation of the board's actuary, establish the percentage rate for the reductions described in division (A)(2) of section 145.33 of the Revised Code and division (B)(2) of section 145.335 of the Revised Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.33

Rule Review Date: 9/29/15, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 1/7/13 (Emer.), 3/24/13, 1/1/25

145-2-51 Effective date of benefits

Benefits available pursuant to section 145.32, 145.33, 145.332, 145.335, 145.43, 145.45 or 145.46 of the Revised Code shall be effective the first day of the month immediately following the latest of the following:

(A) For a member:

- (1) The last date for which compensation was paid;
- (2) Eligibility by attaining the required minimum age;
- (3) Eligibility by accumulating the required service credit;
- (4) Ninety days prior to receipt by the public employees retirement system of the member's completed application for retirement;
- (5) February 1, 2013, for retirement applications received by the retirement system on or after January 7, 2013.

(B) For a beneficiary:

- (1) The death of the contributor or retitant;
- (2) Attainment of eligibility.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.43, 145.45, 145.46

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 8/20/76, 8/1/92, 2/1/93, 9/27/98, 1/1/03, 1/1/07, 1/12/08, 1/7/13 (Emer.), 3/24/13, 1/1/25

For purposes of division (A)(2) of section 145.40 of the Revised Code, “eligible for age and service retirement” means a contributor is eligible for a retirement benefit under section 145.32, 145.33, 145.331, or 145.332 of the Revised Code on or before the first of the month following the date the application for a refund is received by the public employees retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.40

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 4/5/01, 1/1/03, 12/24/04, 1/7/13 (Emer.), 3/24/13

145-2-53 Cost of living adjustment

- (A) As used in this rule, “alternate payee” has the same meaning as in section 3105.80 of the Revised Code.
- (B) A benefit recipient who has received an allowance for at least twelve months shall have such allowance increased pursuant to section 145.323 of the Revised Code and as provided in this rule on the annual anniversary of the recipient’s effective benefit date.
- (C) A new benefit base upon which a cost of living adjustment shall be calculated shall be established when:
 - (1) A post retirement increase is granted, other than a cost of living adjustment or a payment representing reimbursement of premium for medicare part “B”.
 - (2) A retirant receiving under the joint-life plan dies and the surviving beneficiary begins receiving a portion of the amount previously paid to the retirant.
 - (3) A survivor benefit is adjusted as the result of adding or removing survivor dependents.
 - (4) A retirant receiving under the joint-life plan reverts to the single-life plan as a result of the death of the beneficiary spouse, or divorce or dissolution of marriage as authorized in section 145.46 of the Revised Code and rule 145-2-47 of the Administrative Code.
 - (5) A retirant receiving under the multiple-life plan reverts to the single-life plan as a result of the removal of all beneficiaries as authorized in section 145.46 of the Revised Code and rule 145-2-47 of the Administrative Code.
 - (6) The benefit established at retirement is recalculated for any reason except for a cost of living adjustment or reimbursement of premium for medicare part “B.”
 - (7) A part of a benefit is waived then the base shall be the portion being paid. If a waiver is withdrawn, the full base shall be re-established.
- (D) For allowances that became payable before October 27, 2006, the apportionment of a cost of living adjustment between a benefit recipient and an alternate payee pursuant to division (B) of section 145.323 of the Revised Code shall begin with the next cost of living adjustment granted on or after October 27, 2006, and shall continue while the order is in effect.

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.323
Rule Review Date: 7/10/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26
Effective Date History: 8/20/76, 10/11/88, 8/6/90, 1/31/98, 10/7/01, 3/22/02, 1/1/03, 10/27/06, 9/1/13 (Emer.), 9/16/13

145-2-54 Enhanced refund

(A) As used in this rule:

- (1) “Eligible contributions” means amounts contributed by a member under section 145.47 of the Revised Code and, if applicable, the amounts paid by the member to purchase or restore service credit under section 145.302 or 145.31 of the Revised Code. “Eligible contributions” does not include contributions that were used in the payment of a disability benefit under section 145.36 of the Revised Code or were refunded to the member because the system was not authorized to accept the contributions.
- (2) “Service credit” has the same meaning as defined in section 145.401 of the Revised Code.

(B) For purposes of division (B) of section 145.401 of the Revised Code:

- (1) If a member has, or at the time of death had, at least five years of service credit but less than ten years of service credit, the amount shall equal thirty-three per cent of the member’s eligible contributions.
- (2) If a member has, or at the time of death had, at least ten years of service credit, the amount shall equal sixty-seven per cent of the member’s eligible contributions.

Promulgated Under: 111.15
Authorized By: 145.09, 145.401
Rule Amplifies: 145.401
Rule Review Date: 9/29/15, 9/29/16, 9/29/21, 9/29/26
Effective Date History: 1/7/13 (Emer.), 3/24/13. 7/7/13 (Emer.), 9/16/13

145-2-55 Death benefit payment

- (A) This rule shall apply only to the death benefit payable pursuant to section 145.451 of the Revised Code.
- (B) A retirant or a disability benefit recipient may designate a beneficiary or beneficiaries to receive only the death benefit payment.
 - (1) Such designation must be on a form provided by the public employees retirement system and filed with the system prior to the retirant or disability benefit recipient's death.
 - (2) The death benefit payment shall be divided equally among the surviving beneficiaries if the retirant or the disability benefit recipient designated multiple beneficiaries.
- (C) If the death benefit is payable to the person responsible for the retirant's or disability benefit recipient's burial expenses, such person shall submit proof of financial liability and proof of payment of these expenses.
- (D) If a beneficiary of the death benefit payment or portion of a death benefit payment dies prior to the distribution of the amount, the payment shall be issued to the beneficiary's estate.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.451

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 8/20/76, 9/29/86, 8/6/90, 12/6/93,
5/29/95, 8/31/96, 1/1/03, 11/30/07, 1/1/17, 1/1/22

The public employees retirement board shall set the annual interest rate to be credited to contributor accounts pursuant to division (A) of section 145.473 of the Revised Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.473

Rule Review Date: 9/29/06, 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 4/5/01, 1/1/03

The portion of the lesser amount continuing after death to two, three, or four surviving beneficiaries designated at the time of a member's retirement or at the time of commencement of a contributor's benefit under section 145.384 or 145.64 of the Revised Code shall be allocated among the beneficiaries in whole percentages only.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.384, 145.46, 145.64

Rule Review Date: 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 10/27/06, 4/6/07 (Emer.), 7/1/07, 9/1/13 (Emer.), 9/16/13

(A) This rule applies to a retirant or contributor who elects a plan of payment under which a portion of the contributor's benefit continues, after the death of the contributor, to two, three, or four surviving beneficiaries. Amounts due to a retirant or contributor receiving a monthly benefit and unpaid to the retirant or contributor at death, shall be paid to the beneficiary designated in writing on a form provided by the public employees retirement board, signed by the retirant or contributor and filed with the board.

(B) The amount payable to each surviving designated beneficiary shall be determined by multiplying the amount due the retirant or contributor under the plan of payment described in paragraph (A) of this rule by a fraction whose numerator is the gross monthly amount that the beneficiary will be paid and whose denominator is the total gross monthly amount that all beneficiaries will be paid.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.384, 145.46, 145.64

Rule Review Date: 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 10/27/06, 4/6/07 (Emer.), 7/1/07, 9/1/13 (Emer.), 9/16/13

If, at the time of retirement or at the time of commencement of a benefit under section 145.384 or 145.64 of the Revised Code, a member or contributor is subject to more than one court order issued under section 3105.171 or 3105.65 of the Revised Code, or the laws of another state regarding the division of marital property, the public employees retirement system shall establish the priority in which the court orders will be administered by the retirement system. Priority shall be established by the earliest date on which the orders were received by the retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.384, 145.46, 145.64

Rule Review Date: 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 10/27/06, 4/6/07 (Emer.), 7/1/07, 9/1/13 (Emer.), 9/16/13

(A) In addition to other limitations set forth in Chapter 145. of the Revised Code, the defined benefit payable to a member under the traditional pension plan or the defined benefit payable to a member under the combined plan shall not exceed the applicable limits under section 415(b) of the Internal Revenue Code, as periodically adjusted by the Secretary of the Treasury under section 415(d) of the Internal Revenue Code. This adjustment shall also apply to a member who has had a severance from employment or, if earlier, an annuity starting date. Benefits that are subject to section 415(b) of the Internal Revenue Code shall comply with the foregoing limit in each year during which payments are made. The foregoing limit shall be adjusted pursuant to the requirements of sections 415(b)(2)(C) and (D) of the Internal Revenue Code relating to the commencement of benefits at a date prior to age sixty-two or after age sixty-five, subject to other applicable rules. Any member whose benefits were limited by the application of section 415 of the Internal Revenue Code immediately prior to its amendment by the Economic Growth and Tax Relief Reconciliation Act of 2001 shall, for limitation years ending on or after July 1, 2002, have his or her benefit increased to the amount computed under the applicable plan, but not in excess of the limits of section 415(b)(1)(A) of the Internal Revenue Code of 1986, 26 U.S.C.A. 415(b)(1)(A), as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001.

(B) (1) For purposes of this rule, "compensation" means compensation as defined in section 415(c)(3) of the Internal Revenue Code and section 1.415(c)-2(d)(3) of the Treasury Regulations, 72 Fed. Reg. 16878, April 5, 2007. In general, section 415(c)(3) of the Internal Revenue Code defines compensation as all of a member's wages as defined in section 3401(a) of the Internal Revenue Code 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 section 3401(a)(2) of the Internal Revenue Code). Compensation shall also include the amount of any elective deferrals, as defined in section 402(g)(3) of the Code, and any amount contributed or deferred by the employer at the election of the employee and which is not includable in the gross income of the employee by reason of sections 125, 132(f)(4) or 457 of the Internal Revenue Code; and effective January 1, 2009, differential wage payments as defined in section 3401(h)(2) of the Internal Revenue Code.

(2) In addition, compensation shall include the following amounts:

(a) Regular compensation for services. Compensation shall include regular compensation for services that, absent a severance from service, would have been paid to the member if the member continued in employment with the employer, in accordance with section 1.415(c)-2(e)(3)(ii) of the Treasury Regulations, to the extent required under section 1.415(c)-2(e)(3)(i) of the Treasury Regulations.

(b) Payments to reservists. Compensation shall include payments to a member 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 section 1.415(c)-2(e)(4) of the Treasury Regulations.

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

(3) "Compensation" shall not include the following amounts:

- (a) Foreign compensation. Compensation shall not include amounts paid as compensation to a nonresident alien, as defined in section 7701(b)(1)(B) of the Internal Revenue Code, who is not a member, 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 section 1.415(c)-2(g)(5)(ii) of the Treasury Regulations.
- (b) Scheduled deferred compensation payments. Compensation shall not include payments to a member 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 section 1.415(c)-2(e)(3)(iii)(B) of the Treasury Regulations.
- (c) Disability payments. Compensation shall not include amounts received on account of the member's permanent and total disability (as defined in section 22(e)(3) of the Internal Revenue Code and described in section 1.415(c)-2(g)(4) of the Treasury Regulations).
- (d) 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 section 1.415(c)-2(e)(2) of the Treasury Regulations.

(C) The application of this rule shall not cause the maximum annual retirement allowance for any member to be less than the member's accrued benefit under all applicable defined benefit plans as of the end of the last limitation year beginning before July 1, 2007, under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to section 415 of the Internal Revenue Code in effect as of the end of the last limitation year beginning before July 1, 2007, as described in section 1.415(a)-1(g)(4) of the Treasury Regulations.

(D) No adjustment shall be required to a benefit subject to an automatic benefit increase feature described in section 1.415(b)-1(c)(5) of the Treasury Regulations.

(E) To the extent that section 415 of the Internal Revenue Code and the Treasury Regulations thereunder require that an interest rate under section 417(e) of the Internal Revenue Code apply, the applicable look-back month shall be the fourth calendar month preceding the start of a plan year.

(F) Notwithstanding any provision of Chapter 145. of the Revised Code to the contrary, the defined benefit payable to a member under the traditional pension plan or the defined benefit payable to a member under the combined plan shall be determined in accordance with the requirements of section 415(b) of the Internal Revenue Code and the Treasury Regulations thereunder. The limitation year is the plan year. For purposes of the foregoing, any changes required by the Pension Funding Equity Act of 2004 are also incorporated herein by reference.

(G) Notwithstanding any provision of Chapter 145. of the Revised Code to the contrary, to the extent that any defined contribution feature of any plan under this chapter is subject to section 415(c) of the Internal Revenue Code and such feature does not already have section 415(c) of the Internal Revenue Code limitation language applicable to the feature, the feature shall comply with section 415(c) of the Internal Revenue Code and the Treasury Regulations thereunder. For such purposes, the definition of "compensation" in paragraph (B) of this rule shall apply.

(H) Effective January 1, 2007, notwithstanding any provision of Chapter 145. of the Revised Code to the contrary, the survivor of a member on a leave of absence to perform military service with reemployment rights described in section 414(u) of the Internal Revenue Code, where the member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under Chapter 145. of the Revised Code had the member died as an actively contributing member to the extent required by section 401(a)(37) of the Internal Revenue Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.09

Rule Review Date: 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 7/11/09, 1/1/12, 12/10/12, 1/7/13

(Emer.), 3/24/13

(A) A distributee may elect, at the time and in the manner prescribed by the board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

Effective January 1, 2010, a non-spouse beneficiary may elect to make a direct rollover to an inherited individual retirement account or annuity described in section 408(a) or 408(b) of the Internal Revenue Code, or a Roth individual retirement account or annuity described in section 408A of the Internal Revenue Code that is established on behalf of the beneficiary. Such rollover shall be made in a manner consistent with the section 402(c)(11) of the Internal Revenue Code and any other applicable guidance.

(B) The following definitions apply to this rule:

(1) “Eligible rollover distribution” means a lump sum distribution from the member or contributor’s account pursuant to section 145.40, 145.63, or division (H) of section 145.384 of the Revised Code, except that “eligible rollover distribution” does not include either of the following:

- (a) Any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code;
- (b) The portion of any distribution that is not includable in gross income, unless the distribution is being rolled over to either (1) a traditional individual retirement account or individual retirement annuity under section 408(a) or 408(b) of the Internal Revenue Code or (2) a qualified trust which is part of a plan which is a defined contribution plan under section 401(a) or 403(a) of the Internal Revenue Code that will separately account for the distribution, including the taxable and non-taxable portions of the distribution, in a direct trustee-to-trustee transfer.

(2) “Eligible retirement plan” means any program defined in sections 401(a)(31) and 402(c)(8)(B) of the Internal Revenue Code that accepts the member or contributor’s eligible rollover distribution, as follows:

- (a) An individual retirement account under section 408(a) of the Internal Revenue Code;
- (b) An individual retirement annuity under section 408(b) of the Internal Revenue Code (other than an endowment contract);
- (c) A qualified trust;
- (d) An annuity plan under section 403(a) of the Internal Revenue Code;
- (e) An eligible deferred compensation plan under section 457(b) of the Internal Revenue Code that is maintained by an eligible employer under section 457(e)(1)(A) of the Internal Revenue Code (so long as the plan agrees to separately account for amounts rolled into the plan);
- (f) An annuity contract under section 403(b) of the Internal Revenue Code; and
- (g) Effective January 1, 2008, a Roth individual retirement account or annuity described in section 408A of the Internal Revenue Code, subject to the limitations set forth in such Internal Revenue Code provision; provided, however, that the plan is not responsible for assuring that a distributee is eligible to make such a rollover.

- (3) "Distributee" means a member or contributor, as well as the surviving spouse of a member or contributor.
- (4) "Direct rollover" means a payment by the retirement system to the eligible retirement plan specified by the distributee.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.384, 145.40, 145.43, 145.63

Rule Review Date: 9/29/16, 9/29/21, 9/29/26

Effective Date History: 1/1/12, 1/7/13 (Emer.), 3/24/13

- (A) For purposes of this rule, “alternate payee” has the same meaning as defined in section 3105.80 of the Revised Code.
- (B) Except as provided in paragraph (C) of this rule, all benefits or payments paid in the form of a refund or monthly annuity to individuals with a United States address on file with the public employees retirement system shall be paid by direct deposit, which is an electronic fund transfer directly to an individual’s account at a financial institution. Recipients of a benefit or payment and alternate payees shall provide to the retirement system valid direct deposit account and routing numbers, the name and contact information of the financial institution, and such other information as may be required by retirement system. The retirement system may withhold a benefit or payment until the benefit recipient or alternate payee provides the information described in this paragraph.
- (C) If a recipient of a benefit or payment or alternate payee resides more than fifteen miles from a financial institution that provides direct deposit accounts, demonstrates that the individual is the victim of fraud or identity theft, or resides in a nursing or convalescent home, the recipient or alternate payee may submit a request for exemption from direct deposit on a form provided by the retirement system. The retirement system shall approve or deny the request.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.32, 145.33, 145.331, 145.332, 145.36, 145.361, 145.37, 145.384, 145.45, 145.46, 145.571, 145.64

Rule Review Date: 9/29/11, 9/29/16, 9/29/21, 9/29/26

Effective Date History: 3/1/10 (Emer.), 4/5/10, 1/1/11, 1/1/12, 1/7/13 (Emer.), 3/24/13, 1/1/19

- (A) This rule amplifies sections 145.81 and 145.811 of the Revised Code.
- (B) To meet the requirements of section 401(a) of the Internal Revenue Code, the public employees retirement board shall adopt the documents entitled the “public employees retirement system of Ohio defined contribution plan” and the “public employees retirement system of Ohio combined defined benefit/defined contribution plan.” The board may amend the provisions of the plans in accordance with the provisions of the plan documents.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.81, 145.811

Rule Review Date: 9/29/04, 9/24/09, 9/24/14, 9/30/19, 9/29/24,
9/29/29

Effective Date History: 1/1/03

145-3-02 Combined and member-directed plan provisions

(A) The combined plan consists of all of the following:

- (1) Chapter 145. of the Revised Code, excluding the sections of the Revised Code listed in division (E) of section 145.196 of the Revised Code, and any corresponding administrative rules;
- (2) The provisions of the plan document for the PERS combined defined benefit/defined contribution plan, and any amendments thereto;
- (3) Any rules adopted pursuant to section 145.09 or 145.80 of the Revised Code.

(B) The member-directed plan consists of all of the following:

- (1) Section 145.01 to 145.20 and 145.80 to 145.98 of the Revised Code and any corresponding administrative rules;
- (2) The provisions of the plan document for the PERS defined contribution plan, and any amendments thereto;
- (3) Any rules adopted pursuant to section 145.80 of the Revised Code.

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.81, 145.82
Rule Review Date: 9/29/04, 9/24/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29
Effective Date History: 1/1/03, 12/24/04, 1/1/25

- (A) This rule amplifies section 145.19 of the Revised Code and sections 2.01 of the combined and member-directed plan documents.
- (B) If the last day of the one hundred-eighty-day election period occurs on a weekend or holiday, the public employees retirement system may accept the election on the first business day after the last day of the one hundred-eighty-day period.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.19(A)

Rule Review Date: 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 1/1/12

- (A) This rule amplifies section 3.04 of the combined plan document and member-directed plan document.
- (B) A member participating in the combined plan or member-directed plan who makes a payment of additional after-tax contributions to the member's miscellaneous contribution account shall remit the payment with a form provided by the public employees retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.81

Rule Review Date: 9/29/04, 9/24/09, 9/24/14, 9/30/19, 9/29/24,
9/29/29

Effective Date History: 1/1/03, 12/24/04, 7/1/07 (Emer.), 8/9/07

145-3-08 Active/inactive administrative fee

- (A) This rule amplifies section 24.03(a)(2) and (3) of the combined plan document and section 21.03(a)(2) and (3) of the member-directed plan document.
- (B) The public employees retirement board shall establish the administrative fee, if any, to be assessed under section 24.03(a)(2) and (3) of the combined plan document and section 21.03(a)(2) and (3) of the member-directed plan document.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.81, 145.88(A)

Rule Review Date: 9/29/04, 9/24/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 1/1/03

(A) This rule amplifies section 8.01(c) of the member-directed plan document and section 8.04(c) of the combined plan document.

(B) For purposes of section 8.01(c) of the member-directed plan document and section 8.04(c) of the combined plan document, “eligible for benefits under article IX or section 145.335 of the Revised Code” means a participant is eligible for a benefit under section 9.01 of the member-directed plan document or combined plan document with an effective retirement benefit date on or before the first of the month following the date application for a refund is received by the public employees retirement system.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.81

Rule Review Date: 9/29/04, 9/24/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 1/1/03, 1/1/25

145-3-11 Waiver of spousal consent

This rule was RESCINDED on 1/1/25.

145-3-13 Beneficiary and payment plan changes after retirement

- (A) This rule amplifies, in the case of a monthly annuity payment option only, sections 9.02 of the combined and member-directed plan documents.
- (B) Beneficiary and plan of payment changes for a monthly annuity under section 9.02 of the combined plan document or a monthly annuity under section 9.02 of the member-directed plan document shall be made in accordance with rules 145-2-44, 145-2-46, and 145-2-47 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.80

Rule Review Date: 9/24/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 10/27/06, 1/1/25

- (A) This rule amplifies, in the case of a monthly annuity payment option only, sections 9.02 of the combined and member-directed plan documents.
- (B) Designation of beneficiaries pursuant to a plan of payment under which a portion of the benefit continues, after the death of the retireant, to two, three, or four surviving beneficiaries shall be made in accordance with rule 145-2-60 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.80

Rule Review Date: 9/24/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 10/27/06, 1/1/14, 1/1/25

145-3-15 Calculation of amount due retirant with multiple beneficiaries under the multiple-life plan

- (A) This rule amplifies, in the case of a monthly annuity payment option only, sections 9.02 of the combined and member-directed plan documents.
- (B) Calculation of the amount due to a retirant receiving a benefit pursuant to a plan of payment under which a portion of the benefit continues, after the death of the retirant, to two, three, or four surviving beneficiaries shall be calculated in accordance with rule 145-2-62 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.80

Rule Review Date: 9/24/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 10/27/06, 9/1/13 (Emer.), 9/16/13, 1/1/25

- (A) This rule amplifies, in the case of a monthly annuity payment option only, sections 9.02 of the combined and member-directed plan documents.
- (B) The priority of multiple court orders shall be established in accordance with rule 145-2-64 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.80

Rule Review Date: 9/24/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 10/27/06, 9/1/13 (Emer.), 9/16/13, 1/1/25

145-3-21 Purchase of service credit by combined plan members

- (A) This rule amplifies division (C) of section 145.82 of the Revised Code and section 3.05 of the combined plan document.
- (B) A member participating in the combined plan may purchase service credit under section 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, 145.2915, 145.30, 145.301, 145.302, or 145.47 of the Revised Code, former section 145.295, 145.2911, or 145.2913 of the Revised Code as they existed prior to January 7, 2013.
- (C) For purposes of determining the member's eligibility to purchase service credit under section 145.28, 145.295, 145.2911, or 145.2913 of the Revised Code, "eighteen months of contributing service credit in the system" means eighteen months of contributing service credit under the combined plan, inclusive of service credit transferred from a prior plan to the combined plan pursuant to rule 145-3-40 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.01, 145.20, 145.201, 145.28, 145.29, 145.291, 145.292, 145.293, 145.295, 145.299, 145.2911, 145.2913, 145.2915, 145.301, 145.302, 145.47, 145.81, 145.82

Rule Review Date: 9/29/04, 9/24/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 1/1/03, 12/24/04, 1/1/09, 1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13, 1/1/16, 1/1/25

- (A) This rule amplifies section 145.97 of the Revised Code and section 3.06 of the combined plan document.
- (B) A member participating in the combined plan on December 31, 2021, may redeposit the amounts withdrawn under article VIII of the combined plan, subject to all of the following:
 - (1) The member has at least eighteen months of contributing service in the combined plan or in the Ohio police and fire pension fund or state highway patrol retirement system;
 - (2) The member shall redeposit the amount withdrawn with interest on that amount compounded annually at a rate to be determined by the public employees retirement board from the first day of the month of withdrawal to and including the month of redeposit.
- (C) The amount withdrawn shall be redeposited and credited as follows:
 - (1) To the employers' accumulation fund, the amount that equals the amount, if any, distributed under section 8.02 of the combined plan document.
 - (2) To the member's accounts, as defined in section 1.01 of the combined plan document, the amount distributed under section 8.01 of the combined plan document.
 - (3) To the member's account in the employees' savings fund, any remaining amount including the interest required in paragraph (B)(2) of this rule.
- (D) The member may choose to purchase only part of such credit in any one payment, subject to rules adopted by the board. Except for the amount described in paragraph (C)(1) of this rule, the amounts paid to restore service credit under this rule shall vest as described in section 7.01 of the combined plan document.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.81, 145.82, 145.97

Rule Review Date: 9/29/04, 9/24/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 1/1/03, 12/24/04, 1/7/13 (Emer.), 3/24/13, 1/1/22

145-3-23 Additional liability for service purchases in the combined plan

- (A) This rule amplifies section 145.29 of the Revised Code.
- (B) As used in this rule, “service credit” means both of the following:
 - (1) Service credit that may be purchased or obtained under sections 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, and 145.47 of the Revised Code, as those sections existed on and after January 7, 2013.
 - (2) Service credit that may be purchased or obtained under section 145.814 of the Revised Code or rule 145-3-40 of the Administrative Code for a plan change that is effective on or after July 7, 2013, and prior to January 1, 2022, under section 2.03 of the combined or member-directed plan document, as amended on January 7, 2013.
- (C) (1) Except as provided in this paragraph, the public employees retirement system shall calculate the cost to purchase service credit by using the greater of the member’s final average salary or the member’s earnable salary for the twelve months of contributing service under the combined plan immediately preceding the month in which the application to purchase is received by the system. If the member’s election to purchase service described in paragraph (B)(2) of this rule occurs less than twelve months after the effective date of a plan change, the system shall calculate the cost to purchase service credit by using the final average salary or last twelve months of earnable salary in the prior plan.
 - (2) The public employees retirement board shall, based upon its actuary’s recommendation, establish the percentage rate for the cost of the service credit under the combined plan.
- (D) Payments made by a member to purchase service credit under section 145.29 of the Revised Code and this rule shall be credited to the employees’ savings fund and shall be considered the accumulated contributions of the member.

Promulgated Under: 111.15

Statutory Authority: 145.09

Rule Amplifies: 145.29

Rule Review Date: 9/29/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13, 5/8/14, 3/23/15 (Emer.), 6/6/15, 1/1/22, 1/1/25

This rule was RESCINDED on 1/1/25.

145-3-40 Service credit in the combined plan for participation in member-directed plan

- (A) This rule amplifies section 145.814 of the Revised Code and sections 2.03, 2.04, and 6.02 of the member-directed plan document. This rule applies to members participating in the combined plan on December 31, 2021.
- (B) For each member who elects to transfer funds from the member-directed plan to purchase service in the combined plan under division (D) of section 145.814 of the Revised Code and section 2.03 of the member-directed plan document, the public employees retirement system shall prepare a statement of cost for service credit to be purchased in the combined plan based on participation in the member-directed plan, at the request of an eligible member. An actuary employed by the public employees retirement board shall determine the additional liability, as defined in section 145.814 of the Revised Code, as described in rule 145-3-23 of the Administrative Code.
- (C) An eligible member shall purchase the service credit only by a lump-sum payment of the amount on deposit, as defined in rule 145-1-35 of the Administrative Code, except that a member described in division (D)(1) of section 145.814 of the Revised Code may pay any additional liability that exceeds the amount on deposit by initiating payroll deduction under rule 145-1-38 of the Administrative Code or by direct partial payment. For plan elections effective on or before July 1, 2015, the payroll deduction shall be initiated or direct partial payment shall be made not later than one hundred eighty days after the effective date of an election to participate in the combined plan under section 2.03 of the member-directed plan document. Service credit purchased under this rule shall be included in the member's total service credit in the combined plan. If the member elects to receive pro-rated service credit, for purposes of section 1.41 of the combined plan document, the period of service upon which contributing service is based shall be the member's earliest service credit available to purchase under this rule.
- (D) Any funds remaining in an eligible member's accounts, as defined in section 1.01 of the member-directed plan document, after the purchase of service credit under this rule shall be credited to the member's rollover account in the combined plan and treated as a rollover, except that amounts transferred to the member-directed plan under section 2.02 of the member-directed plan document shall be credited to the participant contribution account in the combined plan, as if the contributions had been originally transferred under section 2.02 of the combined plan document. A member may also elect, at the time of service purchase, to leave any remaining funds on deposit in the member-directed plan; any funds remaining shall be credited to the member's rollover account, as defined in section 1.31 of the member-directed plan document, and treated as a rollover.
- (E)
 - (1) Service credit purchased under this rule cancels the corresponding years of participation in the member-directed plan.
 - (2) For plan elections effective on or before July 1, 2015, years of participation in the member-directed plan that are not purchased under this rule shall be cancelled immediately upon the expiration of the one hundred eighty day period following the effective date of an election to participate in the combined plan under section 2.03 of the member-directed plan document.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.81, 145.814

Rule Review Date: 9/24/09, 9/29/14, 09/30/19, 9/29/24, 9/29/29

Effective Date History: 1/1/03, 11/15/03, 12/24/04, 1/1/09,

7/11/09, 1/1/10, 1/1/11, 1/7/13 (Emer.), 3/24/13, 6/6/15, 1/1/21,

1/1/22

145-3-41 Application for a disability benefit

This rule was RESCINDED on 1/1/25.

This rule was RESCINDED on 1/1/25.

145-3-50 Designation of beneficiary prior to retirement

- (A) This rule amplifies section 13.02 of the combined plan document and section 11.02 of the member-directed plan document.
- (B) The member participating in the combined or member-directed plan may designate a beneficiary in accordance with section 145.431 of the Revised Code and rule 145-2-30 of the Administrative Code.

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.431
Rule Review Date: 9/24/14, 9/30/19, 9/29/24, 9/29/29
Effective Date History: 7/7/13 (Emer.), 9/16/13

This rule was RESCINDED on 1/1/25.

145-3-52

Proof of dependency

This rule was RESCINDED on 1/1/25.

145-3-53 Validity of marriage

In the absence of a valid marriage certificate, validity of marriage shall be established in accordance with rule 145-2-35 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.43, 145.81, 145.82

Rule Review Date: 9/29/04, 10/7/09, 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 1/1/03

145-3-71

Actuarial reduction factors

This rule was RESCINDED on 1/1/25.

- (A) This rule amplifies section 21.02 of the member-directed plan document.
- (B) A member participating in the member-directed plan may make contributions under section 145.302 of the Revised Code in accordance with rule 145-2-06 of the Administrative Code. Notwithstanding section 145.302 of the Revised Code, a member who makes contributions in accordance with that section shall receive a year or portion of a year of participation, as defined in section 1.38 of the member-directed plan document, rather than service credit.
- (C) Contributions received from a member described in paragraph (B) of this rule shall be deposited and credited in accordance with section 3.03 of the member-directed plan document. Contributions received from the member's employer shall be deposited and credited in accordance with section 3.02 of the member-directed plan document.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.302, 145.81

Rule Review Date: 9/29/04, 10/7/09, 9/24/14, 9/30/19, 9/29/24,
9/29/29

Effective Date History: 1/1/03

- (A) This rule amplifies section 145.47 of the Revised Code as applicable to members participating in the member-directed plan.
- (B) A member participating in the member-directed plan may purchase service credit under section 145.47 of the Revised Code in accordance with rule 145-3-23 of the Administrative Code.

Promulgated Under: 111.15

Statutory Authority: 145.80

Rule Amplifies: 145.47

Rule Review Date: 9/24/14, 9/30/19, 9/29/24, 9/29/29

Effective Date History: 7/7/13 (Emer.), 9/16/13

As used in this chapter:

- (A) “115 trust” means the Ohio public employees retirement system trust agreement for funding employee benefit plans, the assets of which qualify for exclusion from federal income taxation under section 115 of the Internal Revenue Code of 1986, 26 U.S.C.A. 115.
- (B) “Retiree medical account” means the group health plan described in the document entitled the “public employees retirement system of Ohio retiree medical account” that was effective on January 1, 2003, and includes amendments adopted through January 1, 2023. The text of the public employees retirement system of Ohio retiree medical account shall not be incorporated into this or any other rule of the Administrative Code. The current version is available at www.opers.org.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.58

Rule Amplifies: 145.58, 145.584

Rule Review Date: 9/26/08, 9/29/13, 9/29/18, 9/20/23, 9/20/28

Effective Date History: 1/1/07, 1/1/09, 1/7/13 (Emer.), 3/24/13, 1/1/14, 1/1/15, 1/1/16, 7/1/16 (Emer.), 9/1/16, 1/1/17 (Emer.), 3/24/17, 1/1/19, 1/1/21, 1/1/22, 1/1/24

- (A) Within the funds described in section 145.23 of the Revised Code, there shall be a separate account established pursuant to section 115 of the Internal Revenue Code of 1986, 26 U.S.C.A. 115, for the purpose of funding the agreements authorized under sections 145.58 and 145.584 of the Revised Code. The account shall be known as the “health care fund.” The assets in the health care fund shall be accounted for separately from the other assets of the public employees retirement system, but may be commingled with the other assets of the system for investment purposes. Investment earnings and expenses shall be allocated on a reasonable basis. All assets in the health care fund shall be held in trust for the exclusive benefit of members, benefit recipients, and eligible dependents.
- (B) Contributions to the health care fund shall be funded by employer contributions as described in sections 145.48, 145.51, 145.58 and 145.584 of the Revised Code. Contributions to the health care fund are subordinate to the contributions to the funds for retirement benefits under the traditional pension plan and combined plan. Such contributions shall be reasonable and ascertainable.
- (C) Forfeitures shall be used to fund qualified medical expenses, dental and vision coverage, administrative expenses of the health care fund, reimbursement of the medicare part A and B premiums, if provided by the system, and as provided in former rule 145-4-44 of the Administrative Code and section 145.584 of the Revised Code.
- (D) The assets of the health care fund shall only be used for the payment of qualified medical expenses, dental and vision coverage, and reimbursement of the medicare part A and B premiums, if provided by the system.
- (E) At no time prior to the satisfaction of all liabilities under this rule and sections 145.58 and 145.584 of the Revised Code shall any assets in the health care fund be used for, or diverted to, any purpose other than as provided in paragraph (D) of this rule and for the payment of administrative expenses. Assets in the health care fund may not be used for retirement, disability, or survivor benefits, or for any other purpose for which the other funds of the system are used.
- (F)
 - (1) Effective as of July 1, 2016, the public employees retirement board herein terminates the accounts established pursuant to section 401(h) of the Internal Revenue Code of 1986, 26 U.S.C.A. Upon satisfaction of all liabilities to be paid from the prior 401(h) account under this rule, as required by the Internal Revenue Code, the public employees retirement system has the authority, acting on behalf of itself and as the employers’ agent, to terminate the 401(h) account. Upon termination, the assets in the 401(h) account, if any, shall be returned to the public employees retirement system, as the employers’ agent, in accordance with section 401(h)(5) of the Internal Revenue Code. The system shall notionally credit each contributing employer with the contributing employer’s respective share of the terminated 401(h) account assets and immediately assess each employer a contribution due to the 115 trust in an equal amount.
 - (2) Upon satisfaction of all liabilities under this rule, any assets in the 115 trust, if any, that are not used as provided in paragraph (E) of this rule shall revert to a vehicle designated by the public employees retirement board, and in no case will the assets be distributed to any entity that is not a state, a political subdivision of a state, or an entity the income of which is excluded from gross income under section 115 of the Internal Revenue Code.
- (G) It is the intent of the public employees retirement board in adopting this rule to comply in all respects with sections 115, 401(a) and 401(h) (for purposes of compliance with section 401(h) termination requirements) of the Internal Revenue Code and regulations interpreting those sections. In applying this rule, the board will apply the interpretation that achieves compliance with those sections and preserves the

qualified status of the system as a governmental plan in accordance with sections 401(a) and 414(d) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401 and 414.

(H) This rule is intended to codify past practices and procedures of the system with respect to funding the former coverage authorized under sections 145.58 and 145.584 of the Revised Code and does not confer any new rights to members, retirants, survivors, beneficiaries, or their dependents.

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.58
Rule Amplifies: 145.58, 145.584
Rule Review Date: 9/26/08, 9/29/13, 9/29/18, 9/20/23, 9/20/28
Effective Date History: 1/1/07, 1/1/09, 1/7/13 (Emer.), 3/24/13; 1/1/14, 1/1/16, 4/20/16 (Emer.), 7/1/16 (Emer.), 9/1/16, 1/1/22

This rule was RESCINDED on 1/1/22.

This rule was RESCINDED on 1/1/22.

This rule was RESCINDED on 1/1/22.

The dental and vision coverage of an enrolled benefit recipient or dependent and eligibility for participation in the health reimbursement arrangement plan shall be rescinded if the individual is convicted of falsification under section 2921.13 of the Revised Code regarding any coverage or plan or performs an act, practice or omission that constitutes fraud or makes an intentional misrepresentation of material fact regarding the coverage or plan. The effective date of the termination of coverage or plan participation shall be the earlier of the date of the conviction or the act, practice or omission that constitutes fraud or an intentional misrepresentation of material fact, unless otherwise limited by Ohio law. The retirement system shall notify the individual of the rescission at least thirty days prior to processing the rescission. The rescission of a benefit recipient's coverage applies to all enrolled dependents and all coverage and plan options.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.58

Rule Amplifies: 145.58, 145.584

Rule Replaces: 145-4-05

Rule Review Date: 9/29/18, 9/20/23, 9/20/28

Effective Date History: 8/20/76, 12/9/88, 4/1/93, 6/29/96, 5/4/00, 10/9/00, 3/22/02, 8/8/02, 1/1/03, 4/15/04, 1/1/05, 1/1/07, 1/1/09, 1/1/11, 1/1/12, 9/10/12, 12/10/12, 1/7/13 (Emer.), 3/24/13, 1/1/14, 1/1/15, 1/1/16, 1/1/22

This rule was RESCINDED on 1/1/19.

This rule was RESCINDED on 1/1/22.

This rule was RESCINDED on 1/1/22.

This rule was RESCINDED on 1/1/22.

- (A) For each member who is contributing to the member-directed plan under section 145.85 of the Revised Code, the public employees retirement system shall credit to a retiree medical account a portion of the employer contribution under section 145.86 of the Revised Code. The portion of employer contribution to be credited shall be determined by the board.
- (B) The rights of a member participating in the member-directed plan to reimbursement under a retiree medical account shall be governed exclusively by the provisions of the “public employees retirement system of Ohio retiree medical account.” The member shall vest in amounts accumulated in the retiree medical account as provided in the “public employees retirement system of Ohio retiree medical account.”

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.83, 145.88

Rule Amplifies: 145.83

Rule Review Date: 9/26/08, 9/26/13, 9/26/18, 9/20/23, 9/20/28

Effective Date History: 4/15/04, 10/27/06, 7/1/16 (Emer.), 9/1/16

145-4-25 Dental and vision coverage

(A) As used in this rule:

- (1) "Benefit recipient" means person receiving a benefit from the public employees retirement system. "Benefit" means monthly amounts paid to an individual pursuant to section 145.32, 145.33, 145.331, 145.332, 145.335, 145.35, 145.36, 145.361, 145.37, 145.384, 145.45, or 145.46 of the Revised Code, or section 9.02 of the combined plan document.
- (2) "Dependent" means:
 - (a) The spouse of a benefit recipient.
 - (b) The biological or legally adopted child of a benefit recipient who is under the age of twenty-six.
 - (c) The grandchild of a benefit recipient for whom the benefit recipient has been ordered pursuant to section 3109.19 of the Revised Code, or equivalent order from another state, to provide dental and vision coverage.

A benefit recipient shall inform the retirement system, in writing, not later than thirty days after an eligible dependent no longer meets the requirements of this rule. The retirement system may require a benefit recipient to certify the status of an individual as an eligible dependent for coverage. Failure to provide certification within sixty days of the request by the retirement system shall result in the denial or withdrawal of coverage for such individual until the open enrollment period.

(3) "Initial benefit payment" has the same meaning as in rule 145-1-65 of the Administrative Code.

(B) (1) Except as provided in paragraph (B)(2) of this rule, the public employees retirement system may offer dental or vision coverage that is administered by a third-party administrator(s) to benefit recipients and dependents provided that the benefit exceeds the premium set by the public employees retirement board for coverage under this rule.

(2) (a) A spouse of a benefit recipient shall cease to be eligible for coverage on the first day of the month following the date of the final decree of divorce or dissolution from the benefit recipient.

(b) A dependent described in paragraph (A)(2)(b) of this rule shall cease to be eligible for coverage on the first day of the month following the child's twenty-sixth birthday. A dependent described in paragraph (A)(2)(c) of this rule shall cease to be eligible for dental and vision coverage on the first day of the month following the dependent's eighteenth birthday.

(C) Enrollment

(1) Except as provided in paragraph (C)(2) of this rule, a benefit recipient's application for dental or vision coverage must be received by the retirement system not later than thirty days after the benefit recipient's initial benefit payment. During the thirty-day period, the applicant may make one change to the filed application.

- (2) A benefit recipient that does not enroll as provided in paragraph (C)(1) of this rule may enroll by filing an application for enrollment in dental or vision coverage during one of the following:
 - (a) The annual open enrollment period;
 - (b) Within sixty days of involuntary termination of coverage under another group plan, and with proof of such termination.
- (3) A benefit recipient may enroll an eligible dependent in coverage during the annual open enrollment period or at any time outside of open enrollment if any of the following apply and the application is received not later than sixty days after the occurrence of the event:
 - (a) The benefit recipient may enroll a new spouse upon marriage;
 - (b) The benefit recipient may enroll an eligible child upon the birth or adoption of the child;
 - (c) The benefit recipient may enroll an eligible dependent who has involuntarily lost vision and dental coverage from another source;
 - (d) The benefit recipient is ordered to enroll a child pursuant to a national medical support order;
 - (e) The dependent first achieves an eligibility threshold described in this rule.
- (4) Enrollment of a benefit recipient or eligible dependent under this rule shall be made on an application provided by the retirement system.

(D) Effective date of coverage

- (1) The effective date of dental and vision coverage of a benefit recipient receiving a benefit pursuant to section 145.32, 145.33, 145.331, 145.332, 145.335, division (B)(1) of section 145.37, or 145.384 of the Revised Code, or section 9.02 of the combined plan document shall be the later of the following:
 - (a) The effective benefit date of the benefit that is the basis of the coverage.
 - (b) The first day of the month during which an application for the benefit is received by the retirement system.
 - (c) If the retirement system or health care administrator has not paid claims for coverage for an eligible benefit recipient or eligible dependent, the benefit recipient may elect an effective date of coverage that is after the date described in paragraph (D)(1)(a) or (b) of this rule but is not later than thirty days after the initial benefit payment. An election under this paragraph shall be made not later than thirty days after the initial benefit payment.

- (2) The effective date of dental and vision coverage of a benefit recipient receiving a benefit pursuant to section 145.35, 145.36, 145.361, division (B)(2) of section 145.37, 145.45, or 145.46 of the Revised Code shall be the first day of the month following the initial benefit payment.
- (3) Notwithstanding paragraphs (D)(1) and (D)(2) of this rule, in the case of enrollment during open enrollment, the effective date of coverage shall be January 1 of the following year.

(E) The following provisions apply to the dental and vision coverage offered by the retirement system:

- (1) The coverage shall be in effect for a calendar year.
- (2) An individual enrolled in coverage can voluntarily terminate the individual's enrollment in the coverage or a dependent's enrollment in the coverage only at the end of each calendar year by filing the notice of cancellation in a form and manner approved by the retirement system during the open enrollment period.
- (3) The system shall require the automatic withholding of coverage premiums from the benefit paid to the enrolled individual.

(F) The retirement system shall offer continuation coverage, as applicable, in accordance with the requirements of the Consolidated Omnibus Budget and Reconciliation Act 1985 ("COBRA"), 42 U.S.C.A. 300gg-1.

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.58
Rule Amplifies: 145.58, 145.584
Replaces: 145-4-26
Rule Review Date: 9/20/23, 9/20/28
Effective Date History: 1/1/22, 1/1/25

This rule was RESCINDED on 1/1/22.

(A) As used in this rule:

- (1) "Health reimbursement arrangement" or "HRA" means the public employees retirement system of Ohio health reimbursement arrangement plan, effective November 1, 2021, funded by the 115 trust or such other funding vehicle or mechanism established by the retirement system, from which the reimbursement of qualifying medical expenses may be made. The HRA may have component plans as determined by the public employees retirement board. The text of the public employees retirement system of Ohio health reimbursement arrangement plan shall not be incorporated into this or any other rule of the Administrative Code. The current version is available at www.opers.org.
- (2) "Pre-Medicare health reimbursement arrangement" or "PMCR" means the public employees retirement system of Ohio pre-medicare health reimbursement arrangement plan, a component plan of the HRA, effective November 1, 2021, funded by the 115 trust or such other funding vehicle or mechanism established by the retirement system, from which the reimbursement of qualifying medical expenses may be made. The text of the public employees retirement system of Ohio pre-medicare health reimbursement arrangement plan shall not be incorporated into this or any other rule of the Administrative Code. The current version is available at www.opers.org.
- (3) "Medicare health reimbursement arrangement" or "MCR" means the public employees retirement system of Ohio medicare health reimbursement arrangement plan, a component plan of the HRA, effective October 1, 2015, and restated January 1, 2022, funded by the 115 trust or such other funding vehicle or mechanism established by the retirement system, from which the reimbursement of qualifying medical expenses may be made. The text of the public employees retirement system of Ohio medicare health reimbursement arrangement plan shall not be incorporated into this or any other rule of the Administrative Code. The current version is available at www.opers.org.
- (4) "Monthly health care allowance" or "monthly allowance" means the monthly amount that is allocated to each individual enrolled in the HRA. The monthly allowance shall be determined by the board and offered in the form of a notional credit to the health reimbursement arrangement consistent with the provisions of that plan.
- (5) "Qualified years of employer contributions" shall mean years of employer contributions and the years purchased or transferred under section 145.295, 145.2911, or 145.37 of the Revised Code that, if earned or obtained in the public employees retirement system, would be the equivalent of the years of employer contributions. Qualified years of employer contributions do not include the contributions that are the basis of a lump sum pursuant to division (I)(2)(b) or (I)(3)(b) of section 145.332 of the Revised Code, unless the lump sum is issued pursuant to division (N)(3) of section 145.332 of the Revised Code.
- (6) "Years of employer contributions" means the years or portions of a year for which the member's employer contributed to the public employees retirement system under section 145.302, 145.48, or 145.483 of the Revised Code, section 3.02 of the combined plan document, or article VI of the combined or member-directed plan document. Beginning January 1, 2014, "years of employer contributions" means the years or portions of a year described in this paragraph for which the member's monthly earnable salary on and after January 1, 2014, is one thousand dollars or greater.

(B) Except as provided in this rule, the rights of an individual participating in the PMCR or MCR to a monthly allowance or to reimbursement under the PMCR or MCR, including eligibility to participate and coordination of coverage, shall be governed exclusively by the provisions of the health reimbursement arrangement plans described in paragraphs (A)(2) or (3) of this rule.

(1) Eligibility to participate shall be set by the board and described in the PMCR and MCR and shall be based upon qualified years of employer contributions, age, and medicare eligibility. The board shall set the minimum required qualified years of employer contributions subject to the following:

(a) Except as provided in paragraph (B)(1)(c) of this rule, the board shall require at least ten years of service credit, as described in paragraph (A)(1) of former rule 145-4-06 of the Administrative Code, for individuals with a benefit effective date prior to January 1, 2015.

(b) Except as provided in paragraph (B)(1)(c) of this rule, the board shall not set the minimum required qualified years of employer contributions below twenty years of qualified years of employer contributions for individuals with a benefit effective date on or after January 1, 2015.

(c) The following individuals shall not be subject to the requirements of (B)(1)(a) and (b) of this rule:

(i) A disability benefit recipient with a benefit effective date prior to January 1, 2014;

(ii) A disability benefit recipient with a benefit effective date on or after January 1, 2014, who has been receiving disability benefits for less than five years;

(iii) A disability benefit recipient that is eligible for medicare prior to age 65 on the basis of disability.

(C) For purposes of determining eligibility, the retirement system shall aggregate years of employer contributions earned and purchased in both the traditional pension plan and the combined plan if both of the following apply:

(1) The member is eligible to retire independently from both the traditional pension plan and the combined plan;

(2) The member applies for retirement under both the traditional pension plan and the combined plan with the same effective date of benefits under both plans.

(D) Any person eligible to receive a monthly allowance or reimbursement under the PMCR or MCR shall inform the retirement system, in writing, not later than thirty days after the person no longer meets the requirements of the health reimbursement arrangement plans described in paragraphs (A)(2) or (3) of this rule.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.58

Rule Amplifies: 145.58

Replaces:

Rule Review Date: 9/20/23, 9/20/28

Effective Date History: 1/1/22

Health care plan provisions regarding the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”)

(A) As used in this rule:

- (1) “Electronic protected health information” means protected health information that is transmitted by electronic media or maintained in electronic media.
- (2) “Enrollment/disenrollment information” means information on whether the individual is participating in the health plan, or is enrolled in or has disenrolled from a health insurance issuer, health maintenance organization, or health insuring corporation offered by the plan.
- (3) “Plan” means any health plan maintained by the Ohio public employees retirement system under to the authority granted in section 145.58 of the Revised Code.
- (4) “Plan administration functions” means administrative functions performed by the plan sponsor of a health plan on behalf of the health plan and excludes functions performed by the plan sponsor in connection with any other benefit or benefit plan of the plan sponsor.
- (5) “Plan sponsor” means the Ohio public employees retirement system.
- (6) “Protected health information” means individually identifiable health information that is transmitted by electronic media; maintained in electronic media; or transmitted or maintained in any other form or medium
- (7) “Summary health information” means information (a) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom a plan sponsor has provided health coverage under the plan; and (b) from which the information described at 42 C.F.R. Section 164.514(b)(2)(i), 67 F.R. 53270 (2002), has been deleted, except that the geographic information described in 42 C.F.R. Section 164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit ZIP code.

(B) The plan may disclose to the plan sponsor enrollment/disenrollment information at any time.

(C) The plan (or a health insurance issuer, health maintenance organization, or health insuring corporation with respect to the plan) may disclose summary health information to the plan sponsor, provided that the plan sponsor requests the summary health information for the purpose of (1) obtaining premium bids from health plans for providing health insurance coverage under the plan; or (2) modifying, amending, or terminating the plan.

(D) (1) Unless otherwise permitted by law, and subject to the conditions of disclosure described in paragraph (E) of this rule and obtaining written certification pursuant to paragraph (G) of this rule, the plan (or a health insurance issuer, health maintenance organization, or health insuring corporation on behalf of the plan) may disclose protected health information and electronic protected health information to the plan sponsor, provided that the plan sponsor uses or discloses such protected health information and electronic protected health information only for plan administrative purposes. “Plan administration purposes” means administration functions performed by the plan sponsor on behalf of the plan, such as quality assurance, claims processing, auditing, and monitoring and other administrative services related to the plan. Plan administration functions do not include functions performed by the plan sponsor in connection with any other benefit or benefit plan of the plan sponsor or any employment-related actions or decisions.

(2) Notwithstanding any provisions of this plan to the contrary, in no event shall the plan sponsor be permitted to use or disclose protected health information or electronic protected health information in a manner that is inconsistent with 45 C.F.R. Section 164.504(f), 68 F.R. 8381 (2003).

(E) (1) Plan sponsor agrees that with respect to any protected health information (other than enrollment/disenrollment information and summary health information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 C.F.R. Section 164.508, 67 F.R. 53268 (2002), which are not subject to these restrictions) disclosed to it by the plan (or a health insurance issuer, health maintenance organization, or health insuring corporation on behalf of the plan), plan sponsor shall:

- (a) Not use or further disclose the protected health information other than as permitted or required by the plan or as required by law;
- (b) Ensure that any agent, including a subcontractor, to whom it provides protected health information received from the plan agrees to the same restrictions and conditions that apply to the plan sponsor with respect to protected health information;
- (c) Not use or disclose the protected health information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the plan sponsor;
- (d) Report to the plan any use or disclosure of the protected health information of which it becomes aware that is inconsistent with the uses or disclosures provided for;
- (e) Make available protected health information to comply with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) right to access in accordance with 45 C.F.R. Section 164.524, 67 F.R. 53271 (2002);
- (f) Make available protected health information for amendment, and incorporate any amendments to protected health information, in accordance with 45 CFR Section 164.526;
- (g) Make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. Section 164.528;
- (h) Make its internal practices, books, and records relating to the use and disclosure of protected health information received from the plan available to the secretary of health and human services for purposes of determining compliance by the plan with HIPAA's privacy requirements;
- (i) If feasible, return or destroy all protected health information received from the plan that the plan sponsor still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- (j) Ensure that the adequate separation between plan and plan sponsor (i.e., the firewall), required by 45 C.F.R. Section 164.504(f)(2)(iii), is established.

(2) Plan sponsor further agrees that if it creates, receives, maintains, or transmits any electronic protected health information (other than enrollment/disenrollment information and summary health information, and information disclosed pursuant to a signed authorization that complies with the requirements of 45 C.F.R. Section 164.508, which are not subject to these restrictions) on behalf of the plan, it will:

- (a) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the plan;
- (b) Ensure that the adequate separation between the plan and plan sponsor (i.e., the firewall), required by 45 C.F.R. Section 164.504(f)(2)(iii) is supported by reasonable and appropriate security measures;
- (c) Ensure that any agent, including a subcontractor, to whom it provides electronic protected health information agrees to implement reasonable and appropriate security measures to protect the information; and
- (d) Report to the plan any security incident of which it becomes aware, as follows: plan sponsor will report to the plan, with such frequency and at such times as agreed, the aggregate number of unsuccessful, unauthorized attempts to access, use, disclose, modify, or destroy electronic protected health information or to interfere with systems operations in an information system containing electronic protected health information; in addition, plan sponsor will report to the plan as soon as feasible any successful unauthorized access, use, disclosure, modification, or destruction of electronic protected health information or interference with systems operations in an information system containing electronic protected health information.

(F) (1) The plan sponsor shall allow only those employees or other persons under the control of the plan sponsor who are involved in the administration of the health plan access to the protected health information. No other persons shall have access to protected health information. These specified employees (or classes of employees) shall only have access to and use of protected health information to the extent necessary to perform the plan administration functions that the plan sponsor performs for the plan. In the event that any of these specified employees does not comply with the provisions of this rule, that employee shall be subject to disciplinary action by the plan sponsor for non-compliance pursuant to the plan sponsor's employee discipline and termination procedures.

(2) The plan sponsor shall ensure that the provisions of this rule are supported by reasonable and appropriate security measures to the extent that the persons designated above create, receive, maintain, or transmit electronic protected health information on behalf of the plan.

(G) The plan (or a health insurance issuer, health maintenance organization, or health insuring corporation with respect to the plan) shall disclose protected health information to the plan sponsor only upon the receipt of a certification by the plan sponsor that the plan has been amended to incorporate the provisions of 45 C.F.R. Section 164.504(f)(2)(ii), and that the plan sponsor agrees to the conditions of disclosure set forth in paragraph (E) of this rule.

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.58

Rule Amplifies: 145.58, 145.584

Replaces: 145-4-50

Rule Review Date: 9/29/18, 9/20/23, 9/20/28

Effective Date History: 1/1/09, 1/1/11, 1/7/13 (Emer.), 3/24/13,
1/1/14, 1/1/16

This rule was RESCINDED on 1/1/22.

This rule was RESCINDED on 1/1/22.

145-4-34 Eligibility for pre-medicare health care coverage for the dependents and survivors of this system's members and retirants

This rule was RESCINDED on 1/1/22.

145-4-64

Eligibility for health care coverage for the medicare-eligible dependents and survivors of this system's members and retirants during public employment

This rule was RESCINDED on 1/1/22.

(A) The public employees retirement system shall make available to each eligible benefit recipient and spouse, in its sole discretion, one of the following: the coverage equivalent to medicare part A hospital coverage or an amount determined by the public employees retirement board to reimburse the premium of such coverage as described in section 145.584 of the Revised Code.

(B) If the board provides a reimbursement amount described in paragraph (A) of this rule, all of the following requirements shall be met:

- (1) The benefit recipient or spouse provides proof of enrollment in medicare part A coverage in the form required by the system containing the medicare part A premium amount and effective date;
- (2) The benefit recipient or spouse certifies to the retirement system that the premium amount is not reimbursed from another source;
- (3) A medicare supplemental plan that is not sponsored by the system and that would allow for participation in the health reimbursement arrangement is in effect.

The reimbursement shall be effective in the month that all of the requirements of this paragraph are met.

(C) The retirement system shall not pay to an eligible benefit recipient or spouse more than one monthly medicare part A premium reimbursement for any month of enrollment in medicare part A or to an individual who is receiving more than one monthly retirement allowance from this system.

(D) The system shall annually request evidence of an eligible benefit recipient's or spouse's medicare part A enrollment and premium amount and may specify a deadline for receipt of such information. If an eligible benefit recipient or spouse fails to provide the requested information or certification by the specified deadline, the system may, following notice to the benefit recipient or spouse, suspend or cancel the premium reimbursement for any month that the certification is not received. Any reimbursement paid for which the benefit recipient or spouse was not eligible may be collected as provided in section 145.563 of the Revised Code.

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.58
Rule Amplifies: 145.584
Rule Review Date: 9/29/18, 9/20/23, 9/20/28
Effective Date History: 1/1/16, 1/1/19, 1/1/22

145-4-72 Reimbursement of medicare part “B” premium

(A) The public employees retirement board shall determine the monthly amount paid to reimburse for medicare part “B” coverage, if any. The amount paid shall be the following, except that the board shall make no payment that exceeds the amount paid by the recipient for the coverage:

- (1) For calendar year 2013, ninety-six dollars and forty cents;
- (2) For calendar year 2014, ninety-six dollars and forty cents;
- (3) For calendar year 2015, sixty-three dollars and sixty-two cents;
- (4) For calendar year 2016, thirty-one dollars and eighty-one cents;
- (5) For calendar year 2017 and each year thereafter, zero.

(B) The amount described in paragraph (A) of this rule shall be reimbursed to an eligible benefit recipient in each monthly benefit payment when such benefit recipient submits both of the following:

- (1) Proof of enrollment in and evidence of the premium amount paid for medicare part B coverage;
- (2) Certification that the benefit recipient is not receiving reimbursement for the premium and that it is not being paid by any other source.

(C) Except as provided in paragraph (D) of this rule, the effective date for the reimbursement of the premium amount pursuant to division (C) of section 145.58 of the Revised Code and this rule shall be the later of:

- (1) The effective date of medicare part B coverage;
- (2) The first day of the month following receipt by the system of the information described in paragraph (B) of this rule.

(D) If the benefit recipient’s initial benefit payment was issued not later than thirty days prior to receipt of the information described in paragraph (B) of this rule, the effective date for the reimbursement shall be the first day of the month following the later of:

- (1) The effective date of participation in the health reimbursement arrangement as defined in rule 145-4-27 of the Administrative Code;
- (2) The effective date of medicare part B coverage.

(E) The retirement system shall not pay more than one monthly medicare part B premium to an eligible benefit recipient who is receiving more than one monthly retirement allowance from this system.

(F) If a benefit recipient fails to certify the amount paid for medicare part B coverage, the board may, following notice to the benefit recipient, suspend the premium reimbursement for any month that the certification is not received. The board shall not reimburse the benefit recipient for any period of suspension.

Rule 145-4-72 (continued)

Promulgated Under: 111.15

Statutory Authority: 145.09, 145.58

Rule Amplifies: 145.58

Replaces: 145-4-11

Rule Review Date: 9/29/18, 9/20/23, 9/20/28

Effective Date History: 8/20/76, 9/6/88, 3/22/02, 1/1/03, 1/1/07,
1/1/09, 4/5/10, 1/7/13 (Emer.), 3/24/13, 1/1/16, 1/1/22