

Rules

September 14, 2023

OP&F

- 742-2-01 Board of trustee election rules
- 742-3-02 Definition and usage of terminal pay and salary in benefit and pension calculations (No Change)
- 742-3-23 Spousal consent/designation of multiple beneficiaries (No Change)
- 742-4-02 Implementation date of deferred retirement option plan (No Change)
- 742-4-04 Rescission of DROP election (No Change)
- 742-4-05 Purchase of service credit (No Change)
- 742-4-06 Calculation of DROP benefit (No Change)
- 742-4-10 Maximum period for DROP participation (No Change)
- 742-4-14 Impact of irrevocable payroll deduction on DROP (No Change)
- 742-4-17 Retirement allowance (No Change)
- 742-4-18 Default plan of DROP benefit (No Change)
- 742-9-10 Employer reporting requirements (Emergency)
- 742-9-11 Penalties for employer's failure to file the report of employee deductions in a format approved by OP&F (Emergency)
- 742-9-17 Summary of payment remittance information form (recap form) (Emergency)
- 742-11-01 Rule on books and records reliance (No Change)

742-2-01

Board of trustee election rules.

(A) Conduct of trustee elections. Ohio police and fire pension fund ("OP&F") shall conduct elections in accordance with Chapter 742. of the Revised Code and this rule.

(B) Notice of election. ~~For an election of the OP&F firefighter or police officer member of the board of trustees, a "notice of election" will be sent to each police or fire department in the state of Ohio having members in OP&F, as the case may be, not later than the first Monday in February of the year of the election. For any election of the OP&F retirant member of the board of trustees, a "notice of election" will be sent to each eligible retirant member through appropriate means not later than the first Monday in February of the year of the election.~~

(1) For an election of the OP&F firefighter or police officer member of the board of trustees, a "notice of election" will be sent to each police or fire department in the state of Ohio having members in OP&F, as the case may be, not later than the first Monday in February of the year of the election.

(2) For any election of the OP&F retirant member of the board of trustees, a "notice of election" will be sent to each eligible retirant member through appropriate means not later than the first Monday in February of the year of the election.

(C) Nominating petitions.

(1) Nominating petitions must be in a form approved by the board of trustees. ~~Other petitions substantially conforming to board requirements may, in the board's discretion, be accepted.~~

(2) ~~Nomination~~Nominating petitions may be obtained at the offices of OP&F during normal business hours beginning on the first Monday in February of the year of the election. ~~As an added courtesy, the~~The nominating petitions will also be available on www.op-f.org.

(3) ~~Petitions secured from OP&F or nominating petitions drawn up by individuals or entities other than OP&F~~Nominating petitions must be signed on or after the first Monday in February of the year of the election.

(a) For an "employee member," the petition must be signed by at least one hundred active members of the class that is the subject of the election, with at least twenty signers from each of at least five counties of the state (i.e., county of residence).

(b) For a "retirant member," the petition must be signed by at least fifty retired members of the class that is the subject of the election, with at least ten

signers from each of at least five counties of the state (i.e., county of residence).

- (4) Nominating petitions must be filed in the office of OP&F not later than four p.m. on the first Monday in April of the year of the election.
 - (5) Persons filing nominating petitions who wish to submit a black and white photograph of himself or herself for reproduction in the ballot must deliver such photograph to the offices of OP&F not later than the deadline referenced in paragraph (C)(4) of this rule. OP&F and the independent elections administrator chosen by OP&F reserve the right to crop the photograph in their sole and absolute discretion.
 - (6) Petition signatures and candidate eligibility shall be verified based on OP&F's records. Signatures that cannot be conclusively verified shall not be counted.
 - (7) All petitions shall be certified by the independent elections administrator under contract with OP&F or by the office of the Ohio secretary of state and shall be subject to an audit by the secretary of state. In the event that there is a discrepancy between the certification by the independent elections administrator and the results of the review and audit by the secretary of state, the determination of the secretary of state shall control and final.
 - (8) In case of a contested election, the names of the qualified candidates shall be placed on the ballot for election.
- (D) Certification on eligibility. In addition to filing the required nominating petitions, all candidates must file a certification of eligibility in the form approved by the board of trustees that confirms that the person is not ineligible to run for election to the board of trustees for any of the reasons outlined in section 742.046 of the Revised Code. This certificate of eligibility must be filed in the office of OP&F not later than four p.m. on the first Monday of April of the year of the election.

(E) Ballots.

- (1) The independent elections administrator will prepare and mail out the ballots containing the names and photographs of candidates who filed the required nominating petitions and certificate of eligibility, as certified by the independent elections administrator or the officer of the secretary of state, as the case may be.
- (2) Ballots will contain the names of the candidates and the position of the names on such ballots will be rotated so that each candidate's name appears in the ~~top~~first position an equal number of times to the extent possible. The ~~reverse side of~~

each ballot will contain specific instructions on how a vote should be cast. If the instructions are not explicitly followed, the ballot will be void.

- (3) Ballots for the election shall be sent to each member of OP&F who is eligible to vote in the election, as provided in section 742.04 of the Revised Code, to the address of such eligible member. In furtherance thereof, OP&F will determine the person's eligibility status based upon OP&F's books and records. The elections administrator will not forward any undeliverable ballot to a new address.
- (4) Ballots are to be returned directly to the independent elections administrator and must be received not later than ~~four p.m.~~ the close of business, on the third Tuesday in May of the year of the election. Ballots received later than that date will not be counted, but if OP&F receives a ballot prior to this deadline, the ballot will be sent to the elections administrator.
- ~~(5) Prior to the ballots being mailed to each eligible OP&F member, OP&F may, as a courtesy, send a notice to the member on the need to send in any change of address in order to vote in the election, which OP&F cannot assure will be delivered to that person if the person has failed to maintain his/her current address with OP&F. The elections administrator will not forward any undeliverable ballot to a new address.~~
- ~~(6)~~(5) The independent elections administrator will make the final determination of the validity of all ballots, count the ballots and announce and certify the results of the election ~~to the board of trustees~~ not later than the last Wednesday in May following the date that the ballots were mailed to eligible members.

(F) Voting.

- (1) The election may be conducted by paper ballots, through electronic or other alternate methods, such as telephone voting, or a combination thereof, as determined by the board of trustees from time to time.
 - (2) The first vote cast will be the controlling vote.
 - (3) The counting of the ballots shall be conducted by an independent elections administrator or the secretary of state, as the case may be, and may be subject to additional rules that are established by the independent elections administrator.
- (G) Uncontested election. As authorized by section 742.041 of the Revised Code, in the event of an uncontested election for a particular position for either the "employee member" or the "retirant member," no ballots will be mailed and the ~~board will declare~~ the sole candidate of that position will be declared as the winner of ~~OP&F's board~~

~~of trustees for a term of four years commencing on the first Monday in June of the year of the election.~~

(H) Vacancies.

- (1) If a vacancy occurs in the term of an employee member or retirant member of the board, the board of trustees shall declare the seat vacant and establish a schedule to nominate, interview and select a successor.
- (2) Candidates shall qualify under the same eligibility requirements as the predecessor in office.
- (3) The names of qualified candidates shall be certified by the retirement system and shall be subject to review and audit by the secretary of state.
- (4) The independent elections administrator or the secretary of state shall certify the results of any election conducted under the terms of section 742.05 of the Revised Code and this paragraph.
- (5) All documents regarding the filling of the vacancy, including the resumes and forms required by the retirement system shall be made available to any person upon request.

(I) Elections in 2020 postponed due to COVID-19/coronavirus pandemic.

- (1) As authorized by Amended Substitute House Bill 197 of the 133rd General Assembly, the trustee elections that were to occur in May 2020 were postponed by the board of trustees until December 1, 2020.
- (2) ~~As required by Amended Substitute House Bill 197 of the 133rd General Assembly, the dates in section 742.04 of the Revised Code and this rule shall be adjusted as follows:~~
 - (a) ~~The notices of election outlined in paragraph (B) of this rule will be sent not later than September 8, 2020.~~
 - (b) ~~The nominating petitions outlined in paragraph (C) of this rule may be obtained at the offices of OP&F during normal business hours beginning on September 8, 2020. The nominating petitions will also be available on that date on www.op-f.org.~~
 - (c) ~~The nominating petitions, the certificate of eligibility outlined in paragraph (D) of this rule, and any candidate photo outlined in paragraph (C)(5) of~~

~~this rule shall be filed with OP&F not later than four p.m. on October 12, 2020.~~

~~(d) The independent elections administrator will prepare and mail out the ballots on or before October 26, 2020. The ballots shall be sent to each member of OP&F who is eligible to vote in this election to the address of such eligible member.~~

~~(i) For the elections of the "police employee member" and "firefighter employee member," a police officer or firefighter is eligible to vote in their respective elections if he or she is a member of the fund on August 31, 2020, as shown in OP&F's records.~~

~~(ii) For the election of the "police officer retirant member," a retired police officer is eligible to vote in the election if he or she is receiving an age or service retirement benefit or disability benefit from OP&F as of August 31, 2020, as shown in OP&F's records. A surviving spouse who is receiving a benefit as a result of the deceased member's service in a police department is also eligible to vote in the election.~~

~~(e) The ballots shall be returned directly to the independent elections administrator and must be received not later than four p.m. on December 1, 2020.~~

~~(f) The independent elections administrator will make the final determination of all ballots, and announce and certify the results of the election not later than December 21, 2020.~~

~~(g)(a) On certification of the election results, the~~The candidates receiving the highest number of votes in each election shall be who were elected as trustees with had their terms commencing commence on January 4, 2021. Since Amended Substitute House Bill 197 of the 133rd General Assembly did not extend the four-year terms that were to begin on the first Monday in June of 2020, the new terms commencing on January 4, 2021 shall expire on June 2, 2024.

~~(3) All other requirements set forth in this rule shall apply to the postponed 2020 elections.~~

Effective:

Five Year Review (FYR) Dates: 6/29/2023

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 742.045, 742.10
Rule Amplifies: 742.04, 742.045
Prior Effective Dates: 04/21/2005, 12/27/2007 (Emer.), 04/03/2008,
08/17/2018, 08/27/2020 (Emer.), 11/19/2020

742-3-02

Definition and usage of terminal pay and salary in benefit and pension calculations.

- (A) For benefit calculation purposes, all payments made by an employer to an employee shall be reported to and considered by the Ohio police and fire pension fund ("OP&F") according to the definitions contained in section 742.01 of the Revised Code and this rule.
- (B) "Terminal pay" includes, but is not limited to, the specific payments defined in this rule, subject to the other provisions of this rule.
- (1) "Vacation" refers to sums paid to employees for periods during which they do not work, pursuant to normal employment arrangement. It also includes additional compensation paid to employees for foregoing vacation.
 - (2) "Sick leave" represents amounts paid directly by employers to employees for periods during which they do not work due to personal injury or sickness.
 - (3) "Personal leave" is paid leave other than vacation or sick leave. If its usage results in debiting another paid leave account for the employee, then it is not considered to be personal days, but is defined by the form of payment from the debited account.
 - (4) "Compensatory time" results from employees being credited for hours worked in excess of the employers' standard workday.
 - (5) "Holiday compensation" is payment received by an employee for a day that is customarily observed in the community in celebration of a historical or religious occasion, regardless of whether or not the employee works that holiday.
 - (6) "Longevity" is a regular, recurring payment received by an employee based on a years-of-service schedule.
 - (7) "Overtime" is payment received by an employee for duty-related work performed in excess of a standard workweek. For purposes of divisions (K)(3) and (L)(1) of section 742.01 of the Revised Code, the payroll period shall be determined by the employer's practice for reporting overtime, as documented by OP&F's books and records, but in no event shall the employer report overtime to OP&F more than sixty days after the date on which the overtime is worked.
 - (8) "Paid leave" is compensated leave received by an employee which is a combination of vacation and sick leave.
 - (9) "Combined leave" is paid leave received by an employee which is a combination of any leave described in paragraph (B) of this rule.

- (10) "Hazard pay" is a regular payment received by an employee for employment in a high-risk occupation.
- (11) "Stress pay" is a regular payment received by an employee to compensate for employment in a stressful occupation.
- (12) "Premium pay" is payment received by an employee that is between his regular rate of pay and his overtime rate of pay.
- (13) A "Kelly Day" is compensation paid to a member of OP&F which is not vacation, sick leave, or personal leave for a continuous period of off duty time for the purpose of reducing the hours worked in a week as specified by contract.

(C) Use of terminal pay in pension/benefit calculation

- (1) Cost-of-living allowance (COLA) method: For each person whose effective date of retirement falls after July 24, 1986 who has not made an election under division (B) of section 742.3716 of the Revised Code to forego possible cost-of-living allowances in exchange for receiving a pension or benefit in which "terminal pay" has been used shall have his/her pension calculated under the terms outlined in this paragraph.
 - (a) An employee's receipt of cash for sick leave, personal leave, compensatory time, paid leave, vacation, and similar payments shall not be used in the calculation of pension and benefits, regardless of the COLA or non-COLA election.
 - (b) Holidays and longevity may be used in the calculation provided that payment occurs within one year of when it is earned, subject to the following limitation: in no event shall floating holidays and personal days/leave be included in the calculation, even if these items are included as part of the holiday and longevity pay provided for under an employee's contract.
 - (c) Subject to the provisions of paragraph (B)(7) of this rule, overtime must be used in the calculation if it is paid during the pay period in which it is earned or the pay period not later than sixty days after the overtime is earned.
 - (d) Hazard pay, stress pay, and similar special payments may be used in the calculation if paid within one year of the date it is earned.

- (e) Combined leave shall be divided into its individual components, and each component will be treated as a separate leave item for calculation purposes.
 - (f) To be used in the calculation, a "Kelly Day" must be worked and the compensation for such worked "Kelly Day" must be paid in the pay period earned or the pay period immediately following.
- (2) Non-cost-of-living (Non-COLA) method: If a member has elected to forego possible cost-of-living allowances under division (A) of section 742.3716 of the Revised Code by making an election under division (B) of section 742.3716 of the Revised Code, then terminal pay shall be incorporated in the calculation of a pension or benefit as herein described.
- (a) Terminal pay actually earned during the period over which a pension or benefit is based shall be incorporated in the calculation base, and such terminal pay shall be subject to employee and employer contributions.
 - (b) Vacation, paid leave, sick leave, personal leave, and compensatory time alone are governed by the "first-in, first-out" principle.
- (D) For purposes of calculating pensions and benefits, "salary," as defined in division (L) of section 742.01 of the Revised Code, is limited to compensation earned during the period over which a pension or benefit is based.
- (E) For purposes of calculating pensions and benefits consistent with OP&F's past practices, "compensation for services outside the scope of the employee's regular employment" includes any compensation paid to members based on their length of service with the employer, including terminal pay (as defined in section 742.01 of the Revised Code and this rule) that is converted to additional compensation paid to the member upon the achievement of a certain length of service with the employer, but no longer characterized as terminal pay, and not included as part of the member's base pay from and after the entry into and exit from such salary program; provided, however, that if this compensation is rejected by OP&F for the calculation of a pension or benefit, OP&F will allow the member to unwind the conversion of any terminal pay to such additional compensation in order to include the terminal pay in the calculation of pensions and benefits, as permitted by the terms of sections 742.01 and 742.3716 of the Revised Code and this rule.
- (F) Pursuant to the authority granted to the board in section 742.013 of the Revised Code, the definition of "salary" shall include amounts that exceed the salary benchmark determined in division (G) of section 742.01 of the Revised Code if such amounts are

the result of a promotion in rank. Any other amounts that exceed the salary benchmark shall not be included in "salary."

Five Year Review (FYR) Dates:

6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under:

111.15

Statutory Authority:

742.10

Rule Amplifies:

742.01, 742.32, 742.37, 742.39

Prior Effective Dates:

01/01/1977, 05/12/1983, 07/24/1986 (Emer.),
10/16/1986, 03/19/1987, 08/04/1988, 07/19/1999,
02/07/2000 (Emer.), 05/01/2000, 03/09/2001 (Emer.),
04/09/2001 (Emer.), 05/24/2001, 04/28/2006,
01/07/2013 (Emer.), 03/24/2013, 06/19/2020 (Emer.),
09/11/2020

742-3-23

Spousal consent/designation of multiple beneficiaries.

- (A) As provided in division (D)(1) of section 742.3711 of the Revised Code, spousal consent to a member's plan of payment shall not be required if the member is required to elect a plan of payment pursuant to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property.
- (B) A member's current spouse must consent to the election of a plan of payment described in division (A)(4) of section 742.3711 of the Revised Code if either of the following applies:
- (1) The member selects a plan of payment described in division (A)(4) of section 742.3711 of the Revised Code, but Ohio police and fire pension fund's records reflect that the member is not subject to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that requires the member to make such an election;
 - (2) The member is ordered to designate the former spouse as a beneficiary of a specified portion of the benefit, but also designates a beneficiary or beneficiaries other than the current spouse under that plan of payment.

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under:	111.15
Statutory Authority:	742.10
Rule Amplifies:	742.3711
Prior Effective Dates:	03/14/2008

742-4-02

Implementation date of deferred retirement option plan.

As provided for in section 742.43 of the Revised Code, the date of the initial implementation of the deferred retirement option plan (DROP) shall be January 2, 2003.

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under:	111.15
Statutory Authority:	742.10
Rule Amplifies:	742.43
Prior Effective Dates:	12/31/2002 (Emer.), 04/06/2003

742-4-04

Rescission of DROP election.

- (A) Capitalized terms used in this rule shall have the meaning assigned to them in rule 742-4-01 of the Administrative Code.
- (B) A DROP participant may rescind his/her election to participate in DROP only upon the occurrence of either of the following events:
- (1) OP&F receives a written authorization/notice from the DROP participant that directs OP&F to rescind such election and this written authorization/notice is received by OP&F within thirty days after OP&F received the DROP participant's election, as determined by OP&F based upon its books and records.
 - (2) In the event there is at least a ten percent difference between the last OP&F "estimate" of the DROP benefit amount prior to the person filing his/her election and the actual DROP benefit determined by OP&F (i.e. the pension benefit determined in accordance with section 742.442 of the Revised Code), OP&F receives a written authorization/notice from the DROP participant that directs OP&F to rescind such election and this written authorization/notice is received by OP&F within thirty days of OP&F's certified mailing that notifies the member of the difference between the OP&F "estimate" and actual DROP benefit and the DROP participant's right to rescind his/her election to participate in DROP. Notwithstanding the foregoing, the right to rescind provided for in this subsection shall not apply to estimates done through the calculator on OP&F's website, whether done by OP&F staff or the member.
 - (3) Unless the notice of rescission is not valid in accordance with the terms of this rule (in which case it will not be effective), all notice of rescissions are irrevocable once received by OP&F so the DROP participant shall have no opportunity to change his/her decision to rescind his/her participation in DROP.
 - (4) In no event shall OP&F process any rescission under paragraph (B)(2) of this rule if it is subject to any terms and conditions.
- (C) In the event OP&F receives a notice to rescind a DROP participant's election to participate in DROP and it does not meet the conditions of paragraph (B)(2) of this rule, OP&F shall not process the rescission for such DROP participant and the DROP participant shall have no right to rescind his/her election to participate in DROP.
- (D) In the event a DROP participant properly rescinds his/her election to participate in DROP in accordance with the provisions of paragraph (B)(2) of this rule, the member shall not be foreclosed from making another election to participate in DROP.

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.44
Prior Effective Dates: 12/31/2002 (Emer.), 04/06/2003, 08/17/2018

742-4-05

Purchase of service credit.

- (A) Except for the purchase of service credit done through an irrevocable payroll deduction agreement, which shall be governed by the provisions of rule 742-4-14 of the Administrative Code, OP&F shall offer the member the right to purchase the service credit prior to his/her entry into DROP. In the event the member is given the right to purchase the service credit by OP&F and fails to purchase the service credit prior to his/her effective date, OP&F shall calculate the monthly benefit under section 742.442 of the Revised Code based on the member's service credit and "salary" as of the effective date.
- (B) In the event the member is given the right to purchase the service credit by OP&F and fails to purchase the service credit prior to his/her effective date, the member shall be deemed to waive his/her right to purchase service credit.
- (C) For purposes of section 742.21 of the Revised Code, the requirement that a member "is not receiving a pension or benefit payment" shall not include DROP participants, unless the DROP participant:
- (1) Rescinds his/her election in accordance with the terms of rule 742-4-04 of the Administrative Code;
 - (2) Ceases participation in DROP in accordance with section 742.445 of the Revised Code, or
 - (3) Fails to terminate active service in the police or fire department at the end of the eight-year period that begins on the effective date, as such period is calculated in accordance with the terms of rule 742-4-10 of the Administrative Code.
- (D) Capitalized terms used in this rule shall have the meaning assigned to them in rule 742-4-01 of the Administrative Code.

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.21, 742.442
Prior Effective Dates: 12/31/2002 (Emer.), 04/06/2003, 08/17/2018

742-4-06

Calculation of DROP benefit.

- (A) For purposes of calculating the DROP benefit, OP&F shall determine the monthly pension amount that would have been payable to the DROP participant had the member elected to receive normal service retirement benefits under division (C)(1) of section 742.37 of the Revised Code, according to the requirements set forth in divisions (G), (K) and (L) of section 742.01 of the Revised Code, rule 742-3-02 of the Administrative Code and this rule.
- (B) For purposes of paragraphs (C)(1)(b), (C)(1)(c), and (C)(1)(d) of rule 742-3-02 of the Administrative Code, OP&F shall determine the holidays, longevity, stress pay and similar special payments to be used in the calculation of average annual salary, based on the following: (1) holidays, longevity, hazard, stress pay and similar special payments paid to the DROP participant during the calculation period; or (2) if a portion of the holidays, longevity, hazard, stress pay and similar special payments are disallowed due to such "salary" being outside of the beginning calculation period, but the holidays, longevity, stress pay, or similar special payments are earned at the end of the calculation period, but not paid, OP&F shall include such amounts with the calculation based on the amount paid to the DROP participant and reported by the DROP participant's employer to OP&F for the immediate preceding period for the same type of holidays, longevity, stress pay, or similar special payments, as the case may be.
- (C) Capitalized terms used in this rule shall have the meaning assigned to them in rule 742-4-01 of the Administrative Code.

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.442
Prior Effective Dates: 12/31/2002 (Emer.), 04/06/2003, 08/17/2018

742-4-10

Maximum period for DROP participation.

- (A) For purposes of determining the maximum eight-year period for DROP participation, this date will be based on three hundred sixty-five calendar days from the effective date, regardless of the periods during which contributions were paid on behalf of the member. For example, if the member's effective date is January 18, 2003, the last day of the eight-year period shall end on January 17, 2011.
- (B) Capitalized terms used in this rule shall have the meaning assigned to them in rule 742-4-01 of the Administrative Code.

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.444
Prior Effective Dates: 12/31/2002 (Emer.), 04/06/2003, 08/17/2018

742-4-14

Impact of irrevocable payroll deduction on DROP.

- (A) For the purchase of service credit done through an irrevocable pre-tax payroll deduction agreement that provides for the purchase of service credit beyond the member's effective date and which was entered into before the DROP participant's effective date, the member shall not be permitted to terminate such payroll deduction, but the terms of this rule shall apply.
- (B) For those DROP participants who meet the criteria of paragraph (A) of this rule, OP&F shall calculate the monthly DROP benefit under section 742.442 of the Revised Code based on the service credit actually purchased under such payroll deduction plan as of the member's effective date, subject to the limited recalculation done pursuant to paragraph (C) of this rule.
- (C) For those DROP participants who meet the criteria of paragraph (A) of this rule and who complete the irrevocable pre-tax payroll deduction agreement, OP&F shall recalculate the monthly DROP benefit under section 742.442 of the Revised Code based on the service credit actually purchased under such payroll deduction plan and OP&F shall credit that increased benefit for the DROP participant's benefit, beginning the month following the month in which such purchase of service credit was completed; provided, however, that this shall not result in the recalculation of DROP benefits already calculated under section 742.442 of the Revised Code.
- (D) Capitalized terms used in this rule shall have the meaning assigned to them in rule 742-4-01 of the Administrative Code (definitions).

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.21, 742.442
Prior Effective Dates: 12/31/2002 (Emer.), 04/06/2003

742-4-17

Retirement allowance.

For purposes of determining the "retirement allowance" under section 742.3714 of the Revised Code, this shall be the amount calculated by OP&F pursuant to section 742.442 of the Revised Code.

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under:	111.15
Statutory Authority:	742.10
Rule Amplifies:	742.3714
Prior Effective Dates:	12/31/2002 (Emer.), 04/06/2003

742-4-18

Default plan of DROP benefit.

Unless OP&F receives a written notice of distribution from a surviving spouse or designated beneficiary, as the case may be, for any monies properly due such person under division (C) of section 742.446 of the Revised Code within thirty days of OP&F's notice to such person of the final DROP benefit to be distributed to that person under the foregoing statutory provision, OP&F will process all payments to the appropriate beneficiary based on a lump sum distribution. This default plan of payment, however, will not apply in the event that OP&F has no records to determine the surviving spouse or designated beneficiary of such payments or the address of such surviving spouse or designated beneficiary.

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.446
Prior Effective Dates: 12/31/2002 (Emer.), 04/06/2003, 09/28/2018

742-9-10

Employer reporting requirements.

- (A) For purposes of this rule, "required penalties" shall mean the penalties prescribed by section 742.352 of the Revised Code, as modified by rule 742-8-07 of the Administrative Code.
- (B) For purposes of section 742.32 of the Revised Code, the "report of employee deductions" that employers must transmit to Ohio police & fire pension fund ("OP&F") shall be on the report of retirement deductions form provided by OP&F and found on OP&F's website, www.op-f.org, and shall be consistent with the requirements outlined in this rule.
- (C) For purposes of section 742.32 of the Revised Code, the term "employee" shall refer to a "member", as such term is defined in divisions (A)(2)(a) and (B)(2)(a) of section 742.01 of the Revised Code.
- (D) For purposes of section 742.32 of the Revised Code, the deduction shall be taken on "salary" paid by the employer to the employee for the month covered in that report, pursuant to the terms of division (L) of section 742.01 of the Revised Code and the rules of the Administrative Code adopted pursuant to that section.
- (E) The form of the employer's report of employee deductions shall be deemed properly filed with OP&F if all of the following occurs:
- (1) The completed form of the report that is filed with OP&F by the statutory deadline is consistent with the report of retirement deductions form and meets all the following requirements:
 - (a) A separate report for the report of deductions for firefighter members and a separate report for the report of deductions for police officer members;
 - (b) ~~For electronic filings, it meets~~ The reports are submitted electronically to OP&F and meet the technical specifications provided to the employers by OP&F, as may be amended from time to time with prior notice to the employer;
 - (c) The reporting of "salary" is consistent with the requirements outlined in this rule; and
 - (d) The reporting of picked-up contributions, whether done through a salary reduction or paid on behalf of the member, must be consistent with the requirements outlined in rule 742-7-14 of the Administrative Code.
 - (2) The report and ~~or~~ payment is ~~is~~ accompanied by a completed OP&F recap form as referenced in rule 742-9-17 of the Administrative Code, and is received by

OP&F by the statutory deadline. ~~It is OP&F's preference that the recap form is sent along with the payment, rather than the report. For electronic filers, the recap form must still be received by OP&F by the statutory deadline.~~

- (3) The contributions due under section 742.32 of the Revised Code must ~~be paid~~ accompany the report of employee deduction and be submitted electronically to OP&F by the statutory deadline, must match the amount outlined in the recap form referenced in rule 742-9-17 of the Administrative Code, and must match the total amount reported on the report referenced in paragraph (E)(1)(a) of this rule. ~~As referenced in paragraph (E)(2) of this rule, it is OP&F's preference that the recap form accompany this payment.~~
 - (4) For newly hired members, the report and payment is accompanied by a form provided by OP&F and documentation showing the member's appointment to a full-time position as a police officer or firefighter to the extent that it exists.
- (F) In order to verify the reporting of "salary" consistent with the provisions of division (L) of section 742.01 of the Revised Code and section 742.32 of the Revised Code and the corresponding rules of the Administrative Code, OP&F may request detailed pay records involving the member's wages and/or service credit from the employer at any time.
- (G) For purposes of assessing the required penalties for all filings due OP&F under section 742.32 of the Revised Code, OP&F shall take the following course of action:
- (1) No report/no payment. If the required payment prescribed by section 742.32 of the Revised Code is not made in accordance with the deadline outlined in such section and no report of employee deductions is filed with OP&F in accordance with the deadline outlined in such section, which includes the recap form, OP&F shall assess the required penalties.
 - (2) Report/no payment. If the required report of employee deductions prescribed by section 742.32 of the Revised Code and more fully outlined in this rule is filed with OP&F in accordance with the deadline outlined in such section, but the proper payment is not paid to OP&F in accordance with the deadline outlined in such section, OP&F shall assess the required penalties.
 - (3) No report/payment. If the required report of employee deductions prescribed by section 742.32 of the Revised Code and more fully outlined in this rule is not filed with OP&F in accordance with the deadline outlined in such section, but a payment is made with OP&F in accordance with the deadline outlined in such section, OP&F shall assess the required penalties.

(4) All other cases, the following shall apply:

(a) Non-conforming payroll report. OP&F shall give notice to the employer of the non-conforming nature of the report and allow the employer to have an opportunity to take corrective actions to cure such deficiencies within thirty days of OP&F's notice of deficiency (referred to herein as the "cure period"), and the following shall apply:

(i) If the employer files a correct report of employee deductions in OP&F's approved format and such report is received by OP&F on or before the expiration of the cure period, no penalties will be assessed by OP&F against the employer.

(ii) If OP&F does not receive from the employer the proper report of employee deductions on or before the expiration of such cure period, then OP&F will assess the required penalties beginning the day after the expiration of the cure period.

(b) In all other situations, OP&F will notify the employer of the employer's failure to comply with the provisions of section 742.32 of the Revised Code and shall allow the employer to still have an opportunity to take the corrective actions identified in the notice from OP&F within thirty days of OP&F's notice (referred to herein as the "cure period"), and the following shall apply:

(i) If the employer files a correct report of employee deductions in OP&F's approved format and such report is received by OP&F on or before the expiration of the cure period, no penalties will be assessed by OP&F against the employer.

(ii) If OP&F does not receive from the employer the proper report of employee deductions on or before the expiration of such cure period, then OP&F will assess the required penalties, beginning the day after the expiration of the cure period.

(5) Even with the cure period, the employer will still be assessed any statutory fines for late filings and/or payments, as the case may be under the applicable statutory provision.

(6) This rule shall apply once the payment and/or report has been filed with OP&F and shall not limit any other remedies available to OP&F by law.

(H) The monthly payments required by section 742.35 of the Revised Code shall be sent to OP&F electronically and meet the technical specifications provided to the employers

by OP&F, as may be amended from time to time with prior notice to the employer.
The payments shall be accompanied by a completed OP&F recap form, as referenced
in rule 742-9-17 of the Administrative Code.

~~(H)~~(I) The provisions of this rule will not change the amounts of the required penalties.

Effective: 7/12/2023

CERTIFIED ELECTRONICALLY

Certification

07/12/2023

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.32, 742.352
Prior Effective Dates: 11/18/1999 (Emer.), 03/16/2000, 08/31/2000 (Emer.),
11/23/2000, 02/11/2002 (Emer.), 04/29/2002,
05/30/2002 (Emer.), 08/22/2002, 11/17/2003,
11/30/2005 (Emer.), 02/16/2006, 06/04/2006,
07/19/2007, 05/22/2008, 09/22/2008, 12/12/2013,
07/04/2021

742-9-10

Employer reporting requirements.

- (A) For purposes of this rule, "required penalties" shall mean the penalties prescribed by section 742.352 of the Revised Code, as modified by rule 742-8-07 of the Administrative Code.
- (B) For purposes of section 742.32 of the Revised Code, the "report of employee deductions" that employers must transmit to Ohio police & fire pension fund ("OP&F") shall be on the report of retirement deductions form provided by OP&F and found on OP&F's website, www.op-f.org, and shall be consistent with the requirements outlined in this rule.
- (C) For purposes of section 742.32 of the Revised Code, the term "employee" shall refer to a "member", as such term is defined in divisions (A)(2)(a) and (B)(2)(a) of section 742.01 of the Revised Code.
- (D) For purposes of section 742.32 of the Revised Code, the deduction shall be taken on "salary" paid by the employer to the employee for the month covered in that report, pursuant to the terms of division (L) of section 742.01 of the Revised Code and the rules of the Administrative Code adopted pursuant to that section.
- (E) The form of the employer's report of employee deductions shall be deemed properly filed with OP&F if all of the following occurs:
- (1) The completed form of the report that is filed with OP&F by the statutory deadline is consistent with the report of retirement deductions form and meets all the following requirements:
 - (a) A separate report for the report of deductions for firefighter members and a separate report for the report of deductions for police officer members;
 - (b) ~~For electronic filings, it meets~~ The reports are submitted electronically to OP&F and meet the technical specifications provided to the employers by OP&F, as may be amended from time to time with prior notice to the employer;
 - (c) The reporting of "salary" is consistent with the requirements outlined in this rule; and
 - (d) The reporting of picked-up contributions, whether done through a salary reduction or paid on behalf of the member, must be consistent with the requirements outlined in rule 742-7-14 of the Administrative Code.
 - (2) The report and ~~or~~ payment is ~~are~~ accompanied by a completed OP&F recap form as referenced in rule 742-9-17 of the Administrative Code, and is received by

OP&F by the statutory deadline. ~~It is OP&F's preference that the recap form is sent along with the payment, rather than the report. For electronic filers, the recap form must still be received by OP&F by the statutory deadline.~~

- (3) The contributions due under section 742.32 of the Revised Code must ~~be paid~~ accompany the report of employee deduction and be submitted electronically to OP&F by the statutory deadline, must match the amount outlined in the recap form referenced in rule 742-9-17 of the Administrative Code, and must match the total amount reported on the report referenced in paragraph (E)(1)(a) of this rule. ~~As referenced in paragraph (E)(2) of this rule, it is OP&F's preference that the recap form accompany this payment.~~
 - (4) For newly hired members, the report and payment is accompanied by a form provided by OP&F and documentation showing the member's appointment to a full-time position as a police officer or firefighter to the extent that it exists.
- (F) In order to verify the reporting of "salary" consistent with the provisions of division (L) of section 742.01 of the Revised Code and section 742.32 of the Revised Code and the corresponding rules of the Administrative Code, OP&F may request detailed pay records involving the member's wages and/or service credit from the employer at any time.
- (G) For purposes of assessing the required penalties for all filings due OP&F under section 742.32 of the Revised Code, OP&F shall take the following course of action:
- (1) No report/no payment. If the required payment prescribed by section 742.32 of the Revised Code is not made in accordance with the deadline outlined in such section and no report of employee deductions is filed with OP&F in accordance with the deadline outlined in such section, which includes the recap form, OP&F shall assess the required penalties.
 - (2) Report/no payment. If the required report of employee deductions prescribed by section 742.32 of the Revised Code and more fully outlined in this rule is filed with OP&F in accordance with the deadline outlined in such section, but the proper payment is not paid to OP&F in accordance with the deadline outlined in such section, OP&F shall assess the required penalties.
 - (3) No report/payment. If the required report of employee deductions prescribed by section 742.32 of the Revised Code and more fully outlined in this rule is not filed with OP&F in accordance with the deadline outlined in such section, but a payment is made with OP&F in accordance with the deadline outlined in such section, OP&F shall assess the required penalties.

(4) All other cases, the following shall apply:

(a) Non-conforming payroll report. OP&F shall give notice to the employer of the non-conforming nature of the report and allow the employer to have an opportunity to take corrective actions to cure such deficiencies within thirty days of OP&F's notice of deficiency (referred to herein as the "cure period"), and the following shall apply:

(i) If the employer files a correct report of employee deductions in OP&F's approved format and such report is received by OP&F on or before the expiration of the cure period, no penalties will be assessed by OP&F against the employer.

(ii) If OP&F does not receive from the employer the proper report of employee deductions on or before the expiration of such cure period, then OP&F will assess the required penalties beginning the day after the expiration of the cure period.

(b) In all other situations, OP&F will notify the employer of the employer's failure to comply with the provisions of section 742.32 of the Revised Code and shall allow the employer to still have an opportunity to take the corrective actions identified in the notice from OP&F within thirty days of OP&F's notice (referred to herein as the "cure period"), and the following shall apply:

(i) If the employer files a correct report of employee deductions in OP&F's approved format and such report is received by OP&F on or before the expiration of the cure period, no penalties will be assessed by OP&F against the employer.

(ii) If OP&F does not receive from the employer the proper report of employee deductions on or before the expiration of such cure period, then OP&F will assess the required penalties, beginning the day after the expiration of the cure period.

(5) Even with the cure period, the employer will still be assessed any statutory fines for late filings and/or payments, as the case may be under the applicable statutory provision.

(6) This rule shall apply once the payment and/or report has been filed with OP&F and shall not limit any other remedies available to OP&F by law.

(H) The monthly payments required by section 742.35 of the Revised Code shall be sent to OP&F electronically and meet the technical specifications provided to the employers

by OP&F, as may be amended from time to time with prior notice to the employer.
The payments shall be accompanied by a completed OP&F recap form, as referenced
in rule 742-9-17 of the Administrative Code.

~~(H)~~(I) The provisions of this rule will not change the amounts of the required penalties.

Effective:

Five Year Review (FYR) Dates: 7/12/2023

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.32, 742.352
Prior Effective Dates: 11/18/1999 (Emer.), 03/16/2000, 08/31/2000 (Emer.),
11/23/2000, 02/11/2002 (Emer.), 04/29/2002,
05/30/2002 (Emer.), 08/22/2002, 11/17/2003,
11/30/2005 (Emer.), 02/16/2006, 06/04/2006,
07/19/2007, 05/22/2008, 09/22/2008, 12/12/2013,
07/04/2021

742-9-11

Penalties for employer's failure to file the report of employee deductions in a format approved by OP&F.

For purposes of determining whether the employer has timely transmitted the reports and/or payments required by section 742.32 or 742.35 of the Revised Code, ~~as the case may be under the applicable statutory provision,~~ OP&F will rely on its books and records as of the close of business on the due date, ~~except that in the case of electronic reports filed with OP&F, the~~ The "close of business" shall mean midnight on the statutory due date. ~~(For for example, for contributions withheld in April, the report and payments are due to OP&F by the close of business on May thirty-first, which is the due date. If OP&F receives a report in the proper format and the requested payment by the close of business on May thirty-first, then no penalties and interest would apply.)~~ Thus, paper reports must be received by OP&F's close of business on the statutory due date and electronically filed reports and payments must be received before midnight on the statutory due date.

In no event would this rule impact the penalties that would apply in cases where the report was filed by the statutory due date, but was not in proper format, as outlined in rule 742-9-10 of the Administrative Code.

Effective: 7/13/2023

CERTIFIED ELECTRONICALLY

Certification

07/13/2023

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.30, 742.32, 742.351, 742.352, 742.56
Prior Effective Dates: 11/18/1999 (Emer.), 03/16/2000, 08/08/2000 (Emer.),
10/23/2000, 02/11/2002 (Emer.), 04/29/2002,
06/18/2007, 07/24/2008

742-9-11

Penalties for employer's failure to file the report of employee deductions in a format approved by OP&F.

For purposes of determining whether the employer has timely transmitted the reports and/or payments required by section 742.32 or 742.35 of the Revised Code, ~~as the case may be under the applicable statutory provision;~~ OP&F will rely on its books and records as of the close of business on the due date, ~~except that in the case of electronic reports filed with OP&F, the~~ The "close of business" shall mean midnight on the statutory due date. ~~(For for example, for contributions withheld in April, the report and payments are due to OP&F by the close of business on May thirty-first, which is the due date. If OP&F receives a report in the proper format and the requested payment by the close of business on May thirty-first, then no penalties and interest would apply.)~~ Thus, ~~paper reports must be received by OP&F's close of business on the statutory due date and electronically filed reports and payments~~ must be received before midnight on the statutory due date.

In no event would this rule impact the penalties that would apply in cases where the report was filed by the statutory due date, but was not in proper format, as outlined in rule 742-9-10 of the Administrative Code.

Effective:

Five Year Review (FYR) Dates: 7/12/2023

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.30, 742.32, 742.351, 742.352, 742.56
Prior Effective Dates: 11/18/1999 (Emer.), 03/16/2000, 08/08/2000 (Emer.),
10/23/2000, 02/11/2002 (Emer.), 04/29/2002,
06/18/2007, 07/24/2008

742-9-17

Summary of payment remittance information form (recap form).

- (A) Payments and reports due OP&F under the following provisions shall be accompanied by a completed summary of payment remittance information form (i.e., the recap form): sections 742.32 and 742.35 of the Revised Code and rule 742-9-10 of the Administrative Code (~~member~~pension contributions), and section 742.56 of the Revised Code and rule 742-5-08 of the Administrative Code (payroll deduction purchases). The summary of payment remittance information form (i.e., the recap form), last modified July 5, 2016, can be found on OP&F's website, www.op-f.org.
- (B) For purposes of prompt and efficient processing, employers are requested to submit a completed summary of payment remittance information form (i.e., the recap form) to OP&F with any payments due OP&F under the following provisions: sections 742.30 (accrued liability), 742.301 (penalties for accrued liability), ~~742.35 (employer contributions)~~; 742.352 (penalties for failing to transmit certain payments or reports), and 742.521 (military leave granting) of the Revised Code.

Effective: 7/12/2023

CERTIFIED ELECTRONICALLY

Certification

07/12/2023

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.30, 742.32, 742.521, 742.352, 742.56
Prior Effective Dates: 05/22/2008, 09/28/2018

742-9-17

Summary of payment remittance information form (recap form).

- (A) Payments and reports due OP&F under the following provisions shall be accompanied by a completed summary of payment remittance information form (i.e., the recap form): sections 742.32 and 742.35 of the Revised Code and rule 742-9-10 of the Administrative Code (memberpension contributions), and section 742.56 of the Revised Code and rule 742-5-08 of the Administrative Code (payroll deduction purchases). The summary of payment remittance information form (i.e., the recap form), last modified July 5, 2016, can be found on OP&F's website, www.op-f.org.
- (B) For purposes of prompt and efficient processing, employers are requested to submit a completed summary of payment remittance information form (i.e., the recap form) to OP&F with any payments due OP&F under the following provisions: sections 742.30 (accrued liability), 742.301 (penalties for accrued liability), ~~742.35 (employer contributions)~~, 742.352 (penalties for failing to transmit certain payments or reports), and 742.521 (military leave granting) of the Revised Code.

Effective:

Five Year Review (FYR) Dates: 7/12/2023

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 742.10
Rule Amplifies: 742.30, 742.32, 742.521, 742.352, 742.56
Prior Effective Dates: 05/22/2008, 09/28/2018

742-11-01

Rule on books and records reliance.

For purposes of determining compliance with any statutory requirements under Chapter 742. of the Revised Code, the books and records of OP&F will prevail.

Five Year Review (FYR) Dates: 6/29/2023 and 06/29/2028

CERTIFIED ELECTRONICALLY

Certification

06/29/2023

Date

Promulgated Under:	111.15
Statutory Authority:	742.10
Rule Amplifies:	742.10
Prior Effective Dates:	07/16/2000