

145-4-02 **Health care fund.**

- (A) Within the funds described in section 145.23 of the Revised Code, there shall be separate accounts established pursuant to section 401(h) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401, and section 115 of the Internal Revenue Code of 1986, 26 U.S.C.A. 115, for the purpose of funding the coverage authorized under sections 145.58 and 145.584 of the Revised Code. These accounts 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. At no time shall contributions to the 401(h) account be in excess of twenty-five per cent of the total aggregate actual contributions made to the trust for the traditional pension plan and combined plan, excluding contributions to fund past service credit. In any event, such contributions shall be reasonable and ascertainable.
- (C) Forfeitures shall be used to fund health care coverage, 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 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 health care coverage, 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) Upon satisfaction of all liabilities to be paid from the 401(h) account under this rule, any 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, that are not used as provided in paragraph (E) of this rule shall be returned to

~~the employers~~public employees retirement system, as the employers' agent, in accordance with section 401(h)(5) of the Internal Revenue Code. Any such assets will be contributed by the public employees retirement system to the 115 trust on behalf of the contributing employers. 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) 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 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.

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TO BE RESCINDED

3307:1-3-12

Service credit established under retirement incentive plan.

- (A) Upon adoption of a retirement incentive plan in accordance with section 3307.54 of the Revised Code, the employer shall notify the retirement system on an official form approved by the state teachers retirement board, provided no such retirement incentive plans may remain in effect after July 31, 2014.
- (B) The cost to the employer for each year of credit purchased will be determined by factors recommended by the retirement system actuary which yield an amount equal to the additional liability of the amount purchased. Actuarial cost will be revised no more than once annually and shall apply only to new credit established after such revision is approved by the state teachers retirement board.
- (C) Employers may make equal payments to the retirement system for the cost of the year or years of credit purchased over a number of years equal to the number of years purchased under the employer adopted plan. Purchase of partial years is not permitted. After the last day of the month of retirement, interest shall be calculated on the remaining payments at the rate established for other purchased credit as stipulated in division (B) of rule 3307:1-3-01 of the Administrative Code.
- (D) A member employed as a teacher may initiate action to retire under the locally adopted retirement incentive plan in accordance with section 3307.54 of the Revised Code, provided the effective date of retirement is not after July 1, 2014, by completing the employee section of a form provided by the state teachers retirement board and filing such form with the employer. Subsequently, the form must be completed by the employer and filed with the state teachers retirement board within ninety days of the effective date of retirement, but in no event shall it be filed later than the last day of the month preceding the date of retirement.
- (E) A member who elects to continue employment under section 3307.351 of the Revised Code is not eligible to participate in an early retirement incentive plan adopted by the employer with which employment continues.
- (F) A member is ineligible to participate in a retirement incentive plan if the member's effective date of retirement is after July 1, 2014.

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3307:1-7-01 **Disability benefits - definitions.**

Chapter 3307:1-7 of the Administrative Code is adopted to establish the definitions, procedures and guidelines needed to fulfill the requirements of sections 3307.48, 3307.62, 3307.63, and 3307.631 of the Revised Code and to assure fair and impartial evaluation of all applications for disability benefits.

As used in Chapter 3307:1-7 of the Administrative Code:

(A) "Applicant" shall mean the member for whom an application has been completed and received by the retirement system.

(B) "Application" includes all of the following: an application for disability benefits; an attending physician's report based on an examination that was completed within the last ~~sixty days~~ two months and includes ~~supporting diagnostic testing;~~ medical evidence, an employer report, and a job description provided by the last employer. The application for disability benefits, attending physician's report and employer report shall be made on forms provided by the retirement system. The requirement to submit a job description may be waived by the chair of the medical review board.

(C) "Attending physician" shall mean an applicant's physician of choice, who has established a therapeutic relationship with the applicant and has completed a report and certified on forms provided by the retirement system that in the attending physician's opinion an applicant is incapacitated for the performance of duty by a disabling condition that is presumed to be permanent. The attending physician shall provide standard objective and pertinent medical evidence supporting the opinion.

~~(D) "Board," shall mean the state teachers retirement board.~~

~~(D)~~ For purposes of section 3307.48 of the Revised Code, to "perform any teaching service" whether or not such services or positions are performed full-time or part-time, in a public or private employment school or non-school setting, on a volunteer basis or for compensation, in or outside the state of Ohio shall be defined to include any of the following:

(1) All employment, contracted services or volunteer work that if performed in an Ohio public school would be considered employment covered by the ~~state teachers~~ retirement system as defined in section 3307.01 of the Revised Code.

(2) All teachers, tutors, substitute teachers, electronic classroom instructors, daycare teachers, community school instructors and private-lesson providers whether the service was performed through employment, contracted services, or volunteer work.

- (3) All employment contracted services, or volunteer work that relates to the work of educators, such as, but not limited to, writing curriculum, leading workshops, providing training, instructing students of any age, or directing teachers, student teachers or students.
- (4) Any other service determined by the retirement board to be performing teaching services.
- ~~(F)~~(E) For purposes of division (B)(2) of section 3307.62 of the Revised Code, "The date on which the member's most recent application for a disability benefit was received by the board" shall occur when an application as defined in this rule is received by the retirement system. In all cases of dispute, the retirement system shall determine when an application is received and its decision shall be final.
- ~~(F)~~ For purposes of division (C) of section 3307.62 of the Revised Code, "condition shall mean a medically determinable physical or mental impairment that results from anatomical, physiological, or psychological abnormalities, which can be shown by standard objective and pertinent medical evidence as defined in this rule. A physical or mental impairment must be established by medical evidence, not only by the applicant's statement of symptoms, but also by symptoms, signs and laboratory findings reported by a physician."
- (G) "Independent medical examiner" shall mean a competent physician neither involved in a treatment relationship with an applicant or recipient nor otherwise employed by the retirement system, who shall be designated by the chair of the medical review board to conduct an impartial examination.
- ~~(H)~~ "Medical evidence means current physician examinations, clinical findings, laboratory findings, diagnosis, treatment prescribed with response and prognosis, hospital discharge summaries and diagnostic testing relevant to the applicant's claimed disabling condition."
- ~~(H)~~(I) "Medical review board" shall mean the group of independent physicians designated by the retirement board under the direction of a chair appointed by the retirement board to assist in the evaluation of medical examinations and information. The members of the medical review board may be asked in panels of three or more to review any application and provide their conclusions as to whether an applicant will be mentally or physically incapacitated from the performance of duty for at least twelve months.
- ~~(H)~~(J) A disabling condition shall be "presumed to be permanent," if it physically or mentally incapacitates an applicant from the performance of regular duty for a period of at least twelve months from the date of the retirement system's receipt of

the completed application.

~~(J)~~(K) "Recipient" shall mean a member granted disability benefits under sections 3307.48, 3307.57, 3307.62, 3307.63, and 3307.631 of the Revised Code.

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3307:1-7-02

Disability - medical review board.

(A) The retirement board shall appoint an independent physician to serve as chair of the medical review board and as medical advisor to the retirement board. The chair so appointed shall:

- (1) Request and review medical evidence from the applicant or applicant's attending physicians and other relevant sources regarding the nature, findings, extent, treatment, duration and functional limitations imposed by the conditions the applicant claims as disabling.

Any medical evidence or other information submitted by or on behalf of an applicant or recipient that is determined by the ~~retirement system~~ chair of the medical review board to not be objective or pertinent to the applicant's or recipient's claimed medical condition will ~~be returned to the person who submitted it~~ not be considered, including duplicate records, internet articles or medical records not related to the current application or reexamination.

- (2) Assign and oversee competent and impartial independent medical examiners to conduct the medical examinations and tests the chair deems necessary and appropriate to the evaluation of an application. Examinations will be assigned only for conditions listed on the application and supported as disabling by the attending physician. The independent medical examiners shall provide written reports of their findings and conclusions as to whether applicants are mentally or physically incapacitated from the performance of regular duties for a period of at least twelve months from the date the completed application was received.
- (3) Review the reports of the independent medical examiners. Once the chair is satisfied that no further examinations or tests are needed, a recommendation shall be submitted to the retirement board if the chair concurs ~~in~~ with the conclusions of the independent medical examiner or examiners that an applicant is or will be mentally or physically incapacitated from regular duties for a period of at least twelve months.
- (4) If the chair ~~concurs in~~ reviews the conclusions of the independent medical examiners and concludes that an applicant is not incapacitated from the performance of regular duties or will not remain incapacitated for at least twelve months, the chair shall convene a panel of three or more ~~other~~ members of the medical review board who shall review the application, medical evidence, and reports of the independent medical examiners. The panel may request medical evidence or obtain such further examinations and tests as it may judge deem necessary and appropriate and may direct delay of consideration of an application for treatment.

- (5) Submit to the retirement board a report summarizing the conclusions and recommendations of the panels of the medical review board members.
 - (6) Attend and participate in hearings pursuant to rule 3307:1-7-05 of the Administrative Code as the medical advisor to the retirement board.
 - (7) Recommend to the retirement board independent physicians from a wide range of medical expertise and specialties to serve as members of the medical review board.
- (B) The retirement board shall designate independent physicians to serve as members of the medical review board.

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3307:1-7-03

Disability - ~~medical information~~evidence and appointments.

Each applicant or recipient shall be responsible for providing ~~medical information~~evidence needed by the retirement system and reporting for medical examination, as follows:

- (A) ~~Information~~Medical evidence or reports from an attending physician shall be filed with the retirement system within fifteen calendar days of the date the retirement ~~systems~~system requests such information. The information ~~and reports~~ shall provide objective and pertinent medical evidence supporting the conditions the applicant or recipient claims as ~~disability~~disabling.
- (B) The retirement system shall provide written notice of the independent medical examiners who will conduct medical examinations and testing. The applicant or recipient shall, within fifteen days of notice from the retirement system, schedule appointments so that examination or testing is completed within the following ninety days, as instructed in the notice. In the event the appointment times available with an independent medical examiner preclude completion of the examination or testing within ninety days, a request for extension to the earliest practicable appointment date may be granted by ~~staff members~~ of the retirement system.
- (C) The applicant or recipient shall travel to the offices of the assigned independent medical examiners, unless the retirement system determines that ~~medical information~~evidence submitted by the applicant or recipient demonstrates that he or she is medically unable to travel to the examination site. A request that the retirement system make such a determination shall be made by the applicant or recipient within fifteen days of notice of the assignment of the independent medical examiners.
- (D) The applicant or recipient shall be responsible for all travel costs incurred.
- (E) The retirement system will accept responsibility only for the cost of the independent medical examination assigned by the retirement system and requested testing completed at the independent medical examiner's office. The retirement system will also accept responsibility for a missed appointment fee if an applicant or recipient fails for good cause demonstrated to the retirement system to keep the first appointment scheduled with an independent medical examiner, but in no case will payment of more than one such fee per applicant or recipient be made.
- (F) An applicant or recipient ~~shall~~may request ~~any~~an extension or ~~exceptions~~exception to the foregoing requirements. Any such request shall be in writing directed to the ~~disability staff of the~~ retirement system, ~~which~~and will be granted only if the request demonstrates good cause to the retirement system in its sole discretion. In the event an applicant fails to carry out the foregoing duties in a timely manner, the application for disability benefits will be cancelled. In the event a recipient fails to

carry out the foregoing duties in a timely manner, notice will be given by the retirement system to the recipient that the failure will be deemed a refusal if the required examinations and testing are not completed by a specified date. If the recipient has not by that date submitted to the required examination and/or testing, benefits will be suspended as of the first of the month following the specified date. If the refusal continues for one year or until the benefits otherwise terminate, all of the recipient's rights to the disability benefit~~benefits~~ shall be terminated as of the effective date of the original suspension.

(G) Any costs incurred by the applicant or recipient in the application process, except as noted above, will not be reimbursed by the retirement system.

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3307:1-7-04

Disability benefits - treatment.

- (A) If the medical review board or its chair determines that through medical treatment or mechanical devices an applicant's condition might be improved, within the twelve month period following the filing of an application, consideration of the application may be delayed while the applicant obtains the treatment or mechanical devices specified by the medical review board or its chair provided that:
- (1) The medical review board or its chair has determined that medical treatment or mechanical devices offer a reasonable expectation of correction or rehabilitation of the disabling condition to the extent that the applicant could be expected to be capable of performing teaching duties within a reasonable time, but not to exceed six months.
 - (2) The medical review board or its chair has determined that the medical treatment or mechanical devices specified are of wide acceptance and readily available.
 - (3) The medical treatment or mechanical devices specified under this paragraph shall not include invasive procedures or shock treatment.
 - (4) Within fifteen calendar days of the end of the treatment period, the applicant shall submit medical evidence from the applicant's physician regarding the treatment provided and progress made during the treatment period.
 - (5) An applicant may request an extension or exception to the foregoing requirements. Any such request shall be in writing directed to the retirement system, and will be granted only if the request demonstrates good cause to the retirement system in its sole discretion.
 - (6) In the event an applicant fails to carry out the requirements outlined in paragraph (A) of this rule, the application for disability benefits will be cancelled.
- (B) The retirement board may specify medical treatment or mechanical devices as described in paragraph (A) of this rule as a condition of eligibility for granting or continuing disability benefits pursuant to division (G) of section 3307.62 of the Revised Code. Where such treatment is required:
- (1) The applicant or recipient shall agree in writing before disability benefits are granted or continued to acquire the treatment or devices specified by the retirement board or its designee(s) upon the recommendation of the ~~medical review board or its chair~~ of the medical review board. An applicant or recipient shall further agree to timely submit periodic reports of the effect of such continuing treatment or devices.

- (2) The retirement board will not assume the cost of medical treatment or mechanical devices for a recipient ~~only~~except to the extent such treatment or devices are covered under the ~~state teachers~~ retirement system health care program and such a recipient has enrolled in a medical plan in the program provided by the retirement system that covers the treatment or devices.
- (3) ~~A disability benefit~~Disability benefits shall be suspended if the recipient fails to agree or obtain the specified medical treatment or devices or to submit timely reports of such treatment. Notice shall be given to the recipient at least thirty days in advance of suspension. If the required written agreement, treatment and/or reports are thereafter not received for a period of one year or until the benefits otherwise terminate, the ~~disability benefit~~benefits shall terminate as of the date of the original suspension.
- (C) Following receipt of notice that consideration of the application is being delayed due to paragraph (A) of this rule, the applicant may submit ~~additional~~further medical evidence supporting why treatment or mechanical devices should not be pursued. The evidence will be reviewed by the ~~medical review board or its chair~~ of the medical review board and a determination by the ~~medical review board or its chair~~ that the application be delayed while the applicant obtains medical treatment or medical devices shall be final.

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3307:1-7-05

Disability benefits-denials and terminations.

The following procedures are hereby established for the appeal of any denial or termination of disability benefits by the retirement board following an independent medical examination by the state teachers retirement system.

(A) At least seven days before a recommendation is presented to the retirement board, written notification shall be issued to the applicant or recipient. This notice shall include the recommendation to be presented to the retirement board.

(1) No ~~additional~~further medical evidence shall be considered once written notification has been issued to an applicant or recipient pursuant to paragraph (A) of this rule.

(2) Should the retirement system receive ~~additional~~further medical evidence after written notification has been issued to an applicant or recipient pursuant to paragraph (A) of this rule, the medical evidence shall be held and included as part of the appeal documentation if a right to appeal is exercised as set forth in paragraph (B)(2) of this rule. Should a right to an appeal not be exercised as set forth in paragraph (B)(2) of this rule, the medical evidence will be returned to the person who submitted the information.

(B) Following retirement board action terminating or denying disability benefits:

(1) The applicant or recipient will be informed in writing of the action taken by the retirement board. Notification shall include:

(a) A statement that medical evaluation and retirement board action was conducted in accordance with section 3307.48 or 3307.62 of the Revised Code.

(b) Confirmation that the applicant or recipient has the right to appeal the retirement board action.

(c) A statement explaining that written notice of appeal must be filed with the retirement system no later than fifteen calendar days from receipt of notification of denial or termination.

(d) An explanation of future rights and limitations upon the rights to again apply for disability benefits if an appeal is not pursued.

(2) Procedure for exercising right to appeal:

- (a) Written notice of appeal, accompanied by a statement from the applicant or recipient, his or her counsel and/or attending physician that an appeal will be based on additional medical evidence contrary to the findings of the independent medical examiners, must be filed with the retirement system within fifteen calendar days of receipt of notification of retirement board action.
 - (b) If an applicant or recipient does not appeal the action of the retirement board, a person acting on the member's behalf or the member's employer may exercise the right to appeal in the same manner and subject to the same procedures and requirements as specified for an applicant or recipient.
- (3) Following the retirement system's timely receipt of written notice of appeal from an applicant or recipient, the retirement system shall provide the applicant or recipient with the following information confirming the appeal:
- (a) Confirmation that the applicant or recipient, counsel for the applicant or the recipient, and/or person acting on the member's behalf, member's employer, or attending physician may present additional medical evidence orally at an appeal hearing that will be scheduled by the retirement system or that additional medical evidence as defined in this rule may be presented in writing. Such additional medical evidence shall not have been previously considered by the independent medical examiner or the medical review board. Additional medical evidence presented in writing must be received by the retirement system on or before the deadline date provided by the retirement system ~~and may not be submitted at the appeal hearing, which shall be at least twelve business days before the date of the scheduled appeal hearing. The deadline date for submitting additional medical evidence in writing shall be at least twelve business days before the date of the scheduled appeal hearing.~~
 - (i) "Additional medical evidence" means current physician examinations, clinical findings, laboratory findings, diagnosis, treatment prescribed with response and prognosis, hospital discharge summaries and diagnostic testing completed up to twelve months preceding the written notice of appeal that has not been previously submitted to the retirement system. Additional medical evidence outside the twelve months preceding the written notice of appeal may be submitted only if the ~~retirement system~~ chair of the medical review board has determined in ~~its~~ this or her sole discretion that such additional medical evidence

pertains to the diagnosis of the applicant's or recipient's claimed disabling condition. In addition:

- (a) For an appeal following a denial of disability benefits, additional medical evidence must be related to the conditions presented and supported as part of the initial application.
 - (b) For an appeal following a termination of disability benefits, additional medical evidence must be related to the recipient's current medical status.
- (ii) The chair of the medical review board may request additional medical evidence from the applicant or recipient.
 - (iii) The chair of the medical review board shall review all information received on appeal. If information is determined not to be additional medical evidence as defined by this rule, the information will not be considered.
- (b) Notice that the applicant or recipient may appear at the appeal hearing in person, be represented by counsel and/or an attending physician, or may choose to not appear in person but have the case reviewed by the retirement board or its designee(s).
 - (c) Notice that if a personal appearance at the appeal hearing is requested by the deadline date provided by the retirement system, the applicant or recipient shall inform the retirement board of the name, title, and position of each person appearing on his/her behalf.

If a personal appearance is requested and scheduled, the ~~member~~applicant or recipient shall appear at the appeal hearing on the date and at the time specified by the retirement system. If the ~~member~~applicant or recipient fails to appear on the specified date and time for any reason, all rights to a personal appearance at an appeal shall terminate and the appeal shall be decided on the basis of written evidence previously submitted.
 - (d) Notice that the applicant or recipient may request up to two delays of the deadline date provided by the retirement system, as set forth in paragraph (B)(4) of this rule.
 - (e) An explanation of the procedures and limitations applicable to the appeal

hearing, as set forth in paragraph (B) of this rule.

- (f) A statement explaining that any costs incurred by the applicant or recipient in the appeal process will not be reimbursed by the retirement system.
- (4) An applicant or recipient may request in writing up to two delays of the deadline date provided by the retirement system as outlined below, provided that the request for a delay is received on or before the deadline date provided by the retirement system.
- (a) One forty-five calendar day delay may be requested for any reason. A new deadline date will be provided by the retirement system to the applicant or recipient that is forty-five calendar days from the original deadline date provided by the retirement system.
 - (b) One additional forty-five calendar day delay may be requested if the request is provided to the retirement system in writing by the deadline date set in paragraph (B)(4)(a) of this rule, good cause for the request for an additional delay is provided, and the retirement system approves the request for an additional delay. Approval of the request for an additional delay for good cause shall be determined solely by the retirement system. If the retirement system approves the request for an additional delay, a new deadline date will be provided to the applicant or recipient that is forty-five calendar days from the deadline date set in paragraph (B)(4)(a) of this rule.
- (5) Scope and procedure upon appeal:
- (a) An appeal hearing will be scheduled and conducted by the retirement board or its designee(s).
 - (b) The chairman of the retirement board or the designee(s) shall be responsible for conducting the appeal hearing and the executive director, deputy executive director -- member benefits, or the designee(s) and the chair or designated member of the medical review board ~~shall~~may be in attendance to act as advisor, ~~if required~~.
 - (c) The purpose of the appeal hearing shall be for the applicant or recipient to present information to the retirement board or its designees(s) based on additional medical evidence not previously considered by the independent medical examiner or the medical review board. Additional medical evidence ~~or any other written information~~ to be presented at the

hearing must be provided to the system by the deadline in paragraph (B)(3)(a) of this rule and should substantiate the applicant's or recipient's claim that the eligibility requirements of section 3307.48 or 3307.62 of the Revised Code have been met and that the applicant or recipient is medically incapacitated from the performance of duty by a previously reported mental or physical condition that is permanent or presumed to be permanent.

- (d) Additional medical evidence or other written information may not be submitted at the hearing.
 - (e) Upon consideration of the record on appeal and the information, positions, contentions and arguments of the applicant or recipient, the retirement board or its designee may request additional medical evidence or direct further examination or testing by independent medical examiners and may return a record for review and recommendation by the medical review board.
 - (f) When the retirement board is satisfied that the record before it is complete and has completed its deliberations, it may affirm, disaffirm or modify its prior action by a majority vote. Written notice of such action shall be given to the applicant or recipient.
 - (g) A stenographic record of the appeal hearing will be made only upon request of the applicant or recipient and any and all costs shall be at the applicant's or recipient's expense. Such request must be made at least twelve business days in advance of the scheduled appeal hearing.
 - ~~(h) The state teachers retirement system's administrative staff shall have authority to act for the board in matters relevant to, but not in lieu of, the actual appeal proceeding.~~
 - ~~(+)(h)~~ All communications or notifications during the appeal process shall be sent to the applicant or recipient by certified or priority mail, with copies by regular mail to counsel if the applicant or recipient has notified the retirement system of representation by counsel and signed an appropriate authorization for release of information.
- (C) Any subsequent applications for disability benefits filed after a denial or termination of benefits shall be submitted with additional medical evidence not previously submitted in connection with prior applications for disability benefits, supporting progression of the former disabling condition or evidence of a new disabling condition. If such evidence is evaluated by the medical review board chair and

found to be inadequate to establish the progression of the disabling condition or the existence of a new disabling condition, the application shall be voided and a notice will be sent to the applicant. The decision of the medical review board chair shall be final. If two years have elapsed since the date the member's contributing service terminated, no subsequent application shall be accepted except if the member did not earn service credit before July 1, 2013, the application must be made within a one-year period from the date contributing service terminated.

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3307:1-7-06

Disability benefits - reexaminations.

The following rule is established pursuant to section 3307.48 of the Revised Code, which specifies that each disability benefit recipient shall submit to an annual independent medical examination. The retirement board may require additional examinations if the board's physician chair of the medical review board determines that additional information should be obtained.

The retirement board may forego an annual medical examination if the board's physician chair of the medical review board determines that the recipient's disability is ongoing.

(A) The retirement board may require a recipient to submit medical evidence and to submit to medical examinations and tests by independent medical examiners as provided in rule 3307:1-7-03 of the Administrative Code and shall require such examinations and tests if:

(1) The chair of the medical review board recommends such medical evidence, examinations and/or tests ~~are~~ necessary and appropriate to evaluate the recipient's continued eligibility for disability benefits, or

(2) A recipient requests re-examination to evaluate capacity to return to the service from which the recipient was found disabled, and the chair of the medical review board concurs in with such request. The retirement board need not grant a request from a recipient for such an evaluation more often than once during any twelve-month period.

(B) If the chair of the medical review board reviews the conclusions of the independent medical examiners and concludes that a recipient is not incapacitated from the performance of regular duties, the chair shall convene a panel of three or more members of the medical review board who shall review the application, medical evidence, and reports of the independent medical examiners. The panel may request medical evidence or obtain such further examinations and tests as it may deem necessary and appropriate for the determination of continued disability.

~~(B)(C) If the independent medical examiner appointed pursuant to paragraph (A)(1) of this rule reports the conclusion that the recipient is medically capable of returning to service from which the recipient was found disabled, the procedures for review, notification and appeal set forth in rule 3307:1-7-05 of the Administrative Code shall be applied.~~

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Certification

Date

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6/6/11, 1/7/13 (Emer), 3/24/13

3307:1-7-07

Disability benefits - earnings and employment statements.

- (A) Pursuant to section 3307.48 of the Revised Code each recipient shall by April thirtieth of each year, or such other date designated by the retirement board, file a notarized statement of annual earnings with the retirement system.
- (B) The statement filed by each recipient shall be on a form provided by the retirement system and shall include a description of work performed during the preceding calendar year, a statement of compensation for work performed, current medical information and such additional information as may be required.
- (C) Unless the requirement of annual reporting is waived by the chair of the medical review board, a disability ~~benefit~~benefits shall be suspended if the annual statement is not received within thirty days after notice that it is delinquent. If the statement is found to be delinquent, participation in the retirement system's health care program, if elected, shall be terminated as of the date the ~~benefit is~~disability benefits are suspended. If the required statement or reports are thereafter not received for a period of one year, the ~~benefit~~disability benefits shall terminate as of the date of the original suspension.
- (D) The requirement of annual reporting shall be waived if the recipient is age seventy-five or older and the chair of the medical review board has certified that the recipient's disability is ongoing.

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(Emer.), 3/24/2013, 12/10/2015

3307:1-7-08

Disability - coordination of state retirement systems.

The following rule is established pursuant to section 3307.57 of the Revised Code, which specifies that to coordinate and integrate membership in the state retirement systems, the state retirement system calculating and paying the disability benefit shall certify the determination to the board of each other state retirement system in which the member has service credit and shall be accepted by that board as sufficient for granting a disability benefit.

- (A) For purposes of section 3307.57 of the Revised Code and this rule:
- (1) "State retirement system" means the school employees retirement system, the public employees retirement system and the state teachers retirement system.
- (B) Determination of eligibility for disability benefits to be calculated and paid by the state teachers retirement system shall be pursuant to sections 3307.48, 3307.62, 3307.63 and 3307.631 of the Revised Code.
- (C) A state teachers retirement system disability applicant whose last contributing service was with another state retirement system, shall be evaluated for disability eligibility based on performance of their most recent Ohio public service in a state retirement system. In the event the applicant actively contributes to more than one state retirement system at the time of application, the most recent Ohio public service shall be determined to be the employer with whom the member earned the highest compensation.
- (D) An applicant who is granted and paid a disability benefit by the state teachers retirement system shall be subject to the leave of absence provisions pursuant to section 3307.48 of the Revised Code.
- (E) Notice of the granting or denial of disability benefits shall be provided to the last Ohio public employer by the state retirement system paying the benefit.
- (F) When disability benefits are terminated, if the leave of absence period has not expired pursuant to section 3307.48 of the Revised Code, notice of termination of disability benefits shall be provided to the last Ohio public employer by the state retirement system paying the benefit.

Five Year Review (FYR) Dates: 03/23/2016 and 03/23/2021

CERTIFIED ELECTRONICALLY

Certification

03/23/2016

Date

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Prior Effective Dates: 1/7/13 (Emer), 3/24/13

3307:1-7-09

Disability - appeal of terminations due to teaching service.

The following procedures are hereby established pursuant to section 3307.48 of the Revised Code for the appeal of any termination of disability benefits by the retirement board when a ~~disability~~ recipient performed teaching services as defined by rule 3307:1-7-01 of the Administrative Code. Recipients who return to contributing service with the retirement system shall not have the right to appeal the termination of disability benefits.

- (A) ~~A disability benefit~~Disability benefits shall immediately terminate if the ~~disability benefit~~ recipient performs any teaching service in this state or elsewhere. The termination shall be effective the day prior to beginning the employment. Following retirement board action, the recipient will be informed in writing of the action taken by the retirement board and of their right to appeal the retirement board's action.
- (B) The recipient may submit in writing, not later than thirty days after the date the notice is sent, to the retirement board information specifying that the ~~disability~~ recipient did not perform teaching services while receiving disability benefits along with any supporting evidence available to the recipient.
- (1) A deadline date will be provided by the retirement system.
 - (2) Any costs incurred by the recipient in the appeal will not be reimbursed by the retirement system.
- (C) The executive director or his or her designee, in consultation with the retirement system's legal counsel, shall act as the retirement board's designee to review information received by a ~~member~~recipient specifying they did not perform teaching services while receiving disability benefits.
- (D) After reviewing the information, the executive director or his or her designee shall make a recommendation to the retirement board whether or not to reinstate the ~~member's~~ disability ~~benefit~~benefits as directed by section 3307.48 of the Revised Code.
- (E) The retirement board's decision ~~is~~shall be final.

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3307:1-8-01 **Survivor benefits.**

(A) As used in section 3307.66 of the Revised Code and this rule:

- (1) "Continuously incompetent" shall mean a person was determined to be physically or mentally incompetent and has remained physically or mentally incompetent without any break since the determination was made.
- (2) "Physical or mental incompetency" shall be determined in accordance with division (A) of section 3307.66 of the Revised Code and this rule.
- (3) "Qualified child" or "qualified children" shall have the same meaning as set forth in division (B)(2) of section 3307.66 of the Revised Code.
- (4) "Qualified survivor" shall have the meaning as set forth in division (B)(4) of section 3307.66 of the Revised Code.

(B) If a member dies before service retirement and is survived by one or more qualified children who are under the age of eighteen or twenty-two if in qualified school attendance or who became physically or mentally incompetent prior to the attainment of age eighteen or age twenty-two if in qualified school attendance and has remained continuously incompetent, benefits shall be payable to all survivors pursuant to division (C)(2) of section 3307.66 of the Revised Code. Any election applicable as to the calculation of benefits under that division shall be made by the beneficiary designated by the member. If no designation of beneficiaries was in effect at the time of death, any such election shall be made by the surviving spouse. If there is no surviving spouse, any such election shall be made by the youngest child.

(C) If a qualified child becomes physically or mentally incompetent while receiving survivor benefits pursuant to section 3307.66 of the Revised Code, such benefits shall continue as long as the child is continuously incompetent, without regard to the age the child attains.

(D) If there are no other survivors who qualify under the terms of section 3307.66 of the Revised Code, a qualified survivor who becomes eligible for benefits under that section, at the age of eighteen or older, may forfeit rights to benefits under that section and the opportunity to participate in the health care program, if eligible, and take instead a refund of the account balance as provided by section 3307.562 of the Revised Code.

(E) Qualified children over the age of eighteen and up to age twenty-two are eligible for payment of extended survivor benefits based on child's attendance in school as set

forth in this rule.

- (1) Except as provided in this rule, a parent or guardian must file an application for extended survivor benefits based on the qualified child's attendance in school on a form provided by the retirement system. The qualified child must ensure the school provides certification of the qualified child's attendance to the retirement system. - The retirement system may request certification of the child's continued enrollment in school at any time. If certification of the child's continued enrollment in school is not provided as requested by the retirement system within the specified deadline, extended survivor benefits shall be terminated. If extended survivor benefits should cease after filing an initial application, a new application must be filed to resume benefits. Resumption of benefits will be effective the first of the month following receipt of a new application if the application is received by the fifteenth of a month; otherwise, resumption of benefits will become effective the first of the second month following receipt of the new application. No extended survivor benefits are payable for any period between when benefits have ceased and a new ~~applications~~ application is filed. A qualified child who is over the age of eighteen may act in his or her own behalf if eligibility for benefits is established under section 3307.66 of the Revised Code.
 - (2) Extended survivor benefits shall be paid for the entire month in which eligibility for benefits is attained or terminated.
 - (3) Extended survivor benefit payments will be issued during a vacation or other non-qualified period which does not exceed four months in duration or up to five months in duration if the qualified child is changing schools, provided that the child:
 - (a) Was qualified to receive extended survivor benefits before the period started;
 - (b) Intends to, and subsequently does, return to qualified attendance after the period ends, as certified by child, parent or guardian, and an officer of the school; and
 - (c) Does not receive benefits for more than one vacation period during a fiscal year.
- (F) A qualified child between the ages of eighteen and twenty-two shall be eligible for extended survivor benefits provided the type of school and course of study meet the following requirements.

(1) Type of school - a qualified child must attend one of the following:

- (a) High school supported or operated by a state or local government, or the federal government.
- (b) Vocational or technical school operated, supported, recognized, or approved by a state or local government, or the federal government.
- (c) State university, state college, or a community college.
- (d) Private school or college accredited by a state-recognized or nationally-recognized accrediting agency, or approved by a state.
- (e) Unaccredited private school or college, provided that at least three accredited schools or colleges accepts its credits on transfer on the same basis as if transferred from an accredited school.
- (f) Schools outside the United States will normally be considered as acceptable if they meet the qualifications of paragraph (F)(1)(e) of this rule.

(2) Course of study:

- (a) A qualified child attending a university or college must be enrolled in a course of study that meets at least two-thirds of the full-time curriculum requirements according to the school's standards and practices.
- (b) The qualified child must be enrolled in a course of study designed for a minimum of one school year of full-time study, or its equivalent.
- (c) When minimum curricular requirements cannot be determined, a qualified child must be enrolled in class room instruction for at least thirteen hours a week, including regularly scheduled laboratory or shop work, supervised study, and time needed for change of student or teacher station.
- (d) Time spent on a job assigned to the student or obtained for the student by the school as an integral part of the student's program of study may also be considered as a portion of the course of study. However, a qualified child who is attending school as part of a job at the request of the

employer who pays the individual while attending is not eligible for extended survivor benefits.

(G) If physical or mental incompetency of a spouse or parent of a deceased member has not been determined by a court at the time of the application for benefits under section 3307.66 of the Revised Code, physical or mental incompetency shall be determined for the purposes of division (A) of section 3307.66 of the Revised Code and this rule as follows:

(1) The determination of "physical or mental incompetency" shall be made by the chair of the medical review board by confirming that the spouse or parent has been continuously, since the member's date of death, incapable of earning a living because of a physically or mentally disabling condition. As used in paragraph (G) of this rule, "incapable of earning a living" means that the spouse or parent is incapable of earning annually at least the federal minimum wage as of January first of the current year multiplied by two thousand eighty hours, increased by fifty per cent, and rounded to the nearest thousand dollars. Each spouse or parent shall provide the retirement system with information and documentation requested by the retirement system to verify earnings. Such requested information and documentation may include copies of federal income tax returns and the most recent annual social security earnings statement. Once a spouse or parent is no longer "incapable of earning a living", the spouse or parent cannot meet the definition of qualified spouse or qualified parent for physical or mental incompetency in the future.

(H) If physical or mental incompetency of a child of a deceased member, including a child born after the date of death of a member has not been determined by a court at the time of the application for benefits under section 3307.66 of the Revised Code, a child shall be considered physically or mentally incompetent for purposes of division (A) of section 3307.66 of the Revised Code and this rule, provided that the child meets the requirements set forth in either paragraph (H)(1) or (H)(2) of this rule:

(1) Is unmarried, has been adjudged physically or mentally incompetent by the retirement system prior to January 8, 2007, has been continuously physically or mentally incompetent since the date such determination was made, and meets one of the conditions outlined in paragraph (H)(2)(a) or (H)(2)(b) of this rule. Upon the first date that the child no longer meets all of the eligibility requirements set forth in this paragraph, the child shall no longer qualify as a dependent child on the basis of physical or mental incompetency.

(2) Was never married and is unable to earn a living because of a mental or physical condition that was disabling prior to the date the child reached the maximum age of eighteen or twenty-two if the child was attending school on

at least a two-thirds full-time basis, and further provided the child is continuously disabled and unable to earn a living from the initial date that the child was determined to be physically or mentally incompetent. The chair of the medical review board shall confirm that the child has a mental or physical condition that incapacitated the child before the maximum age specified in this paragraph. In addition, the child shall meet one of the following conditions:

- (a) A child must be incapable of earning a living. As used in paragraph (H)(2) of this rule, "incapable of earning a living" means that a child was incapable of earning at least sixteen thousand dollars a year for any year before January 1, 2008 and that the child was incapable of earning the federal minimum wage as of January first of the prior and current years multiplied by two thousand eighty hours, increased by fifty per cent and rounded to the nearest thousand dollars for each year thereafter. The child shall provide the retirement system with information and documentation requested by the retirement system to verify earnings. Such requested information and documentation may include copies of federal income tax returns and of the most recent annual social security earnings statement.
 - (b) A child attends an adult workshop ~~or~~ school for the developmentally disabled operated by a county or state department of developmental disabilities. If attendance has not been continuous since the age determined in paragraph (H)(2) of this rule, additional earnings verification may be required in accordance with paragraph (H)(2)(a) of this rule.
- (I) Following is the procedure for the determination of "physical or mental incompetency:"
- (1) The chair of the medical review board shall determine whether a spouse, parent, or child of a member is physically or mentally incompetent for purposes of section 3307.66 of the Revised Code. Determinations may include examination by an independent medical examiner appointed by the retirement board. Determinations made by the chair may be appealed to another independent physician appointed as hearing officer in accordance with procedures specified by the retirement system. The decision of such hearing officer shall be deemed the final decision of the retirement board.
 - (2) The chair of the medical review board shall confirm on a schedule determined by the chair of the medical review board that a spouse, parent, or child of a member continues to be physically or mentally incompetent for purposes of section 3307.66 of the Revised Code. Failure to respond by the deadlines

specified by the state teachers retirement system in requests for additional information or documents, ~~request~~requests to schedule medical examinations, or any other requests made by the retirement system in connection with the determination of physical or mental competency shall result in termination of eligibility for benefits provided for in section 3307.66 of the Revised Code.

~~(J)~~ Following are procedures for administering the ongoing eligibility for survivor benefits paid pursuant to section 3307.66 of the Revised Code to qualified spouses, parents, and children determined to be physically or mentally incompetent:

(1) The retirement system may request information from time to time to confirm the individual continues to qualify as a physically or mentally incompetent qualified survivor.

(2) For a qualified spouse, parent, or child to act on his or her own behalf in the receipt of monthly benefits, a physician must provide a statement the individual is capable of handling his or her financial affairs.

(3) The retirement system may request a qualified spouse, parent, or child who was determined to be incompetent by a court pursuant to paragraphs (G) and (H) of this rule to have a court affirm that determination from time to time.

~~(J)(K)~~ Effective January 1, 2007, notwithstanding any provision in Chapter 3307. 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 3307. of the Revised Code had the member resumed employment and then terminated employment on account of death.

~~(K)(L)~~ Under division (C)(2)(a)(iii) of section 3307.66 of the Revised Code, a member shall be considered to be contributing under this chapter or Chapter 145. or 3309. of the Revised Code at the time of death if the member had earned service credit and made contributions under this chapter or Chapter 145. or 3309. of the Revised Code in the twelve-month period prior to the member's death.

~~(L)(M)~~ The following applies only in the case of a surviving spouse who must wait until age sixty-two to qualify for monthly survivor benefits under section 3307.66 of the Revised Code:

(1) The benefits beginning date for purposes of determining the final average salary under division (C) of section 3307.501 of the Revised Code and for purposes of determining the first increase payable under division (B) of section

3307.67 of the Revised Code shall be either:

- (a) The first of the month following the date of the member's death, provided the completed and notarized affidavit selecting survivor benefits is received by the retirement system not later than one year after the date of the member's death; or
 - (b) The first of the month following the retirement system's receipt of the completed and notarized affidavit selecting survivor benefits if the application is received by the retirement system later than one year after the date of the member's death.
- (2) The months during the period the survivor spouse must wait to age sixty-two shall be included as months the spouse was receiving a benefit for purposes of division (B) of section 3307.67 of the Revised Code.

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3307:1-8-02

Active member beneficiary designation.

~~(A)~~ For beneficiary designations received by the public employees retirement system before July 1, 2013, where two or more beneficiaries were last established in the public employees retirement system pursuant to division (B) of section 3307.562 of the Revised Code, the state teachers retirement system shall pay the lump sum divided equally among the beneficiaries regardless of the percentage of lump sum specified for each beneficiary by the member. For beneficiary designations received by the public employees retirement system on or after July 1, 2013, where two or more beneficiaries were last established in the public employees retirement system pursuant to division (B) of section 3307.562 of the Revised Code, the state teachers retirement system shall pay the specified percentage of a lump sum payment to each named beneficiary if the same conditions applicable to designations received by the state teachers retirement system outlined in paragraph (B) of this rule are met.

~~(B)~~(A) For beneficiary designations completed in a manner satisfactory to the state teachers retirement system in its sole discretion and received by the state teachers retirement system on or after July 1, 2013, where two or more beneficiaries were designated pursuant to division (B) of section of 3307.562 of the Revised Code, the state teachers retirement system shall pay the specified percentage of a lump-sum payment to each named beneficiary if these ~~are~~ conditions are met:

- (1) Two or more beneficiaries were named in a valid designation.
- (2) Percentages were provided for all named beneficiaries.
- (3) The sum of the percentages is one hundred per cent.

If any one of these conditions is not met, the lump-sum payment will be divided equally among the beneficiaries. Should a designated beneficiary predecease the member, those funds shall be prorated based on the remaining percentages designated and paid to the other designated beneficiaries.

~~(C)~~(B) When a written designation on a form provided by the state teachers retirement system is received by the state teachers retirement system, the designation shall not be deemed filed with the state teachers retirement board in accordance with division (B) of section 3307.562 of the Revised Code unless the form is completed in a manner satisfactory to the retirement system in its sole discretion.

~~(D)~~(C) If any accumulated contributions were not distributed through monthly survivor benefits as payable pursuant to section 3307.66 of the Revised Code, the remaining contributions shall be paid to such beneficiaries as the member has nominated pursuant to division (B) of section 3307.562 of the Revised Code. If all designated beneficiaries die before payment of such contributions, payment shall be made in

the following order of precedence, with all attendant rights and privileges to the member's:

- (1) Surviving spouse
- (2) Children, share and share alike
- (3) Parents, share and share alike
- (4) Estate

Payment of such contributions shall be a full ~~disclosure~~discharge and release ~~to~~of the board ~~retirement system~~ from any future claim.

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3307:1-9-01

Additional lump-sum death payment.

Pursuant to section 3307.392 of the Revised Code, the state teachers retirement board hereby establishes a death benefit plan for additional lump-sum payments to the beneficiary or beneficiaries of members granted service or disability benefits.

- (A) An election to participate in the plan hereby established shall be made on the application for benefits by a member granted service or disability benefits effective on or after October 1, 1989. Such elections to participate shall specify the amount of the additional ~~lump-sum~~ lump-sum from options offered by the retirement board and shall authorize deduction of the cost to participate from each monthly benefit.
- (B) A ~~lump-sum~~ lump-sum payment in the amount selected by a participant shall be made to the beneficiary or beneficiaries eligible to receive payment of the lump-sum death benefit provided by section 3307.661 of the Revised Code if the death of a deceased participant occurred on or after the following date:
- (1) The effective date of service retirement; or
 - (2) The first day of the seventh month following the effective date of the disability benefit;
 - (3) In the case of a recipient of service or disability benefit who elects participation or increased participation pursuant to paragraph (D) of this rule, the first day of the seventh month of deduction for such participation or increased participation.
- (C) In the event of the death of a participating benefit recipient prior to the date specified in paragraph (B) of this rule, additional lump-sum payments shall not be payable, but payment of the monthly costs deducted from monthly benefits shall be made to the beneficiary or beneficiaries eligible to receive payment of the lump-sum death benefit provided by section 3307.661 of the Revised Code.
- (D) The recipient of a disability or service benefit who does not elect participation pursuant to paragraph (A) of this rule when first eligible to do so may elect participation during the three month period immediately before the end of the month the recipient attains age sixty-five, or during open enrollment periods if established by the state teachers retirement board. The recipient of a disability or service benefit who elected participation pursuant to paragraph (A) of this rule and specified an additional lump-sum payment less than the maximum amount may also, during the three month period immediately before the end of the month the recipient attains age sixty-five, or during open enrollment periods if established by the state teachers retirement board, elect an increased amount. The election for participation or increased participation under this paragraph shall be made on a

form provided by the state teachers retirement board and received by the state teachers retirement board on or before the last business day of the month of attaining age sixty-five or by the date specified in any open enrollment period if established by the state teachers retirement board. The form shall specify the amount of the additional ~~lump-sum~~lump-sum elected and shall authorize deduction effective with the first benefit payment following the attainment of age sixty-five or the date specified in any open enrollment period if established by the state teachers retirement board.

- (E) Any recipient of disability or service benefits who has elected additional lump-sum death payments pursuant to this rule may terminate participation in the plan hereby established. Notice that the recipient has chosen to terminate participation shall be provided in writing, shall be irrevocable, and if received by on or before the fifteenth of the month, shall be effective on the first day of the following month. If received after the fifteenth of the month, the effective date of termination shall be the first day of the second full month following receipt by the state teachers retirement board of notice of termination. Recipients of disability benefits shall be ineligible for participation in the plan hereby established upon the termination of disability benefits. No refund or payment of costs deducted shall be payable in the event of termination of disability benefits or in the event the additional ~~lump sum~~lump-sum death payment is terminated at the request of a service or disability recipient.
- (F) ~~The monthly costs charged for participation in the plan hereby established shall be equal to the additional liability resulting from benefits paid hereunder, as determined by an actuary employed by the state teachers retirement board.~~ The state teachers retirement board shall deduct monthly costs for participation in the plan hereby established at rates adopted by the state teachers retirement board as determined by the actuary to be sufficient to cover the additional liability resulting from participation by recipients of service and disability benefits, based upon attained age and benefit type at the time each additional ~~lump-sum~~lump-sum death payment amount begins as set forth in this rule. In the event a service or disability recipient should file an application for benefits retroactively, the monthly cost shall be at the rate for the age of the recipient at the time the deductions begin and the application was received by the retirement system and deductions shall be effective with the first benefit payment following receipt of the service or disability application. The state teachers retirement board shall adopt schedules of rates not more frequently than annually.
- (G) When a participant attains the age of one hundred years, additional ~~lump sum~~lump-sum death payments under this rule shall be deemed paid in full and no further monthly payment shall be due.
- (H) Benefit recipients whose benefit payments do not equal at least twenty-five dollars

after the deduction for coverage when first eligible or under paragraph (D) of this rule are not eligible to participate in the plan hereby established.

- (I) There is hereby established an account within the annuity and pension reserve fund known as the optional lump-sum death benefit account, which shall receive deductions of costs and from which the additional lump-sum death payments herein authorized shall be paid. Interest shall be credited to the account hereby created at the rates established by the state teachers retirement board.

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3307:1-10-01 **Cost-of-living.**

In determining benefit increases as authorized in section 3307.67 of the Revised Code, the following shall apply:

(A) For the purpose of that section and this rule:

- (1) "Base benefit" shall mean the amount payable on the effective date of a benefit or the effective date of any subsequent reselection of plan of payment and does not include any benefit adjustments granted by statute after retirement.
- (2) "COLA base benefit" shall mean the base benefit plus any applicable ad hoc increases granted by statutory amendment or enactment after the effective date of a benefit where a statute specifically identified such increase to be included in an individual's base for purposes of future increases in any benefit under section 3307.67 of the Revised Code.

(B) The amount of the increase for each person who receives an increase on the benefit anniversary date of the cost of living adjustment shall be ~~three~~ per cent of the COLA base benefit: determined as follows:

- (1) Effective January 1, 2008, and ending July 31, 2013, the state teachers retirement board shall annually increase each allowance or benefit payable under the defined benefit plan by three per cent of the COLA base benefit, subject to the provisions of paragraphs (B)(3) and (C) of this rule.
- (2) Effective August 1, 2013, the state teachers retirement board shall annually increase each allowance or benefit payable under the defined benefit plan by two per cent of the COLA base benefit, subject to the provisions of paragraphs (B)(3) and (C) of this rule.
- (3) No increase will be made between July 1, 2013, and June 30, 2014, and for benefits granted with a benefit effective date of July 1, 2013, no increase will be made until July 1, 2015.
- (4) Effective January 1, 2008, the total annual allowance or benefit payable shall not exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, and such limit shall be adjusted automatically effective January first of each calendar year without amendment to the Revised Code for increases in the cost of living, in accordance with regulations issued by the secretary of the treasury pursuant to the provision of section 415(d) of the Internal Revenue Code in such manner as the secretary shall prescribe.

- (C) Except as provided for in paragraph (B)(3) of this rule, for effective benefit dates on or after July 1, 1979 through July 31, 2013, an individual is eligible to receive an initial increase, provided such person has received an allowance or benefit for twelve months or more and has not received an initial increase under section 3307.67 of the Revised Code. For effective benefit dates on or after August 1, 2013, an individual is eligible to receive an initial increase, provided such person has received an allowance or benefit for sixty months and has not received an initial increase under that section.
- (D) Except as provided for in paragraph (B)(3) of this rule, a qualified ~~spouse~~ survivor pursuant to section 3307.66 of the Revised Code with an effective benefit date on or before July 1, 2013, shall be eligible for the initial increase twelve months from the effective benefit date. A qualified ~~spouses~~survivor pursuant to section 3307.66 of the Revised Code with an effective benefit date on or after August 1, 2013, shall be eligible for the initial increase sixty months from the effective benefit date. The date of the first increase in this paragraph becomes the anniversary date for future increases. A surviving spouse, who must wait until age sixty-two to qualify for monthly benefits as payable in section 3307.66 of the Revised Code or who received monthly benefits pursuant to that section but is now waiting to attain age sixty-two to resume monthly benefits, shall be eligible to receive, when monthly benefits become payable, any initial increase and any subsequent increases that would have occurred during the period of time the spouse was waiting for monthly benefits to become payable.
- (E) Except as provided for in paragraph (B)(3) of this rule, a qualified survivor pursuant to section 3307.66 of the Revised Code, of a deceased member who at the time of the death was receiving disability benefits pursuant to section 3307.63 or 3307.631 of the Revised Code, shall have the same annual increase anniversary date as the disability benefit recipient. The qualified survivor shall be eligible to receive increases for the time period the deceased disability benefit recipient received increases and the base benefit on which the increases shall be calculated is the qualified survivor's benefit amount payable pursuant to section 3307.66 of the Revised Code.
- (F) For monthly benefits or allowances paid on a member's account that began as disability benefits and continued without interruption as service retirement benefits pursuant to section 3307.57, 3307.58, or 3307.59 of the Revised Code, the effective benefit date for purposes of section 3307.67 of the Revised Code shall be the effective date of the disability benefit.
- (G) Payment of a cost-of-living adjustment, as apportioned between the alternate payee and the benefit recipient pursuant to division (B) of section 3307.67 of the Revised Code, shall occur with the next cost-of-living adjustment that becomes payable to

the benefit recipient on or after October 27, 2006. The benefit recipient's subsequent cost-of-living adjustments shall also be apportioned between the benefit recipient and alternate payee while the order is in effect.

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Date

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9/17/02, 10/27/06, 12/20/07, 7/24/08, 6/6/11, 7/1/13
(Emer), 9/9/2013

TO BE RESCINDED

3307:1-11-01 **Health care services - establishment of program and definitions.**

(A) Pursuant to sections 3307.39 and 3307.391 of the Revised Code, a health care program is hereby established for certain service retirement and disability benefit recipients and certain dependents of those benefit recipients who meet the conditions of eligibility specified by this chapter of the Administrative Code and the conditions of eligibility for participation in any medical or ancillary plan offered.

(B) The health care program shall consist of such medical plans and ancillary plans as the retirement board may from time-to-time offer. The retirement board shall review the medical and ancillary plans offered at least every two years.

(C) As used in this chapter of the Administrative Code:

(1) "Ancillary plan" shall mean a plan offering auxiliary coverage, such as dental or vision coverage.

(2) "Child" shall mean a biological child, lawfully adopted child or stepchild of a member, of a primary service retirement benefit recipient, or of a disability benefit recipient or a child for whom a member, a primary service retirement benefit recipient, or disability benefit recipient has been legally appointed as guardian, provided that such child has not yet attained age twenty-six.

(3) "Dependent" shall mean a spouse, child, or sponsored dependent as defined in this rule.

(4) "Disabled adult child" shall mean any biological child, child lawfully adopted prior to age eighteen, stepchild of a deceased member, primary service retirement benefit recipient or disability benefit recipient or a child for which a deceased member, primary service retirement benefit recipient or disability benefit recipient has been legally appointed as guardian prior to age eighteen and who is permanently and totally disabled. To determine an adult child meets and continues to meet the requirements in paragraph (C)(4)(b) or (C)(4)(c) of this rule, the same procedure for the determination of "physical or mental incompetency" as outlined in paragraph (I) of rule 3307:1-8-01 of the Administrative Code for survivor benefit eligibility shall be followed. The disabled adult child shall also meet one of the following requirements:

(a) Has never married and has been adjudged physically or mentally incompetent by a court prior to age eighteen or age twenty-two if the

child was attending school on at least a two-thirds full-time basis and the child's physical or mental incompetency has been continuous since the court's initial adjudication, or

- (b) Has never married and has attained age twenty-six and has been unable to earn a living because of a mental or physical condition that was disabling prior to age eighteen or age twenty-two if the child was attending school on at least a two-thirds full-time basis, provided the disabled adult child has been continuously disabled and unable to earn a living from the initial date that the disabled adult child was determined to have a mental or physical condition that was disabling. The chair of the medical review board shall determine that the child has a mental or physical condition that incapacitated the child before the maximum age specified in this paragraph. As used herein, "unable to earning a living" means that a child was incapable of earning at least sixteen thousand dollars a year for any year before January 1, 2008, and was incapable of earning for each year since January 1, 2008, the federal minium wage as of January first for each year multiplied by two thousand eighty hours, increased by fifty per cent and rounded to the nearest thousand dollars for each year thereafter, or
 - (c) Has never married, has attained age twenty-six and attends an adult workshop or school for the developmentally disabled operated by a county or state department of developmental disabilities. If attendance has not been continuous since age eighteen or age twenty-two if the child was attending school on at least a two-thirds full-time basis, additional earnings verification may be required in accordance with paragraph (C)(4)(b) of this rule.
- (5) "Medical plan" shall mean a plan offering health, medical, hospital, or prescription drug coverage or any combination thereof.
 - (6) "Plan enrollee" means any individual described in rule 3307:1-11-02 of the Administrative Code who participates in the medical or ancillary plans offered by the retirement system.
 - (7) "Primary service retirement benefit recipient" shall mean a member who applied for and was granted service retirement benefits under the plan described in sections 3307.50 to 3307.79 of the Revised Code or a plan established under section 3307.81 of the Revised Code that provides health care coverage.
 - (8) "Retiree," "Service retiree," "Service benefit recipient," "service retirement benefit recipient," and "recipient of a service retirement benefit" shall mean a

member who applied for and was granted service retirement benefits under the plan described in sections 3307.50 to 3307.79 of the Revised Code or a plan established under section 3307.81 of the Revised Code.

(9) "Sponsored dependent" includes:

- (a) A disabled adult child living in the residence of a primary service retirement benefit recipient, or disability benefit recipient, or in a convalescent center or any other type of institution that retains a disabled adult child temporarily;
- (b) A disabled adult child not living in the home of a primary service retirement benefit or disability benefit recipient, but receiving one-half or more support from the primary service retirement benefit recipient or disability benefit recipient, as demonstrated by completion of a financial status form provided by the retirement system or the most recent federal income tax return;
- (c) One person age twenty-six or older living in the home of an unmarried primary service retirement benefit recipient or disability benefit recipient or in a convalescent center or any other type of institution that retains a person temporarily, notwithstanding that the primary service retirement benefit recipient or disability benefit recipient does not claim the sponsored dependent as a financial dependent for federal income tax purposes.

(10) "Total service credit" shall be as defined by section 3307.50 of the Revised Code, and as used in this chapter such credit shall not include any credit purchased under former section 3307.741 of the Revised Code but shall include credit purchased under sections 145.297, 145.298, 3307.54 (as it existed until July 31, 2014), and 3309.33 of the Revised Code.

(D) A primary service retirement benefit recipient or disability benefit recipient shall provide any information requested by the retirement system to validate the eligibility of a disabled adult child in any medical or ancillary plan offered by the retirement system.

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3307:1-11-02

Health care services - health care fund.

- (A) The retirement board shall designate the amount of contributions, if any, that are to be allocated to the health care fund described in division (H) of section 3307.14 of the Revised Code for any year. Any contributions shall be funded by employer contributions to the employer's trust fund and shall include any employer contributions previously allocated by the retirement board for health care coverage described in section 3307.39 of the Revised Code, together with any earnings credited thereon, with respect to individuals participating in the plan described in either the STRS defined benefit plan or the defined contribution plan in which an individual may receive definitely determinable benefits. Contributions to the health care fund are subordinate to the contributions to the employer's trust fund for retirement benefits under the plans described in the STRS defined benefit plan and the defined contribution plan in which an individual may receive definitely determinable benefits. At no time shall contributions to the health care fund, when added to contributions for any life insurance benefits provided on behalf of eligible benefit recipients, be in excess of twenty-five per cent of the total aggregate actual contributions made to the retirement system since the inception of the health care fund, excluding contributions to fund past service credit. In any event, all contributions to the health care fund shall be reasonable and ascertainable.
- (B) If any rights of an individual who is eligible to receive coverage authorized under section 3307.39 of the Revised Code and paid from the health care fund are forfeited as provided in the applicable provisions of the medical plans and ancillary plans offered by the retirement system, an amount equal to the amount of such forfeiture shall be applied as soon as administratively possible to reduce employer contributions allocated to the health care fund.
- (C) The assets of the health care fund shall be used only for the payment of health care coverage, qualified medical expenses, dental and vision coverage, and to partially reimburse medicare part B monthly premiums paid by eligible benefit recipients, if applicable.
- (D) At no time prior to the satisfaction of all liabilities under this rule and section 3307.39 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 (C) of this rule and for the payment of administrative expenses relating to the health care fund. 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.
- (E) Upon satisfaction of all liabilities under this rule, any assets in the health care fund that are not used as provided in paragraph (D) of this rule shall be returned to the employers, as required by section 401(h)(5) of the Internal Revenue Code.
- (F) It is the intent of the retirement board in adopting this rule to codify its compliance in all respects with sections 401(a) and 401(h) of the Internal Revenue Code and regulations interpreting those sections. In applying this rule, the retirement board

will apply the interpretation that achieves compliance with those sections and preserves the qualified status of the system as a governmental plan under sections 401(a) and 414(d) of the Internal Revenue Code.

(G) This rule is intended to codify past and current practices and procedures of the system with respect to the funding and payment of health care coverage and does not confer any new rights to or create any vested interest in receiving health care coverage for members, benefit recipients, or their dependents.

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3307:1-11-03

Health care services - medical plan.**(A) Eligibility**

The following individuals shall be eligible to participate in a medical plan offered by the retirement system:

(1) A service retiree with an effective benefit date:

(a) Before January 1, 2004; or

(b) Between January 1, 2004 and July 1, 2023 and the benefit is based on fifteen or more years of total service credit; or

(c) After July 1, 2023 and the benefit is based on twenty or more years of total service credit.

(2) A service retiree who began receiving service retirement benefits with no break in monthly benefits following the termination of disability benefits, with a disability effective benefit date:

(a) Before January 1, 2004; or

(b) Between January 1, 2004 and July 1, 2023 and the service retiree benefit is based on fifteen or more years of total service credit; or

(c) After July 1, 2023 and the service retiree benefit is based on twenty or more years of total service credit.

(3) A disability benefit recipient.

(4) A survivor annuitant.

(5) A survivor benefit recipient under division (C)(1) of section 3307.66 of the Revised Code who was eligible for coverage as a dependent at the time of the member's or disability benefit recipient's death where the effective date of survivor benefits or the effective date of disability benefits of the deceased member is:

(a) Before January 1, 2004; or

(b) Between January 1, 2004 and July 1, 2023 provided that the deceased member had fifteen or more years of total service credit at the time of death; or

(c) After July 1, 2023 provided the deceased member had twenty or more years of total service credit at the time of death.

- (6) A survivor benefit recipient under division (C)(2) of section 3307.66 of the Revised Code who was eligible for coverage as a dependent at the time of the member's or disability benefit recipient's death.
- (7) Dependents, to the extent that a medical plan and/or ancillary plan allows for dependent coverage.
- (8) Notwithstanding paragraphs (A)(1) to (A)(7) of this rule, an individual not eligible for medicare coverage is not eligible for primary coverage in a medical plan offered by the retirement system if the individual is employed and has access to an entity's medical plan or if similarly situated, non-retired employees have access to an entity's medical plan, provided the medical plan includes prescription coverage and provides equivalent coverage at a cost no more than what is available to full-time employees as defined by the entity. The retirement board may require each enrollee to annually file a verification of employment statement disclosing the availability for enrollment as an employee in an entity's medical plan.

 - (a) When an individual is enrolled in an entity's medical plan and a medical plan offered by the retirement system, coverage in the retirement system's medical plan will be limited to secondary coverage applied only to those covered medical expenses not paid by the entity's medical plan.
 - (b) An employed individual not eligible for medicare who does not file a verification of employment statement with the retirement system when requested by the retirement system; does not enroll in the entity's medical plan when eligible to enroll, or is excluded from the entity's medical plan based upon being an enrollee is not eligible to enroll or remain enrolled in a medical plan offered by the retirement system.

(B) Effective date

The effective date of coverage for enrollees in a medical plan shall be determined as follows:

- (1) Initial enrollment: When a monthly benefit payment begins, medical coverage shall begin for a:

 - (a) Service retiree:

 - (i) On the effective benefit date when the service retirement application is received on or before the effective benefit date, provided the service retiree enrolls by the end of the month of the effective benefit date; or

(ii) On the first day of the month following the date the service retirement application is received when the effective benefit date is prior to the date the service retirement application is received, provided the service retiree enrolls by the end of the month following the month the service retirement application is received.

(b) Disability benefit recipient:

(i) On the effective benefit date when the disability benefit recipient is granted disability benefits on or before the effective benefit date, provided the disability benefit recipient enrolls by the end of the month of the effective benefit date.

(ii) On the first day of the month following the date the disability benefit is granted when the effective benefit date is prior to the date the disability benefit is granted, provided the disability benefit recipient enrolls by the end of the month following the month the disability benefit is granted.

(c) Survivor benefit recipient:

(i) On the effective benefit date when a survivor benefit recipient enrolls by the end of the third month following the month of the member's or disability benefit recipient's death.

(ii) On the first of the month following the receipt of a survivor benefit application submitted after the third month following the month of the member's or disability benefit recipient's death provided the survivor benefit recipient enrolls by the end of the month following the month the survivor benefit application is received.

(d) Survivor annuitant:

(i) On the first of the month following the month of the service retiree's death, provided a survivor annuitant enrolls by the end of the third month following the month of the service retiree's death.

(ii) On the first of the month following the month of the service retiree's death when a survivor annuitant was enrolled as a service retiree's dependent at the time of the service retiree's death.

(2) Subsequent enrollment: Coverage shall begin as follows if a benefit recipient does not enroll as permitted under paragraph (B)(1) of this rule and later applies to enroll:

(a) Open enrollment: The retirement system may offer an open enrollment period during which eligible benefit recipients may enroll or change medical plans for themselves and eligible dependents. Coverage will begin on the first day of the next plan year following an open enrollment period specified by the retirement system.

(b) Special enrollment: A person may enroll under the following circumstances when a benefit recipient submits his or her application to enroll within thirty-one days from the date of a qualifying event, provides any other required documentation, the application is approved by the retirement system, and the person meets all other eligibility requirements:

(i) Benefit recipients:

(a) A benefit recipient may enroll based upon his or her loss of health care coverage that provided minimum essential coverage as defined under the federal Patient Protection and Affordable Care Act of 2010 for coverage beginning the first of the month in which coverage is lost.

(b) A benefit recipient may enroll based upon his or her enrolling in medicare parts A and B or only medicare part B for coverage beginning the first of the month medicare coverage begins.

(ii) Provided the benefit recipient is enrolled, dependents may be enrolled as follows:

(a) A primary recipient may enroll his or her new spouse for coverage beginning the first of the month following the date of marriage or the first day of the month of marriage when the date of marriage is on the first day of the month.

(b) A benefit recipient may enroll a child for coverage beginning the day of birth, legal adoption, or the date the benefit recipient was legally appointed as guardian of that child.

(c) A benefit recipient may enroll a dependent who lost health care coverage that provided minimum essential coverage as defined under the federal Patient Protection and Affordable Care Act of 2010 for coverage beginning the first of the month in which coverage is lost.

(d) A benefit recipient may enroll a dependent based upon the dependent enrolling in medicare parts A and B or only

medicare part B for coverage beginning the first of the month medicare coverage begins.

(C) Premium

- (1) The premium for an enrollee in a medical plan shall be based upon the total service credit used in the calculation of the primary recipient's benefit, the effective benefit date, and such other factors as the retirement board may find relevant in its sole discretion.
- (2) The premium for an enrollee in a medical plan shall be pre-paid through a monthly deduction from the monthly benefit unless the amount of the monthly benefit will not cover the total premium. In that case, the benefit recipient will be billed directly by the retirement system for any premium balance owed for an initial period not to exceed three months and authorizes the retirement system to electronically debit the premium balance owed each month from the benefit recipient's bank account. It will be the sole responsibility of the benefit recipient to provide and maintain the information and available funds required for the retirement system to complete the monthly electronic debit. Should the retirement system be unable to debit the payment electronically after the initial three month period, enrollment in the health care program may be terminated. If for any reason payment is not received on or before the first business day of the month the premium is due, enrollment in the health care program may be terminated.
- (3) The following benefit recipients are eligible to receive a subsidy:

 - (a) A service retiree either with an effective benefit date prior to August 1, 2023 and fifteen or more years of total service credit, or with an effective benefit date on or after August 1, 2023 and twenty or more years of total service credit.
 - (b) A disability benefit recipient.
 - (c) A survivor annuitant with an effective benefit date between January 1, 2011 and December 1, 2014 is eligible to receive a subsidy for five years from the effective benefit date if the deceased service retiree had fifteen or more years of total service credit. In the event the service retiree named multiple beneficiaries under division (A)(4) of section 3307.60 of the Revised Code, the subsidy for which the service retiree was eligible will be allocated equally among the survivor annuitants for the five year subsidy period. No subsidy shall be provided to an individual who becomes a survivor annuitant on or after January 1, 2015.
 - (d) A survivor benefit recipient with an effective benefit date between January 1, 2011 and December 1, 2014 is eligible to receive a subsidy

for five years from the effective benefit date if:

- (i) The survivor benefit recipient has been granted survivor benefits under division (C)(1) of section 3307.66 of the Revised Code and the member had fifteen or more years of service; or
- (ii) The survivor benefit recipient has been granted survivor benefits under division (C)(2) of section 3307.66 of the Revised Code, subsidy for the survivor benefit recipient and dependents shall be calculated based upon the greater of the member's years of total service credit or fifteen years, and other factors as the retirement board may find relevant in its sole discretion.
- (iii) No subsidy shall be provided to individuals who become survivor benefit recipients on or after January 1, 2015.

(D) Open enrollment and plan changes

- (1) The retirement system may offer an open-enrollment period during which benefit recipients may enroll in or change medical plans for themselves and eligible dependents.
- (2) Once coverage under a medical plan begins, a benefit recipient can request a change of medical plans during the plan year as follows:
 - (a) A change to any other available medical plan may occur when an enrolled benefit recipient provides required documentation and requests a change:
 - (i) Within thirty-one days of: receipt of the first regular monthly benefit payment; marriage, divorce, legal separation or dissolution; birth, adoption, or legal appointment as guardian of a child; death; or full loss of subsidy; or
 - (ii) Within three months of enrolling in medicare parts A and B or only medicare part B.
 - (b) A change to another medical plan may occur at any time when an enrolled benefit recipient requests a change and provides documentation that evidences one of the following events:
 - (i) Loss of a key provider from a medical plan's provider network.
 - (ii) Relocation of permanent residence to another service area not covered by the enrollee's current medical plan.
 - (iii) Addition of a sponsored dependent when the medical plan in which

the primary recipient is enrolled does not allow sponsored dependents.

(iv) Benefit recipient enrolled in a medicare fully insured medical plan.

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3307:1-11-04

Health care services - health care assistance program.

- (A) The retirement board authorizes health care assistance for certain benefit recipients who apply, qualify, and are approved for the health care assistance program.
- (B) The following benefit recipients shall be eligible to apply annually for health care assistance under the health care assistance program on a form provided by the retirement system, if they are eligible for and enrolled in medicare, and if they meet the total household income requirements of paragraph (C) of this rule:
- (1) A service retiree who qualifies for a subsidy and has twenty-five or more years of total service credit at retirement.
 - (2) A disability benefit recipient who qualifies for a subsidy.
 - (3) A survivor annuitant or survivor benefit recipient who was enrolled in the health care assistance program as of December 31, 2015, continues to meet all other health care assistance program requirements, and remains continuously enrolled in the health care assistance program.
 - (4) A survivor annuitant or survivor benefit recipient who is eligible for a subsidy and the deceased member or primary recipient had twenty-five or more years of total service credit.
 - (5) A survivor benefit recipient eligible for a subsidy who is receiving survivor benefits under division (C)(2) of section 3307.66 of the Revised Code.
- (C) A benefit recipient's total household income shall not exceed the minimum salary for a teacher with a bachelor's degree and five years' experience as defined in section 3317.13 of the Revised Code or another amount determined by the retirement board for any of the amounts below:
- (1) The benefit recipient's monthly benefit annualized at the time of the application for the health care assistance program;
 - (2) The total estimated household earnings and reportable earnings according to the Internal Revenue Code of all persons in the benefit recipient's household for the year coverage is being requested; and
 - (3) The combined total liquid assets for all persons within the benefit recipient's household, which includes cash and all monies readily available in savings accounts, checking accounts, money market accounts, trust funds, any publicly traded security or other investment vehicles as the board may from time to time specify.
- (D) Applicants for the health care assistance program shall provide all information requested by the retirement system, including copies of any federal income tax return for the benefit recipient and each person in the benefit recipient's household

- to verify the income and assets reported on the application and, if applicable, verification of medicare enrollment.
- (E) If the application for health care assistance is approved by the retirement system, health care assistance is provided through the end of the plan year. Health care coverage as determined by the retirement board through certain medical plans shall begin:
- (1) January first of the following year for renewal applications received on or before December fifteenth of the current year; or
 - (2) The first day of the month following the date a new application is received for applications received on or before the fifteenth day of the month; or
 - (3) The first day of the second month from the date a new application is received for applications received after the fifteenth day of the month; or
 - (4) The later of the effective benefit date or the effective date established under paragraphs (E)(2) or (E)(3) of this rule for "benefit recipients" who apply for the health care assistance program at the same time an application for service retirement benefits or disability benefits is filed with the retirement system.
- (F) The health care assistance program may be changed or terminated by the retirement board at any time.
- (G) Health care assistance under this rule provided as the result of false information submitted on an application shall be terminated immediately. Any person who submits false or misleading information in connection with an application for health care assistance shall immediately repay the amounts of any health care assistance provided to date. If such amounts remain unpaid, they shall be deducted from any future amounts payable under Chapter 3307. of the Revised Code. The retirement system may collect amounts due in any other manner the system considers appropriate, as provided by law.

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3307:1-11-05

Health care services - medicare part B reimbursement.

- (A) Pursuant to section 3307.39 of the Revised Code, certain benefit recipients who request reimbursement and verify enrollment in the medicare part B insurance program with the retirement system may be eligible for reimbursement for a portion of the cost of the basic medicare part B premium for months where eligible individuals are enrolled in both a medical plan offered by the retirement system and medicare part B. For approved requests received on or before the fifteenth day of a month, reimbursement begins the first of the month after the date the request is received; otherwise, reimbursement begins the first of the second month after the date the request is received. Reimbursement will be based on service credit in an amount as periodically determined by the retirement board that meets the provisions in division (B) of section 3307.39 of the Revised Code.
- (B) The following benefit recipients who continually meet the provisions in paragraph (A) of this rule are eligible for reimbursement as specified in this rule:
- (1) A primary recipient.
 - (2) A survivor benefit recipient with an effective benefit date that is on or before December 1, 2014.
 - (3) A survivor annuitant for whom reimbursement is calculated to be the amount of reimbursement the service retiree would have received divided by the number of survivor annuitants of the deceased service retiree, and
 - (a) Whose monthly survivor annuitant benefit began on or before December 1, 2014, was age 65 and was a named beneficiary prior to January 1, 2008; or
 - (b) Whose monthly survivor annuitant benefit began between January 1, 2008 and December 1, 2014, is eligible to receive a subsidy for a maximum of five years from the date he or she became a survivor annuitant.
- (C) Upon request, a benefit recipient receiving medicare part B premium reimbursement under this rule shall certify the amount paid for medicare part B coverage. The reimbursement amount provided under this rule shall not exceed the amount paid by the benefit recipient.
- (D) For purposes of section 3307.39 of the Revised Code and this rule, basic medicare part B premium means the amount of the standard monthly medicare part B premium determined by the United States secretary of health and human services prior to any premium increases, such as late enrollment penalties or income related monthly adjustment amount being made.

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5/25/00, 7/1/01 (Emer.), 9/17/01, 1/1/04 (Emer.),
3/22/04, 9/30/04, 11/9/06, 1/1/07 (Emer.), 4/1/07,
3/27/14, 9/4/2014

3307:1-11-06

Health care services - responsibility for health care coverage.

- (A) Except as otherwise provided in this rule, this retirement system shall be the system responsible for health care coverage for its eligible benefit recipients.
- (B) A benefit recipient is not eligible for primary coverage in a medical plan offered by this retirement system if the benefit recipient is eligible for health care coverage in another Ohio retirement system in the following situations:
- (1) When a benefit recipient is receiving a monthly benefit based on the same status as a service retiree, disability benefit recipient or survivor benefit recipient in this retirement system and from another Ohio retirement system and the effective benefit date in this system is
 - (a) Later than the effective benefit date in the other Ohio retirement system;
or
 - (b) The same as the effective benefit date in the other Ohio retirement system and the benefit recipient has less service credit in this retirement system than in the other retirement system; or
 - (c) The same as the effective benefit date in the other Ohio retirement system and the benefit recipient has the same service credit in this retirement system as in the other Ohio retirement system and the teacher contributions in the account upon which the benefit in this retirement system is based are less than the employee contributions in the account upon which the benefit in the other Ohio retirement system is based.
 - (2) Where an eligible disability benefit recipient or survivor benefit recipient of the retirement system is also receiving a service retirement benefit from another Ohio retirement system.

Replaces: 3307:1-11-10

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3307:1-11-07

Health care services - ancillary plans.(A) General provisions

- (1) Eligibility for enrollment in an ancillary plan is the same as eligibility for enrollment in a medical plan except as otherwise provided in this rule.
- (2) Enrollment in an ancillary plan is the same as enrollment in a medical plan except as otherwise provided in this rule.
- (3) The retirement board will not provide a subsidy for any portion of the monthly premium for enrollment in any ancillary plan.

(B) Dental and vision plans(1) Enrollment

- (a) Initial enrollment shall be the same as initial enrollment in a medical plan except that termination or other plan changes shall not be made until the end of the enrollment cycle unless there is a loss of eligibility under the plan.
- (b) Subsequent enrollment shall be the same as subsequent enrollment in a medical plan except that open enrollment in dental and vision plans shall only occur at the end of the enrollment cycle.

Replaces: Part of 3307:1-11-03; Part of 3307:1-11-04

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3307:1-11-08

Health care services - disclosure.**(A) Health information**

(1) By applying for and accepting coverage in the health care program each participating benefit recipient, on behalf of herself or himself and each of his or her dependents covered under the health care program, acknowledges and agrees that the health care program may use or disclose all individually identifiable health information (as defined at 45 C.F.R. 160.103 (2000), as amended) pertaining to such participating benefit recipient, or dependent in the health care program for the payment (as defined at 45 C.F.R. 164.501) and health care operations (as defined at 45 C.F.R. 164.501) purposes of the health care program and otherwise use or disclose such individually identifiable health information as permitted by and under the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. 160 and 164.

(2) The health care program, acting through the retirement board, shall require each person and/or organization who as to the health care program constitutes a business associate (as defined at 45 C.F.R. 160.103) of the health care program to maintain the confidentiality of individually identifiable health information that it creates, maintains or receives on behalf of or from the health care program and to enter into a written agreement with the health care program which meets that standard for business associate contracts as specified at 45 C.F.R. 164.504(e). Individually identifiable health information that meets the requirements for identification of health information, as specified in 45 C.F.R. 164 may be used without limitation by the health care program and shall be and shall remain the property of the retirement system.

(B) Notice

(1) Notice, as required by any provision of this rule, shall be deemed sufficient, if notice is communicated by regular United States postal service to the benefit recipient's last known address as maintained in the retirement system's records.

Replaces: 3307:1-11-07; 3307:1-11-08

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3307:1-11-09

Health care services - long-term care insurance.

- (A) Teachers or benefit recipients and eligible dependents may make application for long-term care insurance offered pursuant to section 3307.391 of the Revised Code until September 30, 2018, provided:
- (1) Application for long-term care insurance shall be made directly to the insurer during enrollment periods specified by the retirement system;
 - (2) Determination of eligibility for long-term care insurance shall be made by the insurer; and
 - (3) Payment for long-term care insurance shall be made by the teacher or benefit recipient directly to the insurer in such amounts and by such methods directed by the insurer.
- (B) Any individual defined as eligible under the retirement system's group policy who has made proper application pursuant to this rule may apply for long-term care insurance subject to the same conditions as those applicable to members under the terms of paragraph (A) of this rule, provided that in the case of a spouse, the individual participating pursuant to paragraph (A) of this rule agrees to remit payment for the cost of such insurance along with his or her own payment.
- (C) Effective October 1, 2018, the retirement system will no longer offer long-term care insurance.

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7/1/06, 6/6/11

TO BE RESCINDED

3307:1-11-10 **Responsibility for health care coverage.**

(A) For the purpose of this rule:

- (1) "Age and service retiree" means a former member who is receiving a retirement allowance pursuant to section 3307.57, 3307.58, 3307.59 or 3307.60 of the Revised Code.
- (2) "Cost paid by the benefit recipient" means the amount equal to the percentage as of January 1, 1998 paid by the benefit recipient multiplied by the system's cost per benefit recipient.
- (3) "Dependent" means an eligible spouse or child of an eligible benefit recipient.
- (4) "Disability benefit recipient" means a member who is receiving a disability benefit or allowance pursuant to section of 3307.57, 3307.63, or 3307.631 of the Revised Code.
- (5) "Effective benefit date" means the date upon which a benefit payment begins.
- (6) "Eligible benefit recipient" means an age and service retiree, disability benefit recipient or survivor benefit recipient who is eligible for health care coverage under this system and another Ohio retirement system.
- (7) "Health care coverage" means the plan offered by this system including, but not limited to, the medical plan, the prescription drug program, and the medicare Part B premium reimbursement.
- (8) "Ohio retirement system" means public employees retirement system, state teachers retirement system, school employees retirement system, Ohio police and fire pension fund or highway patrol retirement system.
- (9) "Survivor benefit recipient" means a beneficiary receiving a benefit pursuant to section 3307.60 or 3307.66 of the Revised Code.

(B) Except as otherwise provided in this rule, this retirement system shall be the system responsible for health care coverage for eligible benefit recipients who receive a benefit or allowance from this system.

(C) This retirement system shall not be the system responsible for health care coverage

for eligible benefit recipients in the following situations.

- (1) Where an eligible benefit recipient who is an age and service retiree of this system also is an eligible benefit recipient receiving an age and service benefit from another Ohio retirement system and the effective benefit date in this system is later than the effective benefit date in the other system.
- (2)
 - (a) Where an eligible benefit recipient who is a disability benefit recipient of this system also is an eligible benefit recipient receiving an age and service benefit from another Ohio retirement system.
 - (b) Where an eligible benefit recipient who is a survivor benefit recipient of this system also is an eligible benefit recipient receiving an age and service benefit or a disability benefit from another Ohio retirement system.
- (3) Where an eligible benefit recipient who is a disability benefit recipient of this system also is an eligible benefit recipient receiving a disability benefit from another Ohio retirement system and the effective benefit date of the benefit from this system is later than the effective benefit date in the other system.
- (4) Where an eligible benefit recipient who is a survivor benefit recipient of this system also is an eligible benefit recipient receiving a survivor benefit from another Ohio retirement system and the effective benefit date of the benefit from this system is later than the effective benefit date in the other system.
- (5)
 - (a) Where the effective benefit dates for an eligible benefit recipient in the situation described in paragraph (C)(1), (C)(3) or (C)(4) of this rule are the same in each system, and the benefit recipient has less service credit in this system than in the other system.
 - (b) Where the effective benefit dates and service credit for an eligible benefit recipient in the situation described in paragraph (C)(1), (C)(3) or (C)(4) of this rule are the same in each system, and the employee contributions in the account upon which the benefit in this system is based are less than the employee contributions in the account upon which the benefit in the other system was based.

(D)

(1)

- (a) Where this system is responsible for health care coverage pursuant to this rule, an eligible benefit recipient of this system who also is an eligible benefit recipient of another Ohio retirement system may irrevocably waive such health care coverage in order to be covered by the other Ohio retirement system, if the other system has agreed in writing to offer such coverage. The waiver is revocable if the benefit recipient is no longer eligible for health care in the other system. Such recipient shall waive such coverage in writing to this system. Health care coverage in this system shall cease with the exception of the medicare Part B premium reimbursement when it is not available to the benefit recipient in the other Ohio retirement system beginning the first of the month following receipt of the waiver by this system.
- (b) In the event an eligible benefit recipient has irrevocably waived health care coverage as provided in paragraph (D)(1)(a) of this rule, this system shall:
- (i) Promptly notify the other Ohio retirement system the eligible benefit recipient has waived health care coverage and the effective date of such non-coverage; and
- (ii) For covered eligible benefit recipients and dependents transfer to the other system annually for each month covered an amount equal to the sum of:
- (a) The lesser of this system's average monthly medical including health maintenance organization cost per eligible benefit recipient less the cost paid by the eligible benefit recipient, or the other system's average monthly medical including health maintenance organization cost per eligible benefit recipient.
- (b) The lesser of this system's average monthly cost of the prescription drug program per eligible benefit recipient, or the other system's average monthly cost of the prescription drug program per eligible benefit recipient.
- (c) The lesser of the monthly cost of the medicare Part B premium

that would be reimbursed by this system for the eligible benefit recipient, or the monthly cost of the medicare Part B premium that would be reimbursed by the other system for the eligible benefit recipient.

(d) This system shall transfer the amounts due pursuant to paragraph (D)(1)(b)(ii) of this rule no later than the last business day of February each year for the preceding calendar year after the following occur:

(i) This system receives from the system a list containing the names of eligible benefit recipients and the number of months during which the eligible benefit recipients were covered by the other system for the preceding calendar year; and

(ii) This system prepares an itemized accounting of the amount transferred for each such eligible benefit recipient.

(2)

(a) Where this system is not responsible for health care coverage pursuant to this rule, an eligible benefit recipient of another Ohio retirement system who also is an eligible benefit recipient or dependent of an eligible benefit recipient of this system may irrevocably waive health care coverage in the other system to be covered by this system as a benefit recipient or dependent if otherwise eligible. Health care coverage in this system shall be effective the first of the month following the termination of coverage in the other system.

(b) Where an eligible benefit recipient or dependent of an eligible benefit recipient of this system has waived health care coverage in another Ohio retirement system, this system shall be responsible to provide health care coverage only if this system:

(i) Is promptly notified by the other system that the eligible benefit recipient or dependent has waived health care coverage and the effective date of termination of coverage; and

(ii) For covered eligible benefit recipients and dependents, the other system pays annually to this system for each month covered an

amount equal to the sum of:

- (a) The lesser of this system's average monthly medical including health maintenance organization cost per eligible benefit recipient less the cost paid by the eligible benefit recipient, or the other system's average monthly medical including health maintenance organization cost per eligible benefit recipient.
- (b) The lesser of this system's average monthly cost of the prescription drug program per eligible benefit recipient, or the other system's average monthly cost of the prescription drug program per eligible benefit recipient.
- (c) The lesser of the monthly cost of the medicare Part B premium that would be reimbursed by this system for the eligible benefit recipient, or the monthly cost of the medicare Part B premium that would be reimbursed by the other system for the eligible benefit recipient.

(E)

- (1) Not later than three years from the effective date of this rule this system shall contact the other retirement systems to review the adequacy of the transfer of funds described in paragraph (D) of this rule.
- (2) If there is a material change in this system's plan or circumstances, this system shall notify the other Ohio retirement systems ninety days prior to the effective date of such change to discuss the impact of such change on this rule.

(F) The waiver program outlined in paragraphs (D) and (E) of this rule shall remain in place only for eligible benefit recipients who waived coverage from this system or to this system prior to January 1, 2008.

Effective January 1, 2008, benefit recipients shall not be permitted to waive coverage as outlined in paragraphs (D) and (E) of this rule as the Ohio police and fire pension fund discontinued its waiver program effective January 1, 2008, the Ohio public employees retirement system discontinued its waiver program effective January 1, 2007, and the school employees retirement system discontinued its waiver program effective March 1, 2007. The highway patrol retirement system has never participated with this system in the waiver program outlined in paragraphs (D) and (E) of this rule.

Eligible benefit recipients who waived coverage from this system may apply for enrollment under the state teachers retirement system's health care program during an annual open enrollment period in calendar years 2014 and 2015. Effective January 1, 2016, the state teachers retirement system shall terminate the waiver program in its entirety and no additional transfer of funds pursuant to paragraph (D) of this rule will be made to another Ohio retirement system beyond the final reconciliation of calendar year 2015. Eligible benefit recipients will no longer be bound by the irrevocable waiver as described under paragraphs (D) and (E) of this rule and their participation in the state teachers retirement system health care program shall be in accordance with Chapter 3307:1-11 of the Administrative Code.

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TO BE RESCINDED

3307:1-11-11

Health care assistance.

(A) As used in this rule:

- (1) "Earnings" shall mean the total of all job-related income, pension, disability and survivor benefits received, including any portion of a benefit or increase for which a written notice of waiver has been filed with the retirement board pursuant to section 3307.44 of the Revised Code, with the public employees retirement board pursuant to section 145.562 of the Revised Code or with the school employees retirement board pursuant to section 3309.662 of the Revised Code, social security payments, welfare benefits, workers' compensation benefits, child or spousal support, unemployment benefits, investment income and all reportable income according to the Internal Revenue Code of 1986.
- (2) "Low-income earnings threshold" as used in this rule shall be equal to the minimum salary for a teacher with a bachelor's degree and five years' experience as defined in section 3317.13 of the Revised Code, provided that in the event an individual experiences a life event once a calendar year has begun, such amounts shall be determined on a prorated basis as of the date the life event took place.
- (3) "Liquid assets" shall include cash and all monies readily available to a family unit in savings accounts, checking accounts, money market accounts, trust funds, any publicly traded security or other investment vehicles as the board may from time to time specify.
- (4) "Family unit" shall include the qualifying enrollee, spouse and children as defined in paragraph (C)(2) of rule 3307:1-11-01 of the Administrative Code.
- (5) A "Qualifying enrollee" shall include a person who:
 - (a) Was:
 - (i) Granted service retirement under the STRS defined benefit plan with at least twenty-five years of total service credit at retirement that is not service credit purchased under former section 3307.741 of the Revised Code; or
 - (ii) Granted disability benefits under the STRS defined benefit plan, or

- (iii) Eligible beneficiaries, as defined in paragraph (H) of rule 3307:1-11-02 of the Administrative Code, of retired teachers with at least twenty-five years of total service credit at retirement that is not service credit purchased under former section 3307.741 of the Revised Code; or
 - (iv) Eligible survivors, as defined in paragraph (J) of rule 3307:1-11-02 of the Administrative Code, of either active teachers or disabled teachers eligible to retire with at least twenty-five years of total service credit at retirement that is not service credit purchased under former section 3307.741 of the Revised Code; or
 - (v) Eligible survivors, as defined in paragraph (I) of rule 3307:1-11-02 of the Administrative Code, of either active teachers or disabled teachers not eligible for service retirement; and
- (b) Had annual earnings not greater than the low-income earnings threshold for the family unit of the person described in paragraph (A)(5)(a) of this rule and
 - (c) Had total liquid assets that did not exceed twenty-three thousand eight hundred dollars for the family unit of the person described in paragraph (A)(5)(a) of this rule and
 - (d) On or after January 1, 2016, otherwise qualifies for a portion of the monthly costs be waived by the retirement board except:

Those enrolled as of December 31, 2015, are not subject to the requirement that he/she otherwise qualifies for a portion of the monthly costs be waived by the retirement board.
- (6) "Life event" includes the death of a spouse, divorce, loss of job or other events as the board may from time to time specify.
 - (7) "Minimum monthly health care premium" shall mean the lowest monthly premium charged any benefit recipient for any health plan offered by the retirement system.
- (B) A qualifying enrollee may make application for health care assistance on a form provided by the retirement system. The effective date of the participation in the health care assistance program shall be the first of the month following the approval of the application. All applications for assistance must be received no later than the

- fifteenth of the month to be considered for approval for an effective date starting the next month.
- (1) Each applicant shall demonstrate eligibility by providing the information specified on the form, which shall include copies of any federal tax return for the applicant, the spouse and any dependent children necessary to validate the earnings reported on an application and shall also include verification of medicare enrollment if applicable.
 - (2) An applicant who fails to supply all requested information within three months of filing shall be canceled.
- (C) A qualifying enrollee receiving health care assistance must annually verify continuing eligibility on a form provided by the retirement system to continue participation in the program. Failure to file the form or supply all requested information shall result in the enrollee no longer qualifying for the program and all health care assistance shall be terminated.
- (D) On and after July 1, 2004 and provided that the retirement board has not acted to terminate the health care assistance program hereby created, enrollees whose applications are approved under this rule shall qualify for:
- (1) A minimum monthly health care premium in a health plan offered by the retirement system, and
 - (2) Health care assistance as determined by the board through certain health plans offered by the retirement system.
 - (3) The minimum monthly health care premium will not be in effect for any period the qualifying enrollee fails to provide verification of his or her medicare enrollment.
- (E) For qualifying enrollees making application for health care assistance at the same time application for service retirement or disability benefits are made, health care assistance as described in paragraph (D) of this rule shall take affect the first of the month following the approval of the health care assistance application or the first of the month after the monthly benefit amount is finalized, whichever is later. All applications for health care assistance must be received no later than the fifteenth of the month to be considered for approval for an effective date starting the next month.
- (F) Health care assistance under this rule provided as the result of false information

submitted on an application shall be terminated immediately. Any person who submits false or misleading information in connection with an application for health care assistance shall immediately repay the amounts of any health care assistance provided to date. If such amounts remain unpaid, they shall be deducted from any future amounts payable under Chapter 3307. of the Revised Code.

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TO BE RESCINDED

3307:1-11-12

"Health care fund".

- (A) The state teachers retirement board shall designate the amount of contributions, if any, that are to be allocated to the health care fund described in division (H) of section 3307.14 of the Revised Code for any year. Any contributions shall be funded by employer contributions to the employer's trust fund and shall include any employer contributions previously allocated by the state teachers retirement board for health care benefits described in section 3307.39 of the Revised Code, together with any earnings credited thereon, with respect to individuals participating in the plan described in either the STRS defined benefit plan or section 3307.81 of the Revised Code in which an individual may receive definitely determinable benefits. Contributions to the health care fund are subordinate to the contributions to the employer's trust fund for retirement benefits under the plans described in the STRS defined benefit plan and section 3307.81 of the Revised Code in which an individual may receive definitely determinable benefits. At no time shall contributions to the health care fund, when added to contributions for any life insurance benefits provided on behalf of eligible benefit recipients, be in excess of twenty-five per cent of the total aggregate actual contributions made to state teachers retirement system since the inception of the health care fund, excluding contributions to fund past service credit. In any event, all contributions to the health care fund shall be reasonable and ascertainable.
- (B) If any rights of an individual who is eligible to receive coverage authorized under section 3307.39 of the Revised Code and paid from the health care fund are forfeited as provided in the applicable provisions of the medical and ancillary plans offered by the retirement system, an amount equal to the amount of such forfeiture shall be applied as soon as administratively possible to reduce employer contributions allocated to the health care fund.
- (C) The assets of the health care fund shall only be used for the payment of health care benefits, qualified medical expenses, dental and vision coverage, if applicable, and to reimburse the medicare part B premiums paid by eligible benefit recipients.
- (D) At no time prior to the satisfaction of all liabilities under this rule and section 3307.39 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 (C) of this rule and for the payment of administrative expenses relating to the health care fund. 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.
- (E) Upon satisfaction of all liabilities under this rule, any assets in the health care fund, if any, that are not used as provided in paragraph (D) of this rule shall be returned to the employers, as required by section 401(h)(5) of the Internal Revenue Code.

- (F) It is the intent of the state teachers retirement board in adopting this rule to codify its compliance in all respects with sections 401(a) and 401(h) 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 under sections 401(a) and 414(d) of the Internal Revenue Code.
- (G) This rule is intended to codify past and current practices and procedures of the system with respect to the funding and payment of health care coverage and does not confer any new rights to or create any vested interest in receiving health care coverage for members, retirees, survivors, beneficiaries, or their dependents.

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3307:1-12-01 **Distributions.**

(A) Notwithstanding any provision in Chapter 3307. of the Revised Code or in the rules governing the state teachers retirement system to the contrary, distributions to members and beneficiaries shall be made in accordance with section 401(a)(9) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 401, as amended, 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 or the lives of such member and a designated beneficiary (or over a period not extending beyond the life expectancy of such member) 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 age seventy and one half;
or

(b) The calendar year in which the member retires.

(3) If distribution of a member's benefit has begun pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code and the applicable 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 pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code and the applicable regulations, the entire interest of the member will be distributed by the end of the calendar year which contains the fifth anniversary of the date of such member's death. However, if a benefit is payable to or for the benefit of a designated 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, provided that such distributions begin not later than the end of the calendar year immediately following the calendar year in which the member died. If the beneficiary is the surviving spouse of the member,

distributions shall begin, pursuant to this section, not later than the end of the calendar year in which the member would have attained age seventy and one half; provided, however, that if the surviving spouse dies before such distributions begin, the provisions set forth in this section shall be applied as if the surviving spouse were the member.

- (5) Any death benefit amounts payable under Chapter 3307. 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) Any amount paid to a qualified child as defined in section 3307.66 of the Revised Code shall be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse upon such child ceasing to be a qualified survivor.
- (B) No payment in an amount of two hundred dollars or more shall be made to any person until any applicable requirements of sections 401(a)(31), 402(c), 402(f), 408A, and 3405 of the Internal Revenue Code or any provision of federal law governing withholding from or rollover of distributions from a qualified trust have been satisfied, provided that:
- (1) The state teachers retirement system shall give notice of options available to any such person as required by federal law.
 - (2) The state teachers retirement system will permit any such person, except a trust or an estate, to direct that an amount at least equal to the entire payment due from the state teachers retirement system or five hundred dollars, whichever is less, be paid as a direct rollover to one eligible retirement plan or Roth IRA designated by the person. Effective September 21, 2007, a nonspouse beneficiary of a deceased member may only rollover directly to an individual retirement plan that shall be treated as an inherited individual retirement account or annuity to the extent permitted by section 402(c)(11) of the Internal Revenue Code.
 - (3) Application by the person to have all or part of a payment paid as a direct rollover shall be on a form provided by the state teachers retirement system which shall contain the name and address of the retirement plan or Roth IRA to which the payment or portion thereof is to be made. The form provided by the system shall further contain the person's representation and certification that, if the person is rolling an amount over to a retirement plan, such retirement plan is an eligible retirement plan.
 - (4) Any part of a payment that is a required minimum distribution, as that term is

defined in section 401(a)(9) of the Internal Revenue Code and the applicable regulations thereunder, is ineligible to be paid as a direct rollover.

- (C) When a member applies for the restoration of service credit under section 3307.71 of the Revised Code or the purchase of service credit under section 3307.72, 3307.73, 3307.74, ~~3307.741~~, 3307.751, 3307.752, 3307.76, 3307.761, 3307.763, division (D) of section 3307.77, 3307.771 or 3307.78 of the Revised Code, to the extent permitted by federal law, the member may also apply to have the state teachers retirement system accept, in full or partial payment of the cost of such restoration or purchase, pretax funds transferred to the state teachers retirement system as a direct rollover on and after July 2, 2002 from a plan or account eligible under the terms of the Internal Revenue Code to roll funds over to a trust qualified under the terms of section 401(a) of the Internal Revenue Code provided the funds were not commingled in the individual retirement plan with funds from any source other than a trust qualified under section 401(a) of the Internal Revenue Code. Acceptance of a direct rollover under this paragraph shall be subject to the following:
- (1) Application shall be on a form approved by the state teachers retirement system;
 - (2) Application shall be subject to determination by the state teachers retirement system of the amount that will be accepted;
 - (3) The amount accepted by the state teachers retirement system shall in no case exceed the cost of restoration or purchase determined by the system.
- (D) For purposes of section 3307.563 of the Revised Code, interest rates on amounts to be paid under section 3307.56 or 3307.562 of the Revised Code shall be determined by the board not to exceed four per cent, compounded annually, for members with less than three full years of qualifying service credit and not to exceed six per cent, compounded annually, for members with three or more full years of qualifying service credit. Interest for all years withdrawn shall begin to accrue in the fiscal year following deposit. No interest will be payable if a former member applies to withdraw an account consisting only of contributions made during the current fiscal year. Interest stops accruing as of the end of the month immediately preceding withdrawal.
- (E) For purposes of division (A)(3)(b) of section 3307.563 of the Revised Code, contributions restored under section 3307.712 of the Revised Code shall be considered the same as contributions restored under section 3307.71 of the Revised Code to the extent that the amount paid to restore the credit included amounts received by the member under division (A)(3)(b) of section 3307.563 of the Revised Code.

- (F) Pursuant to division (A)(2) of section 3307.56 of the Revised Code, consent of a spouse shall not be required for withdrawal:
- (1) If the retirement system receives the written statement of a physician certifying that the spouse is medically incapable of acknowledging the request for withdrawal by the applicant, and receives consent by and through a duly appointed guardian, as specified by rule 3307-7-01 of the Administrative Code or
 - (2) If the affidavits of the applicant and at least two other persons, one of whom must be unrelated to the applicant, are received attesting that the whereabouts of the spouse are unknown.
- (G) If a superannuate fails to elect a benefit as provided in section 3307.352 of the Revised Code by ~~the~~ February first in the calendar year immediately following the later of the calendar year of the superannuate's attainment of age seventy and one half or the calendar year of retirement, the state teachers retirement board shall make a lump sum distribution to the superannuate no later than the required beginning date for the superannuate.

Effective:

Five Year Review (FYR) Dates: 03/23/2016

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.56, 3307.563, 3307.71, 3307.712, 3307.72, 3307.73, 3307.74, 3307.751, 3307.752, 3307.76, 3307.761, 3307.77, 3307.771, 3307.78
Prior Effective Dates: 1/1/93, 3/18/93, 7/1/01 (Emer.), 9/17/01, 7/1/02 (Emer.), 9/17/02, 1/1/06 (Emer.), 4/1/06, 9/21/07 (Emer.), 12/20/07, 1/22/09 (Emer.), 4/29/09 (Emer), 7/16/09, 1/7/13 (Emer), 3/24/2013

3307:1-13-01 **Reemployment restrictions applicable to retirants.**

This rule implements section 3307.35 of the Revised Code and applies to Ohio public service after retirement in circumstances other than those subject to section 3307.351 of the Revised Code and rule 3307:1-13-02 of the Administrative Code.

(A) For the purpose of this rule and section 3307.35 of the Revised Code:

- (1) "Effective retirement benefit date" means the effective date upon which a retirement allowance or distribution begins.
- (2) "Non-uniformed retirement system" means the public employees retirement system, the state teachers retirement system and the school employees retirement system.
- (3) "Ohio retirement system" means the public employees retirement system, the state teachers retirement system, the school employees retirement system, the Ohio police and fire pension fund, the highway patrol retirement system, and the Cincinnati retirement system.
- (4) "Uniformed retirement system" means the Ohio police and fire pension fund and the highway patrol retirement system.
- (5) "Alternative retirement plan" means a plan established under Chapter 3305. of the Revised Code.

(B) In administering section 3307.35 of the Revised Code, the following applies:

- (1) Forfeiture of a retirement allowance under section 3307.35 of the Revised Code for employment in a position covered by another Ohio retirement system or an alternative retirement plan shall apply only to a state teachers retirement system retirant granted service retirement under section 3307.57, 3307.58, 3307.59 or 3307.60 of the Revised Code and to a member granted disability benefits under section 3307.62 of the Revised Code whose effective service retirement or disability benefit date is on or after September 1, 1991.
- (2) A state teachers retirement system retirant who has received a service retirement allowance for less than two months and who becomes employed in a position covered by an Ohio retirement system or an alternative retirement plan shall forfeit such allowance for any month in which the retirant is so employed during the two-month period after the effective retirement benefit date. The amount of the allowance to be forfeited if such a retirant selected a plan of payment under division (A) or (B) of section 3307.60 of the Revised Code shall be the monthly allowance or benefit equal to the single lifetime benefit

described in section 3307.58 of the Revised Code.

- (3) Notwithstanding paragraphs (B)(1) and (B)(2) of this rule, forfeiture of a retirement allowance shall not apply to a state teachers retirement system retirant who continues employment in a position covered by a uniformed 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 has also established membership in another non-uniformed retirement system or systems or an alternative retirement plan is terminating all employment covered by all the systems and the alternative retirement plan, and is electing to take a service retirement benefit from one or more of the other systems or the alternative retirement plan as of the effective retirement benefit date, the member shall elect to:

(i) Apply for a benefit if eligible pursuant to section 3307.57, 3307.58 or 3307.60 of the Revised Code with an identical effective date; or

(ii) Apply for a refund of contributions pursuant to section 3307.56 of the Revised Code; or

(iii) If, as of the effective retirement benefit date from a non-uniformed retirement system, the member has sufficient service credit to qualify for a service retirement benefit in this system, the effective retirement benefit date shall be the first of the month following the later of the benefit date in the non-uniformed retirement system or attainment of eligibility for a service retirement benefit in this system.

- (b) If the member applies for a benefit as described in paragraph (C)(1)(a)(i) of this rule, the system shall calculate the benefit with any necessary reduction for concurrent service among the systems.

- (2) Where a member of this system who has also established membership in a uniformed retirement system or systems is terminating all employment

covered by all the systems and is electing to take a service retirement benefit from one or more of the other systems as of the effective retirement benefit date, the member shall elect to:

- (a) Apply for a benefit if eligible pursuant to section 3307.57, 3307.58 or 3307.60 of the Revised Code with an identical effective date;
 - (b) Apply for a refund of contributions pursuant to section 3307.56 of the Revised Code; or
 - (c) If, as of the effective retirement benefit date from a uniformed retirement system, the member has sufficient service credit to qualify for a service retirement benefit in this system, the effective retirement benefit date shall be the first of the month following the later of the benefit date in the uniformed retirement system or attainment of eligibility for a service retirement benefit in this system.
- (3) A member of this system who also is a member of a uniformed retirement system and who has applied for a retirement benefit in the uniformed retirement system may continue employment without forfeiture under section 3307.35 of the Revised Code in the position covered by this system, provided that contributions made to this system after the member's effective retirement benefit date in the uniformed retirement system shall accrue only a benefit as described in section 3307.352 of the Revised Code.
- (4) If the member has been continuously employed in a position covered by this system for at least two months prior to the effective retirement benefit date in an alternative retirement plan, a uniformed or non-uniformed retirement system, other than this system, an irrevocable election may be made on a form provided by this system to have contributions to this system made prior to the effective retirement benefit date in the other system or an alternative retirement plan also accrue the same benefit described in section 3307.352 of the Revised Code. In the event this election is made, allowable interest shall not begin until the first of the month after the effective retirement benefit date in the other system or an alternative retirement plan.

Five Year Review (FYR) Dates: 03/23/2016 and 03/23/2021

CERTIFIED ELECTRONICALLY

Certification

03/23/2016

Date

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Statutory Authority: 3307.04
Rule Amplifies: 3307.35
Prior Effective Dates: 6/22/92 (Emer.), 9/10/92, 7/1/01 (Emer.), 9/17/01,
7/18/03, 5/24/04, 5/14/09, 1/7/13 (Emer.), 3/24/13,
6/12/14, 6/5/2015

3307:1-13-02 **Retirement of a member pursuant to section 3307.351 of the Revised Code.**

(A) For purposes of section 3307.351 of the Revised Code and this rule:

- (1) "Active position" means a position a member worked in the month before retirement and for which contributions were being received by a state retirement system at the time of retirement pursuant to section 3307.351 of the Revised Code.
- (2) "STRS annual compensation" means fiscal year earnings plus any unearned amounts covered by contract for that fiscal year or a consecutive twelve-month period.
- (3) "Other retirement system annual compensation" means a member's annual compensation for an active position as certified to this system by the public employees retirement system or the school employees retirement system.
- (4) "Highest annual compensation" means the highest of the STRS annual compensation or the other retirement system annual compensation for an active position as determined by the paying system.
- (5) "Position" means all employment with a single employer for which a member is covered and contributing to the same state retirement system.
- (6) "State retirement system" means the state teachers retirement system, public employees retirement system, or school employees retirement system.
- (7) "Other retirement system" means the school employees retirement system or public employees retirement system.
- ~~(8) "Continue to contribute," "continue contributing," and "continuing to make contributions," through June 30, 2014, mean earnings wages that are not the highest annual compensation with the same employer in the month before retirement and in the month of retirement, where contributions on those wages are remitted to the same state retirement system.~~
- ~~(9)~~(8) "Continuously held" pursuant to paragraph (E) of section 3307.351 of the Revised Code and effective July 1, 2014, means the position held by the member meets both of the following criteria:
 - (a) The member was employed in a position and earned wages with the same employer during the first month of retirement and in each of the twelve

months immediately preceding the effective date of retirement, where contributions on those wages were remitted to the same retirement system; and,

- (b) The position described in paragraph (A)(9)(a) of this rule was not the member's highest annual compensation at the time of retirement for all positions covered by the state teachers retirement system, the public employees retirement system or the school employees 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 3307.351 of the Revised Code, the member shall:
 - (a) Apply for a benefit pursuant to section 3307.57, 3307.58, or 3307.60 of the Revised Code, for the active position which has the highest STRS annual compensation, 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 3307.57, 3307.58, or 3307.60 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 and the other retirement systems shall be used except that such total combined service credit shall not exceed one year of credit for any one year as defined in the statute governing the system making the calculation.

- (D) Employment in any position covered by this system that begins subsequent to the effective retirement benefit date under section 3307.351 of the Revised Code shall be subject to section 3307.35 of the Revised Code, and rule 3307:1-13-01 of the Administrative Code.

Effective:

Five Year Review (FYR) Dates: 03/23/2016

Certification

Date

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Statutory Authority: 3307.04
Rule Amplifies: 3307.351
Prior Effective Dates: 7/1/01 (Emer.), 9/17/01, 7/1/06, 6/6/11, 7/1/13 (Emer.), 9/9/2013

3307:1-13-03

Reemployment subject to section 3307.353 of the Revised Code.

- (A) This rule applies in the case of an individual who is or most recently has been employed by an employer in a position customarily filled by a vote of members of a board or commission.
- (B) An employer that proposes to continue employing an individual described in paragraph (A) of this rule as a reemployed superannuate or rehire as a reemployed superannuate in the same position shall certify that it has complied with the requirements of section 3307.353 of the Revised Code. Certification shall be provided to the retirement system as a part of the employer's notice of reemployment required by division (D) of section 3307.35 of the Revised Code on forms provided by the retirement system and shall include in its certification that it has:
- (1) Given public notice in compliance with the requirements of section 3307.353 of the Revised Code not less than sixty days before employment as a reemployed superannuate is to begin that the individual is or will be retired and is seeking employment with the employer; and
 - (2) Held a public meeting on the issue of the proposed employment between fifteen and thirty days before employment as a reemployed superannuate is to begin and after complying with paragraph (B)(1) of this rule.
- (C) Where such reemployment is in the same position and continuous from year to year, no certification to the system shall be required for subsequent years.
- (D) The person reemployed shall be subject to any other provision applicable to reemployment.

Five Year Review (FYR) Dates: 03/23/2016 and 03/23/2021

CERTIFIED ELECTRONICALLY

Certification

03/23/2016

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.35, 3307.353
Prior Effective Dates: 1/12/04, 7/1/06

3307-10-01 **Faculty practice plan.**

(A) As used in this rule:

- (1) Employer shall mean a state university as defined in section 3345.011 of the Revised Code and the ~~Northeastern~~northeast Ohio ~~universities college of medicine~~medical university.
- (2) Academic services shall mean services provided as a faculty member of the employer including instructional services, other class-room related services or research.
- (3) Faculty practice plan shall mean an affiliated entity of an employer recognized by the employer as its college of medicine central practice group.
- (4) Implementation date shall mean any date after the initial effective date of this rule on which a physician who was employed by both an employer and its faculty practice plan: (a) becomes employed solely by an employer and (b) is no longer employed by both an employer and its faculty practice plan.
- (5) Clinical services shall mean services involving medical treatment, practice, observation or diagnosis.
- (6) Physician shall mean a person employed by an employer who provides academic services or clinical services and whose earnings include payment for academic services or clinical services.
- (7) Base compensation shall mean that amount of annualized compensation on which the physician contributed to STRS Ohio for the fiscal year immediately preceding the implementation date, or the most recent fiscal year prior to the fiscal year immediately preceding the implementation date in which the physician had contributing service with STRS Ohio, and such increases as are permitted under paragraph (B)(3) of this rule.
- (8) Academic promotion shall mean promotion in any faculty track from assistant professor to associate professor or promotion in any faculty track from associate professor to full professor.
- (9) Administrative promotion shall mean the addition of any administrative responsibilities for the provision of academic services for which the physician is paid, except an academic promotion.

(B) Clinical services performed by a physician in addition to academic service shall

constitute teaching service for the purpose of Chapter 3307. of the Revised Code, and compensation upon which contributions are based for purposes of Chapter 3307. of the Revised Code shall include the following amounts paid for service actually rendered:

- (1) For any physician who has no service credit with the state teachers retirement system prior to the physician's implementation date, the physician's entire income paid by the employer for academic and clinical services shall be included as compensation under section 3307.01 of the Revised Code.
- (2) For any physician who does not have an implementation date, the physician's entire income paid by the employer for academic and clinical services shall be included as compensation under section 3307.01 of the Revised Code.
- (3) For any physician who has service credit with the state teachers retirement system prior to the physician's implementation date, the following shall be included as compensation under section 3307.01 of the Revised Code on and after the physician's implementation date:
 - (a) The physician's base compensation; plus,
 - (b) The physician's merit increase, expressed as a percentage, paid to the physician in accordance with the uniform criteria established by the physician's employer for all similarly employed employees multiplied by the physician's then current base compensation; plus,
 - (c) The physician's academic or administrative promotion, expressed as a percentage, paid to the physician in accordance with usual and customary criteria established by the physician's employer multiplied by the physician's then current base compensation.
 - (d) All other compensation authorized by the employer which relates to the physician's academic services and is paid in accordance with the employer's usual and customary compensation practices.

Effective:

Five Year Review (FYR) Dates: 03/23/2016

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.01, 3307.24
Prior Effective Dates: 2/10/2011

3309-1-58

Retirement of member pursuant to section 3309.343 of the Revised Code.

(A) For purposes of section 3309.343 of the Revised Code and this rule:

- (1) "Active position" means a position for which contributions were being received by a state retirement system at the time of retirement pursuant to section 3309.343 of the Revised Code.
- (2) "SERS annual compensation" means a member's compensation for an active position reported by an employer to the school employees retirement system for the most recent twelve-month period. If the compensation has been reported for less than a twelve-month period, the system shall convert the compensation to an annual basis.
- (3) "Other retirement system annual compensation" means a member's annual earnable salary or compensation for an active position as certified to this system by the public employees retirement system or the state teachers retirement system.
- (4) "Highest annual compensation" means the highest of the SERS annual compensation or the other retirement system annual compensation for an active position.
- (5) "Position" means employment for which a member is covered and contributes to a state retirement system.
- (6) "State retirement system" means the school employees retirement system, the public employees retirement system or the state teachers retirement system.
- (7) "Other retirement system" means the public employees retirement system or the 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 3309.343 of the Revised Code, the member shall:
 - (a) Apply for a benefit pursuant to section 3309.35, 3309.36, ~~3309.38~~, or 3309.46 of the Revised Code, for the active position which has the highest SERS annual compensation; 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 3309.35, 3309.36, ~~3309.38~~, or 3309.46 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 to an other retirement system.

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

(D) Employment in any position covered by this system subsequent to the effective retirement benefit date under section 3309.343 of the Revised Code shall be subject to section 3309.341 of the Revised Code, and rule 3309-1-50 of the Administrative Code.

Effective:

Five Year Review (FYR) Dates: 04/25/2016

Certification

Date

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Statutory Authority: 3309.04
Rule Amplifies: 3309.343
Prior Effective Dates: 5/11/06, 5/2/01