

Rules

April 23, 2015

PERS

- 145-1-35 Service purchases
- 145-1-74 Re-employment restrictions
- 145-1-77 Re-employment of member-directed or combined plan participant
- 145-1-81 Retirement plans
- 145-1-88 Changes to election to participate
- 145-1-89 Transfer of contributions
- 145-2-02 Additional liability for service purchases in traditional plan
- 145-2-03 Purchase of workers' compensation service
- 145-2-10 Intersystem transfers with non-uniform systems
- 145-2-18 Service credit for participation in combined or member-directed plans
- 145-2-21 Application for a disability benefit
- 145-2-22 Receipt of disability benefits
- 145-2-23 Disability appeals
- 145-2-25 Combined disability benefits
- 145-2-27 Disability benefit recipient's annual statement
- 145-3-23 Additional liability for service purchases in combined plan
- 145-3-40 Service credit for participation in member-directed plan

STRS

- 3307:1-1-01 Definitions
- 3307:1-2-01 Service credit
- 3307:1-3-01 Interest rate and cost calculation for restoration and purchased service
- 3307:1-3-02 Purchase of service credit
- 3307:1-3-03 Determination of purchasable service credit
- 3307:1-3-04 Military service credit
- 3307:1-3-05 Non-paid professional leaves (No change)
- 3307:1-3-06 Contributions during non-teaching periods
- 3307:1-3-07 Other Ohio public service
- 3307:1-3-08 Service credit for leaves of absence and resignation due to pregnancy or adoption
- 3307:1-3-09 Purchase of credit for service as a school board member
- 3307:1-3-10 Purchase of credit for waived service
- 3307:1-3-11 Payroll deductions for purchase and restoration of service credit

- 3307:1-3-13 Determination of cost of service credit
- 3307:1-4-01 Compensation includible in the determination of final average salary
- 3307:1-5-01 Selection and reselection of payment plans for retirees before September 1, 1989 (No change)
- 3307:1-5-02 Selection and reselection of payment plans for retirees after October 1, 1989
- 3307:1-5-03 Court orders (No change)
- 3307:1-5-04 Early retirement reduction factors
- 3307:1-6-01 Determination of temporary supplementary benefit fund (No change)
- 3307:1-7-01 Disability benefits – definitions
- 3307:1-13-01 Reemployment restrictions applicable to retirants
- 3307:1-14-01 Intersystem transfers with non-uniform systems

SERS

- 3309-1-50 Re-employment restrictions

145-1-35 Service purchase.

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

- (1) "Service purchase" means both of the following:
 - (a) For members participating in the traditional pension plan, payment for the purchase of service credit pursuant to section 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, 145.2915, 145.301, 145.302, 145.31, or 145.47 of the Revised Code, former section 145.295, 145.2911, or 145.2913 of the Revised Code as they existed prior to January 7, 2013, or rule 145-2-18 of the Administrative Code.
 - (b) For members participating in the combined plan, payment for the purchase of service credit pursuant to section 145.20, 145.201, 145.291, 145.292, 145.293, 145.299, 145.2915, 145.302, or 145.47 of the Revised Code, former section 145.295, 145.2911, or 145.2913 of the Revised Code as they existed prior to January 7, 2013, rule 145-3-21, 145-3-22, or 145-3-40 of the Administrative Code, or section 3.11 or 3.12 of the combined plan document.
- (2) "One-time or lump-sum payment" means a service purchase that is the full cost of the service credit a member elects to purchase and is paid directly to the public employees retirement system.
- (3) "Partial payment" means a service purchase that is less than the full cost of the service credit a member elects to purchase and is paid directly to the retirement system.
- (4) "Payroll deduction" means a service purchase made pursuant to section 145.294 of the Revised Code and rule 145-1-38 of the Administrative Code.
- (5) A "statement of cost" means a bill prepared by the retirement system stating the cost of the service credit to be purchased. ~~Other than statements of cost prepared under rules 145-2-18 and 145-3-40 of the Administrative Code, if~~ If a statement of cost described in this paragraph is not paid in full prior to its expiration, the member may complete the purchase of the remaining service credit by a lump sum or one-time partial payment of the cost, as recalculated by the system at the time of the final payment.
- (6) "Sixty-month amortization amount" means the monthly dollar amount necessary to complete a service purchase prior to the expiration of a statement of cost.

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

(C)

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

(2) Interest shall be applied to unpaid balances of service purchases by partial payment or payroll deduction at a rate equal to the assumed actuarial rate of interest compounded annually after the first payment or deduction. Interest shall be calculated from the date of the first payment through the last day of the month in which the cost statement expires.

(3) The public employees retirement board may adjust the interest rates in paragraphs (C)(1) and (C)(2) of this rule. If adjusted, the new interest rate shall apply to any statement of cost issued or initial payroll deduction begun after the adjustment.

(D) If the retirement system is required to apply the member's contribution rate at the time the service occurred against the member's earnable salary in calculating the cost of a service purchase, such rate shall not exceed the maximum employee contribution limits that were applicable at the time the service occurred.

(E)

(1) Service credit shall be granted following receipt of all lump-sum payments, partial payments, or payroll deductions received in a month.

(2) Except as otherwise provided in Chapter 145. of the Revised Code, when a member makes a service purchase by partial payment or by payroll deduction, interest at a per cent equal to the assumed actuarial rate of interest compounded annually shall be applied to the unpaid balance. The minimum payment accepted by the system shall be the greater of one hundred dollars or

the sixty-month amortization amount. The system may recalculate the sixty-month amortization amount when the member's payment or payments cause a material increase or reduction in the sixty-month amortization amount, as determined by the system. Service credit shall be granted by multiplying the service credit not yet purchased by a fraction having as the numerator the payment amount less current interest paid and as the denominator the unpaid balance on which the current interest was calculated.

(F)

In addition to the requirements specified in paragraph (B) of this rule, all service purchases shall be completed prior to issuance of the initial benefit payment. Subject to the requirements specified in paragraph (B) of this rule, a disability benefit recipient may purchase service credit after the issuance of the initial benefit payment while on a leave of absence described in section 145.362 of the Revised Code. Any service purchased by a disability benefit recipient during the leave of absence described in this paragraph shall take effect on the first day of the month following the date of purchase.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.294, 145.80, 145.82
Rule Amplifies: 145.01, 145.20, 145.201, 145.28, 145.29, 145.291,
145.292, 145.293, 145.294, 145.299, 145.301,
145.302, 145.31, 145.47, 145.81
Prior Effective Dates: 8/20/76, 1/1/78, 12/14/89, 5/29/95, 11/2/96, 9/27/97,
9/27/98, 3/27/99, 2/3/00, 3/22/02, 1/1/03, 12/24/04,
1/1/06, 7/1/07 (Emer.), 8/9/07, 1/12/08, 4/1/08
(Emer.), 6/23/08, 1/1/12, 1/7/13 (Emer.), 3/24/13,
7/7/13 (Emer.), 9/16/13, 5/8/14, 1/1/15

145-1-74

Re-employment restrictions applicable to a member.

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

- (1) "Effective retirement benefit date" means the date upon which a retirement allowance begins.
- ~~(2) "Nonuniformed retirement system" means the public employees retirement system, state teachers retirement system and school employees retirement system.~~
- ~~(3)~~(2) "Ohio retirement system" means public employees retirement system, state teachers retirement system, school employees retirement system, Ohio police and fire pension fund, highway patrol retirement system, and Cincinnati retirement system.
- ~~(4) "Uniformed retirement system" means the Ohio police and fire pension fund and the highway patrol retirement system.~~

(B)

- (1) Forfeiture of a retirement allowance under section 145.38 of the Revised Code for employment in a position covered by another Ohio retirement system shall apply only to a PERS retirant whose effective retirement benefit date is on or after September 1, 1991.
- (2) A PERS retirant who has received a retirement allowance for less than two months and who becomes employed in a position covered by an Ohio retirement system shall forfeit such allowance for any month in which the PERS retirant is so employed during the two month period immediately following such retirant's effective retirement benefit date.
- (3) Notwithstanding paragraphs (B)(1) and (B)(2) of this rule, forfeiture of a retirement allowance shall not apply to a PERS retirant who is employed in a position covered by ~~a uniformed~~ an Ohio retirement system if the retirant was continuously employed in the position for at least two months prior to the effective retirement benefit date in this system.

(C)

(1)

(a) Where a member of this system who also has established membership in

another ~~nonuniformed~~ Ohio retirement system or systems is terminating all employment covered by all the systems, and is electing to take a retirement benefit from one or more of the other systems as of the effective retirement benefit date, the member shall elect to:

(i) Apply for a benefit if eligible pursuant to section 145.32, 145.33, 145.332, 145.37 or 145.46 of the Revised Code; or

(ii) Apply for a refund of contributions pursuant to section 145.40 of the Revised Code.

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

~~(2) Where a member of this system who also has established membership in a uniformed retirement system or systems is terminating all employment covered by all the systems, and is electing to take a retirement benefit from one or more of the other systems as of the effective retirement benefit date, the member shall elect to:~~

~~(a) Apply for a benefit if eligible pursuant to section 145.32, 145.33, 145.332, or 145.46 of the Revised Code;~~

~~(b) Apply for a refund of contributions pursuant to section 145.40 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 benefit in this system, the member's effective retirement benefit date shall be the first of the month following the later of the member's benefit date in the uniformed retirement system or attainment of eligibility for a benefit in this system, but not more than ninety days prior to receipt by the public employees retirement system of the member's completed retirement application.~~

~~(3)~~(2)

- (a) A member of this system who also is a member of a ~~uniformed~~ an Ohio retirement system and who has applied for a retirement benefit in the ~~uniformed that~~ system may continue employment in the position covered by this system, provided that contributions made to this system after the member's effective retirement benefit date in the ~~uniformed Ohio retirement~~ system shall accrue only a benefit as described in section 145.384 of the Revised Code.
- (b) If the member has been continuously employed in such position for at least two months prior to the member's effective retirement benefit date in the ~~uniformed Ohio retirement~~ system, the member may, upon termination of all service, elect to have the contributions to this system made prior to the effective retirement benefit date in the ~~uniformed Ohio retirement~~ system also accrue to the same benefit or payment described in ~~section 145.384 of the Revised Code~~ paragraph (C)(2)(a) of this rule. The accrual of allowable interest shall not begin until after the effective retirement benefit date in the ~~uniformed Ohio retirement~~ system.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.38
Rule Amplifies: 145.38, 145.382
Prior Effective Dates: 8/1/92, 3/17/94, 2/3/00, 4/5/01, 1/1/03, 1/1/06, 1/7/13
(Emer.), 3/24/13

145-1-77

Reemployment of member-directed or combined plan participant.

- (A) This rule amplifies sections 145.38 and 145.384 of the Revised Code and rules 145-1-74 to ~~145-1-78~~ 145-1-76 of the Administrative Code.
- (B) As used in rule 145-1-74 of the Administrative Code, "PERS retirant" includes a member or former member of the public employees retirement system who is or has received a payment under article IX of the combined plan document or member-directed plan document, and has not withdrawn the application for retirement pursuant to rule 145-1-71 of the Administrative Code.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.38, 145.384
Prior Effective Dates: 1/1/03, 1/1/06, 1/7/13 (Emer.), 3/24/13

145-1-81 Retirement plans.

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

- (1) "Traditional pension plan" means the PERS defined benefit plan established under sections 145.201 to 145.79 of the Revised Code.
- (2) "Combined plan" means the PERS combined defined benefit/defined contribution plan established under section 145.81 of the Revised Code. Unless specifically identified otherwise within the text of the Administrative Code, references to the combined plan document refer to the version that includes amendments adopted through ~~July 7, 2013~~ March 23, 2015.
- (3) "Member-directed plan" means the PERS defined contribution plan established under section 145.81 of the Revised Code. Unless specifically identified otherwise within the text of the Administrative Code, references to the member-directed plan document refer to the version that includes amendments adopted through ~~July 7, 2013~~ March 23, 2015.

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

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.89
Prior Effective Dates: 1/1/03, 1/1/06, 5/8/14

145-1-88 **Changes to election to participate.**

(A) This rule amplifies section 145.814 of the Revised Code and section 2.03 of the combined ~~plan document~~ and member-directed plan ~~document~~documents.

(B) As used in this rule and rules 145-1-89, 145-2-18, and 145-3-40 of the Administrative Code:

(1) "Eligible member" has the same meaning as in section 145.814 of the Revised Code and includes a member who was not eligible to make an election under section 145.19 or 145.191 of the Revised Code due to the member's status as a law enforcement or public safety officer and who is not currently contributing as a law enforcement or public safety officer;

(2) "Amount on deposit" means the sum of the amounts available to a member to purchase service credit in the member's new plan as described in section 6.01 of the combined plan or section 6.01 or 6.02 of the member-directed plan.

(C)

(1) As used in this rule, "total service credit" means the sum of a member's service credit in the traditional pension plan, service credit in the combined plan, and contributing months in the member-directed plan.

(2) Subject to the requirements of this rule and rule 145-1-89 of the Administrative Code, in addition to the enrollment period described in sections 145.19 and 145.191 of the Revised Code, an eligible member who is actively contributing to the retirement system may elect to participate in a different plan ~~during the following periods of service as a public employee~~as follows:

(a) ~~Once prior to attaining five years of total service credit;~~ For elections effective on or before July 1, 2015, during the following periods of service as a public employee:

(i) Once prior to attaining five years of total service credit;

(ii) Once after attaining five and prior to attaining ten years of total service credit;

(iii) Once after attaining ten years of total service credit.

(b) ~~Once after attaining five and prior to attaining ten years of total service credit;~~ For elections effective on and after August 1, 2015, once at any time prior to retirement under any of the plans defined in rule 145-1-81

of the Administrative Code or a refund from the member's current plan.

~~(e) Once after attaining ten years of total service credit.~~

- (3) An election that is not used within the specified time period may not be made in a subsequent time period.
- (D) Except as provided in rule 145-1-89 of the Administrative Code, an election under this rule applies only to employer and employee contributions made after the effective date of the election.
- (E) An election to transfer to the traditional pension plan under section 10.03(a) of the combined plan document for the payment of a disability benefit is irrevocable. If the eligible member subsequently returns to service as a public employee, the member shall remain a member of the traditional pension plan and is not eligible to make an election under paragraph (C)(~~2~~) of this rule.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.81, 145.814
Prior Effective Dates: 1/1/03, 11/15/03, 1/1/06; 1/1/09, 1/1/11, 7/7/13
(Emer.), 9/16/13

145-1-89

Transfer of contributions under rule 145-1-88.

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

(B) ~~Not later than one hundred eighty days after the effective date of an election under rule 145-1-88 of the Administrative Code~~Except as provided in paragraph (C) of this rule, an eligible member who elects a different plan under ~~that rule 145-1-88 of the Administrative Code~~ may have the amounts on deposit for the prior plan transferred in accordance with the member's new plan if one of the following applies:

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

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

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

~~(D)~~

(1) For a member described in paragraph (B)(1) or (2) of this rule who will begin participating in the traditional pension plan, the amount on deposit shall be transferred in accordance with rule 145-2-18 of the Administrative Code.

(2) For a member described in paragraph (B)(1) of this rule who will begin participating in the combined plan, the amount on deposit shall be transferred in accordance with rule 145-3-40 of the Administrative Code.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.81, 145.814
Prior Effective Dates: 1/1/03

145-2-02 **Additional liability for service purchases in the traditional pension plan.**

(A) This rule amplifies section 145.29 of the Revised Code.

(B) As used in this rule, “service credit” means both of the following:

- (1) Service credit that may be purchased or obtained under sections 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, and 145.47 of the Revised Code, as those sections existed on and after January 7, 2013.
- (2) Service credit that may be purchased or obtained under section 145.814 of the Revised Code or rule 145-2-18 of the Administrative Code for an election that is ~~effective~~effective on or after August 1, 2013, under section 2.03 of the combined or member-directed plan document, as amended on January 7, 2013.

(C)

- (1) ~~The~~ Except as provided in this paragraph, the public employees retirement system shall calculate the cost to purchase service credit by using the greater of the member’s final average salary or the member’s earnable salary for the twelve months of contributing service under Chapter 145., 3307., or 3309. of the Revised Code immediately preceding the month in which the application to purchase is received by the system. If the member’s election to purchase service described in paragraph (B)(2) of this rule occurs less than twelve months after the effective date of a plan change, the system shall calculate the cost to purchase service credit by using the final average salary or last twelve months of earnable salary in the prior plan.
- (2) The public employees retirement board shall, based upon its actuary’s recommendation, establish the percentage rate for the cost of the service credit in the traditional pension plan.

(D) Payments made by a member to purchase service credit under section 145.29 of the Revised Code and this rule shall be credited to the employees’ savings fund and shall be considered the accumulated contributions of the member.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.29
Prior Effective Dates: 1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13,
5/8/14

145-2-03 **Purchase of workers' compensation service.**

~~(A)~~ For purposes of division (B) of section 145.2915 of the Revised Code, "out of service" means the member was not performing services for a public employer covered by Chapter 145. of the Revised Code for which earnable salary was paid.

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

(1) Service credit for the period of receiving workers compensation was obtained by the member under the version of division (H) of section 145.01 of the Revised Code that existed prior to January 7, 2013;

(2) The member is eligible to purchase the service under section 145.291 or division (G) of section 145.47 of the Revised Code;

(3) Service credit for the period of receiving workers compensation was obtained under section 145.483 of the Revised Code;

~~(4)~~ The member did not return to public employment covered by Chapter 145. of the Revised Code following the period of receiving workers compensation;

~~(5)~~(4) The member has not made a redeposit of contributing service pursuant to section 145.31 of the Revised Code or rule 145-3-22 of the Administrative Code for which a member received a refund of the member's accumulated contributions pursuant to section 145.40 of the Revised Code or article VIII of the combined plan document, for any period of contributing service adjacent to the period of receiving workers compensation; or

~~(6)~~(5) The member received a benefit from the system for the period of receiving workers compensation.

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

~~(D)~~(C) The amount of service credit purchased under limit described in paragraph (F) of section 145.2915 of the Revised Code shall not exceed the period of time the member was out of service and shall not, in aggregate, exceed three years if the member's benefit is combined pursuant to section 145.37 of the Revised Code or is also applies to service credit obtained under Chapter 742. or 5505. of the Revised

Code for a period the member was out of service and receiving workers' compensation.

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

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.2915
Rule Amplifies: 145.2915
Prior Effective Dates: 7/7/13 (Emer.), 9/16/13

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

(A) This rule amplifies section 145.37 of the Revised Code and applies to members who retire with an effective date of retirement on or after February 1, 2013.

(B) For the purpose of this rule:

(1) "State retirement system" ~~has~~ and "retention percentage" have the same ~~meaning~~ meanings as in section 145.37 of the Revised Code.

(2) "Fiscal year" means, for the public employees retirement system, a calendar year and, for the school employees retirement system and state teachers retirement system, the twelve-month period beginning on July first and ending on June thirtieth.

(C) For purposes of determining the amount transferred under division ~~(B)(1)(f)~~ (B)(6)(a) of section 145.37 of the Revised Code, all of the following apply:

(1) The amount contributed by the member includes any amounts paid to restore service credit under section 145.31 of the Revised Code.

(2) The amount of employer contributions shall be determined using the lesser of the employer contribution rate in effect at the beginning of the fiscal year for each of the state retirement systems involved in the transfer, less the retention percentage.

(3) Any amounts paid by the member to purchase service credit shall include, if applicable, any amounts paid by the employer to purchase service credit.

(4) Except as provided in this paragraph, interest shall be calculated beginning on the first day of the fiscal year following the year in which the contributions were made and ending on the last day of the month in which the transfer occurs. If the amount to be transferred includes any amounts paid to purchase service credit, other than amounts paid to restore service credit under section 145.31 of the Revised Code, interest on the amounts paid to purchase service credit shall be calculated beginning on the first day of the month following the last payment to purchase the credit and ending on the last day of month in which the transfer occurs. For each year of service credit to be transferred, the interest rate shall be determined by using the lesser of the actuarial assumption rate in effect at the beginning of the fiscal year for each of the state retirement systems involved in the transfer.

(D) If a member of the public employees retirement system has contributions to more

than one employer division of the system, the employer contribution rate for the system shall be determined using the last division to which the member contributed. If the period of service and contributions to be transferred includes service that occurred prior to the date the member's most recent division was established, the other state retirement systems shall use the employer contribution rate for the other system for that year.

(E) For purposes of calculating a retirement or disability benefit under division (B) of section 145.37 of the Revised Code, all of the following apply:

- (1) Except as provided in this paragraph, the service credit and contributions certified by the transferring system shall be divided equally over the number of months in the service credit period certified by the transferring system beginning on the first day of the service credit period and ending on the last day of the service credit period.
- (2) Service credit certified by the transferring system shall be reduced for any month that the member earned full-time service credit in this system. If the member earned less than full-time service credit in this system for any month, the service credit certified by the transferring system may be added to the earned credit to equal full-time service credit.
- (3) Except as provided in division (B)(5)(c) of section 134.37 of the Revised Code, service credit certified by the transferring system shall not be reduced for any month that the member did not earn service credit in this system.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.37
Prior Effective Dates: 7/7/13 (Emer.), 9/16/13

145-2-18

Service credit for participation in combined plan or member-directed plan.

- (A) This rule amplifies section 145.814 of the Revised Code and ~~section sections 2.04 and 6.01 of the combined plan document and member-directed plan document~~documents.
- (B) For each member participating in the traditional pension plan who elects under division (C)(2) of section 145.814 of the Revised Code, the public employees retirement system shall prepare a statement of cost for service credit to be purchased in the traditional pension plan based on participation in the combined plan or member-directed plan, as appropriate, at the request of an eligible member. An actuary employed by the public employees retirement board shall determine the additional liability, as defined in section 145.814 of the Revised Code, as described in rule 145-2-02 of the Administrative Code.
- (C) An eligible member shall purchase the service credit only by a lump-sum payment of the amount on deposit, as defined in rule 145-1-35 of the Administrative Code, except that a member described in division (C)(3)(a) of section 145.814 of the Revised Code may pay any additional liability that exceeds the amount on deposit by initiating payroll deduction under rule 145-1-38 of the Administrative Code or by direct partial payment. For plan elections effective on or before July 1, 2015, the payroll deduction must be initiated or direct partial payment shall be made not later than one hundred eighty days after the effective date of an election to participate in the traditional pension plan under section 2.03 of the combined plan document. Service credit purchased under this rule shall be included in the member's total service credit in the traditional pension plan but shall not be used in the calculation of a benefit under section 145.332 of the Revised Code. If the member elects to receive pro-rated service credit, the period of service upon which contributing service is based shall be the member's earliest service credit available to purchase under this rule.
- (D) ~~Except as provided in this paragraph, any~~Any funds remaining in an eligible member's accounts, as defined in section 1.01 of the combined or member-directed plan document, after the purchase of service credit under this rule shall be ~~credited to the member's rollover~~deposited in an additional annuity account in the combined plan and treated as a rollover, except that amounts transferred to the member directed plan under section 2.02 of the member directed plan document shall be credited to the participant contribution account in the combined plan, as if the contributions had been originally transferred under section 2.02 of the combined plan documentaccordance with rule 145-2-43 of the Administrative Code. A member may also elect, at the time of service purchase, to leave any remaining funds on deposit in the ~~member directed~~prior plan; any funds remaining in the prior plan shall be credited to the member's rollover account, as defined in section 1.35 of the combined plan document and section 1.31 of the

member-directed plan document, and treated as a rollover.

(E)

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

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

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

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

(H) For purposes of service purchased in the combined plan under section 145.28, 145.299, or 145.301, of the Revised Code, or section 145.20, 145.201, 145.292, 145.293, or 145.47 of the Revised Code, as those sections existed on and after January 7, 2013, the twelve months of earnable salary or final average salary used in calculating the cost of the service credit in the traditional pension plan shall be the same twelve months of earnable salary or final average salary used in

determining the cost of the service in the combined plan.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.20, 145.201, 145.28, 145.291, 145.292, 145.293,
145.299, 145.301, 145.47, 145.81, 145.814
Prior Effective Dates: 1/1/03, 11/15/03, 1/1/09, 1/1/10, 1/1/11, 1/1/12, 1/7/13
(Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13

145-2-21

Application for a disability benefit.

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

(1) "Disability" means ~~the following:~~ a presumed permanent mental or physical incapacity for the performance of the member's present or most recent public duty that is the result of a disabling condition that has occurred or has increased since an individual became a member.

~~(a) At the time of application, a presumed permanent mental or physical incapacity for the performance of a member's present or most recent public duty that is the result of a disabling condition that has occurred or has increased since an individual became a member.~~

~~(b) At the time of medical examination pursuant to section 145.362 of the Revised Code:~~

~~(i) For a disability benefit recipient whose application for disability benefits was received before January 7, 2013, and for a disability benefit recipient whose application was received on or after January 7, 2013, and who is on leave of absence as defined in section 145.362 of the Revised Code, a disabling condition that renders the member mentally or physically incapable of resuming the service from which the member was found disabled.~~

~~(ii) For a disability benefit applicant whose application for disability benefits is received on or after January 7, 2013, and who is not on leave of absence as defined in section 145.362 of the Revised Code, a disabling condition that renders the member mentally or physically incapable of performing the duties of any position described in division (B) of that section.~~

(2) "Has not attained the applicable age " means a member has filed an application for a disability retirement with the public employees retirement system and not become the applicable age before the last day public service terminated.

(3) "On-duty illness or injury" means an illness or injury that: (a) occurred during or resulted from performance of duties under the direct supervision of a member's public employer, and (b) is not an exacerbation of an existing illness or injury medically diagnosed before the first day of employment with the employer reporting to the retirement system.

(4) "Original disability plan" means the plan that provides a benefit pursuant to section 145.36 of the Revised Code.

- (5) "Revised disability plan" means the plan that provides a benefit pursuant to section 145.361 of the Revised Code.
- ~~(6) "Examining physician" means a physician appointed by the public employees retirement board to conduct a medical examination of the applicant.~~
- ~~(7) "Medical consultant" means the physician(s) appointed by the board to review the documentation of the member's disability application or appeal and make a recommendation to the board.~~
- ~~(8)~~(6) "Medical examination" means a physical or psychological examination, as appropriate, or an examination of the entire disability application and medical reports.
- ~~(9)~~(7) "Rehabilitative services" includes, but is not limited to, treatment, evaluations, or training, or any combination of them, that is acceptable to the physician(s) selected by the board.
- ~~(10)~~(8) "Receiving rehabilitative services" means that the recipient has elected to participate in rehabilitative services not less than six months prior to the beginning of the third year following the benefit effective date.
- ~~(11)~~(9) "Regional job market" means within a seventy-five mile radius of the member's address on file with the retirement system.

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

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

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

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

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

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

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

(1) The medical consultant determines that:

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

(b)

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

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

that section.

- (2) Such additional medical treatment shall be of common medical acceptance and readily available, and may include, but is not limited to, medicine, alcohol or drug rehabilitation, or mechanical devices but would exclude surgery or other invasive procedures.
 - (3) If enrolled in health care coverage sponsored by the retirement system, such additional medical treatment is an allowable medical expense under the retirement system's health care plan.
 - (4) The member, prior to receipt of disability benefits, shall agree in writing on a form provided by the board to obtain the recommended treatment and submit required medical reports during the treatment period.
 - (5) The member terminates public employment not later than the end of the month following the month in which the board made its decision to approve the disability benefit application. If a member fails to terminate public employment within this time frame, the disability application is void and the disability benefit shall not be paid and is forfeited. If eligible, the member may file a new disability application.
- (D) A member may withdraw an application for a disability benefit prior to receipt of the initial benefit payment in the same method as described in rule 145-1-65 of the Administrative Code.
- (E) The following apply to disability applications filed after the board's decision is final:
- (1) Any subsequent applications for a disability benefit filed within the two years following the board's final decision of denial shall be submitted with medical evidence supporting progression of the disabling condition or evidence of a new disabling condition.
 - (2) The retirement board shall not consider an application under this paragraph if the medical consultant or examining physician concludes there is no evidence of progression or a new disabling condition and the application shall be voided.
 - (3) Notwithstanding paragraphs (E)(1) and (E)(2) of this rule, a member may file a new disability application without showing progression or a new condition if the member has changed his or her position of public employment since the board's decision became final.

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

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.35, 145.36, 145.361, 145.362, 145.37
Prior Effective Dates: 6/30/61, 2/1/93, 10/4/93, 9/27/98, 1/5/01, 1/1/03,
12/24/04, 1/1/07, 2/1/11 (Emer.), 4/18/11, 12/10/12,
1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13,
11/6/14

145-2-22 **Receipt of disability benefits.**

- (A) After the board has acted on a member's application, it shall notify, by regular mail, the member and the member's last employer reporting to the retirement system or other retirement system, as applicable, of its action.
- (B) The board may require a member to submit to subsequent medical examination(s) by a an examining physician(s) selected by the board provided the medical consultant recommends such examination(s) in order to evaluate continued eligibility for disability benefits. The board's consideration shall remain limited to the disabling condition(s) described in paragraph (B)(2) of rule 145-2-21 of the Administrative Code or as described in paragraph (G) of this rule.
- (C) The board may waive the annual medical examination as described in section 145.362 of the Revised Code upon the recommendation of the board's medical consultant. A waiver of the annual medical examination does not prohibit the board from requiring the member to submit to subsequent medical examinations.
- (D) Continued medical treatment
- (1) A member whose disability benefit is approved with the requirement of continued medical treatment must submit required medical treatment reports on a form provided by the retirement system. If the member fails to submit a required report or does not continue the required treatment, the member's disability benefit shall be suspended until such report is received by the retirement system or the member resumes treatment. If such failure continues for one year, the disability benefit shall be terminated in accordance with section 145.35 of the Revised Code and is not subject to appeal to the public employees retirement board.
- (2) The medical consultant may waive the requirement for continued medical treatment if the medical consultant determines that the treatment is no longer helpful or advisable.
- (3) A disability benefit recipient enrolled in the rehabilitative services program shall comply with the continued medical treatment as described in paragraph (F) of this rule.
- (E) Reemployment of or public service provided by a disability benefit recipient
- (1) If a disability benefit recipient is restored to service by a public employer as defined in this rule, the disability benefit shall cease in accordance with section 145.362 of the Revised Code and is not subject to appeal to the public

employees retirement board.

(2) ~~Except as provided in~~ Subject to paragraph (E)(3) of this rule, “restored to service” ~~includes employment, providing services under a contract as an independent contractor, means holding elective office, and any other service provided, in any capacity, to~~ or service as a public employee with any public employer covered by Chapter 145. of the Revised Code, regardless of whether the service is similar or dissimilar to the public employment from which the recipient was found disabled, the amount or type of compensation, if any, or whether the compensation is earnable salary.

(3) “Restored to service” does not include either of the following:

(a) ~~Volunteer service of less than ten hours per week provided to an employer covered by Chapter 145. of the Revised Code for which there is no compensation, is not related to the position from which~~ On and after July 1, 2015, service the disability benefit recipient was found to be disabled, and for which the disability benefit recipient has received the prior written approval of terminates immediately upon notice from the retirement system; as described in this paragraph.

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

(b) Service performed as an election worker, as defined in rule 145-1-44 of the Administrative Code, who is not a public employee pursuant to section 145.012 of the Revised Code.

- (4) The retirement board shall review the employment of a disability benefit recipient who seeks employment or is employed or compensated by an employer other than a public employer in a position similar to the position the recipient held as a public employee to determine if the recipient must undergo a medical examination to determine if the disability is ongoing or whether the benefit should be terminated.

(F) Rehabilitative services program

- (1) A disability benefit recipient whose application for a disability benefit was received by the retirement system on or after January 7, 2013, and who was not a law enforcement officer ~~when the disability benefit was approved by the board at the time contributing service terminated~~, may elect to participate in the rehabilitative services program. If the recipient withdraws from the rehabilitative services program, the recipient is eligible to make one additional election to participate. A recipient may elect to participate in the rehabilitative services program under this paragraph not later than six months prior to the beginning of the third year following the benefit effective date.
- (2) For a disability benefit recipient who has elected to participate in the rehabilitative services program, the continued treatment requirement will be satisfied by the recipient's participation in the case management treatment plan through the rehabilitative services program. Prior to the beginning of the third year following the benefit effective date, non-compliance with the case management treatment plan shall be treated as described in paragraph (D) of this rule. After the beginning of the third year following the benefit effective date, non-compliance with the case management treatment plan irrevocably terminates the disability benefit recipient's participation in the rehabilitative services program and thereafter the medical examination of the recipient shall be conducted under the standard described in division (B) of section 145.362 of the Revised Code.
- ~~(3) Information gathered or obtained regarding the disabling condition(s) during participation in the rehabilitative services program becomes part of the disability record that is available for review by the medical examiner and medical consultant.~~
- ~~(4)~~(3) If the recipient has been receiving the benefit for less than five years and the medical consultant determines that there are no rehabilitative services acceptable to the board's ~~physician~~ medical consultant, the recipient shall be considered on leave of absence and the standard for termination of the benefit is that the recipient is not physically or mentally incapable of resuming the service from which the recipient was found disabled.

(G) Disability from the duties of any position

Consideration of a recipient's ability to perform any position that meets the criteria in division (B) of section 145.362 of the Revised Code shall include the recipient's physical and mental functionality as based on the recipient's disability record.

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

Replaces: 145-2-21
Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.35, 145.36, 145.361, 145.362, 145.37
Prior Effective Dates: 6/30/61, 2/1/93, 10/4/93, 9/27/98, 1/5/01, 1/1/03,
12/24/04, 1/1/07, 2/1/11 (Emer.), 4/18/11, 12/10/12,
1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13,
11/6/14

145-2-23

Disability appeals.

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

(1) The disability benefit recipient being restored to service, refusing to undergo medical examination, or noncompliance with the annual statement requirement as provided in section 145.362 of the Revised Code and rule 145-2-22 of the Administrative Code; ~~is not subject to the discretion of nor appeal to the retirement board.~~

(2) The disability benefit recipient's failure to obtain treatment or submit a medical report as provided in division (F) of section 145.35 of the Revised Code and rule 145-2-22 of the Administrative Code.

(B)

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

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

(3) The notice shall include the following information:

(a) The board's denial or termination of the disability benefit.

(b) The member's right to file a written request to appeal. Such written request to appeal must be received by the board no later than thirty days from the date of the notice of denial or termination.

(c) Failure of a member to submit a written request to appeal shall make the board's action final as to such application or benefit.

(d) In addition to the written request to appeal, the member must also submit additional objective medical evidence. Such additional evidence shall be current medical evidence documented by a licensed physician specially trained in the field of medicine covering the illness or injury for which the disability is claimed and such evidence has not been considered previously by the board. Such additional medical evidence shall be presented on a form provided by the retirement system.

- (e) Failure to provide the additional medical evidence within forty-five days of the member's appeal request shall make the board's action final to such application or benefit unless an extension for submission of such evidence has been requested and granted within the forty-five days. Only one extension, not to exceed forty-five days, may be granted by the board's staff.
- (f) All medical costs of physicians selected by the member and incident to the appeal shall be at the expense of the member.
- (g) Returning to public employment covered by Chapter 145. of the Revised Code during an appeal process that follows a termination of benefits automatically voids the member's appeal and the board's termination of disability benefits is final.

(C)

- (1) After submission of any additional medical evidence as described in paragraph (B)(3)(d) of this rule, all evidence shall be reviewed by the board's medical consultant(s) who shall recommend action for concurrence by the board.
- (2) If the board concurs with a recommendation for approval of the appeal, disability benefits shall be paid from the date that was established when the original application for a disability benefit was filed. If a recommendation for termination of a disability benefit was appealed and the appeal is approved by the board, the payments shall be resumed from the date of termination. The member shall be notified by regular mail of the board's decision.
- (3) If the board concurs with a recommendation for denial of the appeal, the member shall be notified by regular mail of the board's decision and such decision shall be final.

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

- (1) If two years have elapsed since the date the member's contributing service terminated, no subsequent application shall be accepted.
- (2) Any subsequent applications for a disability benefit filed after the board's final ~~decision~~ decision on a denial of an appeal and within the two years following the date the member's contributing service terminated shall be submitted with

medical evidence supporting progression of the disabling condition or a new disabling condition. The board shall not consider an application under this paragraph if the medical consultant or examining physician concludes there is no evidence of progression or a new disabling condition and the application shall be voided.

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

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

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.35, 145.36, 145.361, 145.362, 145.37
Prior Effective Dates: 9/18/63, 2/1/93, 10/7/99, 1/1/03, 2/1/11 (Emer.),
4/18/11, 1/1/12, 12/10/12, 1/7/13 (Emer.), 3/24/13,
11/6/14

145-2-25 **Combined disability benefits.**

(A) This rule amplifies section 145.37 of the Revised Code.

(B) "Paying system" shall have the same meaning as defined in section 145.37 of the Revised Code.

~~(B)~~(C) As used in this rule, "last date of service" means the last day of compensated service, either for a day worked or used paid leave, under the public employees retirement system, state teachers retirement system, or school employees retirement system.

~~(C)~~(D) If a member of the public employees retirement system files an application for a disability benefit pursuant to section 145.35 of the Revised Code, and also chooses to apply for a combined disability benefit with the state teachers retirement system or school employees retirement system, the following shall apply.

(1) If this system receives the application for combined disability, it shall notify the other retirement system(s).

(2) If this system is the ~~calculating and~~ paying system, it shall request and pay for the examining physician(s) report(s).

(3) Disability shall be determined on the basis of the duties for the position held on the member's last date of service under school employees retirement system, public employees retirement system, or state teachers retirement system. If the member's last date of service is concurrent under two or more systems, disability for the performance of duty shall be determined on the basis of the duties for the position with the greater annual compensation or earnable salary at the time of application.

~~(D)~~(E) If this system is the ~~calculating and~~ paying system of a combined disability benefit, this system's rules and statutes shall govern the disability benefits. A finding of disability shall be based on the member's ability to perform the member's last date of service under school employees retirement system, public employees retirement system, or state teachers retirement system.

~~(E)~~(F) For purposes of division (B)~~(2)~~(9) of section 145.37 of the Revised Code, "employment amenable to coverage in any state retirement system" means employment that would impact a retirement or disability benefit under any state retirement system that participated in the former member's combined retirement or disability benefit.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.35, 145.37
Prior Effective Dates: 6/30/61, 2/1/93, 1/1/03, 1/1/07, 1/1/11, 1/7/13 (Emer.),
3/24/13

145-2-27

Disability benefit recipient's annual statement.

(A)

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

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

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

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

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09, 145.362
Rule Amplifies: 145.35, 145.36, 145.361, 145.362, 145.363, 145.37
Prior Effective Dates: 6/4/82, 2/1/93, 9/27/98, 1/1/03, 1/1/07, 1/1/12, 1/7/13
(Emer.), 3/24/13

145-3-23 **Additional liability for service purchases in the combined plan.**

- (A) This rule amplifies section 145.29 of the Revised Code.
- (B) As used in this rule, "service credit" means both of the following:
- (1) Service credit that may be purchased or obtained under sections 145.20, 145.201, 145.291, 145.292, 145.293, 145.299, and 145.47 of the Revised Code, as those sections existed on and after January 7, 2013.
 - (2) Service credit that may be purchased or obtained under section 145.814 of the Revised Code or rule 145-3-40 of the Administrative Code for a plan change that is effective on or after July 7, 2013, under section 2.03 of the combined or member-directed plan document, as amended on January 7, 2013.
- (C)
- (1) ~~The~~ Except as provided in this paragraph, the public employees retirement system shall calculate the cost to purchase service credit by using the greater of the member's final average salary or the member's earnable salary for the twelve months of contributing service under the combined plan immediately preceding the month in which the application to purchase is received by the system. If the member's election to purchase service described in paragraph (B)(2) of this rule occurs less than twelve months after the effective date of a plan change, the system shall calculate the cost to purchase service credit by using the final average salary or last twelve months of earnable salary in the prior plan.
 - (2) The public employees retirement board shall, based upon its actuary's recommendation, establish the percentage rate for the cost of the service credit under the combined plan.
- (D) Payments made by a member to purchase service credit under section 145.29 of the Revised Code and this rule shall be credited to the employees' savings fund and shall be considered the accumulated contributions of the member.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/18/2015

Date

Promulgated Under: 111.15
Statutory Authority: 145.09
Rule Amplifies: 145.29
Prior Effective Dates: 1/7/13 (Emer.), 3/24/13, 7/7/13 (Emer.), 9/16/13,
5/8/14

145-3-40

Service credit for participation in member-directed plan.

- (A) This rule amplifies section 145.814 of the Revised Code and section 6.02 of the member-directed plan document.
- (B) For each member who elects to transfer funds from the member-directed plan to purchase service in the combined plan under division ~~(C)(2)~~(D) of section 145.814 of the Revised Code and section 2.03 of the member-directed plan document, the public employees retirement system shall prepare a statement of cost for service credit to be purchased in the combined plan based on participation in the member-directed plan, at the request of an eligible member. An actuary employed by the public employees retirement board shall determine the additional liability, as defined in section 145.814 of the Revised Code, as described in rule 145-3-23 of the Administrative Code.
- (C) An eligible member shall purchase the service credit only by a lump-sum payment of the amount on deposit, as defined in rule 145-1-35 of the Administrative Code, except that a member described in division ~~(C)(3)(a)~~(D)(1) of section 145.814 of the Revised Code may, pay any additional liability that exceeds the amount on deposit by initiating payroll deduction under rule 145-1-38 of the Administrative Code or by direct partial payment. For plan elections effective on or before July 1, 2015, the payroll deduction shall be initiated or direct partial payment shall be made not later than one hundred eighty days after the effective date of an election to participate in the combined plan under section 2.03 of the member-directed plan document. Service credit purchased under this rule shall be included in the member's total service credit in the combined plan. If the member elects to receive pro-rated service credit, for purposes of section 1.41 of the combined plan document, the period of service upon which contributing service is based shall be the member's earliest service credit available to purchase under this rule.
- (D) Any funds remaining in an eligible member's accounts, as defined in section 1.01 of the member-directed plan document, after the purchase of service credit under this rule shall be credited to the member's rollover account in the combined plan and treated as a rollover, except that amounts transferred to the member-directed plan under section 2.02 of the member-directed plan document shall be credited to the participant contribution account in the combined plan, as if the contributions had been originally transferred under section 2.02 of the combined plan document. A member may also elect, at the time of service purchase, to leave any remaining funds on deposit in the member-directed plan; any funds remaining shall be credited to the member's rollover account, as defined in section 1.31 of the member-directed plan document, and treated as a rollover.
- (E)
- (1) Service credit purchased under this rule cancels the corresponding years of

participation in the member-directed plan.

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

Effective:

Five Year Review (FYR) Dates: 03/18/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 145.80
Rule Amplifies: 145.81, 145.814
Prior Effective Dates: 1/1/03, 11/15/03, 12/24/04, 1/1/09, 7/11/09, 1/1/10,
1/1/11, 1/7/13 (Emer.), 3/24/13

3307:1-1-01 **Definitions.**

Unless another definition is provided, as used in sections 3307.50 to 3307.79 of the Revised Code and Chapters 3307:1-1 to 3307:1-13 of the Administrative Code:

- (A) "Contributing service" shall mean periods of employment that fall within the definition of employment as a teacher, as defined by section 3307.01 of the Revised Code, and for which contributions were made to this retirement system.
- (B) "Contributing service credit" shall mean the same service credit sections as listed in paragraphs (D)(1)(b)(i), (D)(1)(b)(ii), (D)(2)(a)(i) and (D)(2)(a)(ii) ~~(C)(2)(b)(i) and (C)(2)(b)(ii)~~ of section 3307.58 of the Revised Code.
- (C) Covered employment shall mean periods of employment that fall within the definition of employment as a teacher, as defined by section 3307.01 of the Revised Code.
- (D) "Did not earn any service credit before July 1, 2013" for purposes of division (A)(2) of section 3307.62 of the Revised Code and "had not earned service credit before July 1, 2013" for purposes of division (C)(2)(i) of section 3307.66 of the Revised Code shall mean the member had no service credit on account with the state teachers retirement system on June 30, 2013, or the member had service credit on account with the state teachers retirement system but withdrew the account on or after July 1, 2013.
- (E) "Earned service credit before July 1, 2013" for purposes of both division (A)(1) of section 3307.62 of the Revised Code and division (C)(2)(i) of section of 3307.66 of the Revised Code shall mean the member had service credit on account with the state teachers retirement system on June 30, 2013 and did not withdraw the account on or after July 1, 2013.
- (F) "Effective date" or "effective benefit date" in the case of service retirement shall mean the effective date specified by section 3307.58 of the Revised Code; in the case of a disability benefit shall mean the effective date determined in accordance with section 3307.62 of the Revised Code; and in the case of a survivor benefit shall mean the effective date determined in accordance with section 3307.66 of the Revised Code.
- (G) "Estimated benefit" or "partial benefit" shall mean a payment, once eligibility for a benefit has been established, of a portion of the benefit not yet finally calculated or granted during the period between the effective date and the determination of the final benefit.
- (H) "Final benefit" shall mean the benefit granted once a final determination has been

made as to the actual monthly amount payable by the retirement system.

- (I) "Full time employment" shall mean employment for the full normal workday of the employing agency.
- (J) "Full time service" shall be as defined by in rule 3307:1-2-01 of the Administrative Code.
- (K) "Ohio contributing service" shall mean employment by an Ohio public entity for periods during which contributions were made to the public employees retirement system, the school employees retirement system, the state teachers retirement system, the police and fire pension fund, or the highway patrol retirement system.
- (L) "Part time service" shall be as defined in rule 3307:1-2-01 of the Administrative Code.
- (M) "Regularly employed" shall mean a consistent pattern of employment for twelve or more consecutive weeks by the same employer.
- (N) "Total service" and "total service credit" shall be as defined by section 3307.50 of the Revised Code.
- (O) "Year" shall mean the year beginning July first and ending June thirtieth, unless a calendar year or period of twelve consecutive months is specified.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.50
Prior Effective Dates: 7/1/01 (Emer.), 9/17/01, 8/1/05, 3/25/10, 7/1/13 (Emer.), 9/9/13

3307:1-2-01 **Service credit.**

(A) As used in section 3307.53 of the Revised Code and this rule:

(1) "Full-time service" means employment as a teacher under a contract that:

(a) Requires teaching service that begins and ends on either:

(i) The first and last day of a year consisting of three hundred sixty-five days; or

(ii) The first and last day of a school year of at least ~~one hundred eighty days or three quarters~~ the minimum hours required by sections 3313.48 and 3314.03 of the Revised Code or two semesters; and

(b) Provides compensation in an amount equal to the rate paid under an employer's overall salary schedule for teachers of the same experience teaching the entire day for every day of the school year. College and university teachers must be employed under a contract that provides compensation equal to the rate paid to other teachers of the same experience teaching the designated full-time equivalent workload.

(2) "Part-time service" means employment on any basis other than those identified in paragraph (A)(1) of this rule.

(B) Full-time service:

(1) One hundred twenty or more days or two ~~quarters~~ semesters of contributing service as a teacher for a single employer constitutes one year of service credit to be used in determining total credit for retirement purposes.

(2) If less than one hundred twenty days of teaching, the annual service credit will be determined in accordance with paragraph (C) of this rule.

(C) Part-time service:

(1) If a teacher has taught in a given year for one employer for at least ninety days or five hundred hours, where hours are used only when the actual number of days of service is not available from the employer's records in a year, service credit shall be calculated as follows, provided that the employment relationship has been in effect for a period of time at least equal to one hundred twenty days of that school year:

- (a) If total compensation for the year is in an amount at least equal to the base amount as defined in section 3317.13 of the Revised Code, annual service credit shall be one year.
 - (b) If total compensation for the year is in an amount less than the base amount as defined in section 3317.13 of the Revised Code, annual service credit shall be the greater of:
 - (i) Actual days of service divided by one hundred eighty; or
 - (ii) Hours of service divided by one thousand, but only if the actual number of days of service is not available from the employer's records; or
 - (iii) Actual compensation for the year divided by the amount specified as the base amount as defined in section 3317.13 of the Revised Code.
- (2) If a teacher has taught for one employer for less than ninety days or five hundred hours in a year:
- (a) Service credit will be determined by dividing the number of days or partial days for which compensation was paid for actual teaching service rendered by one hundred eighty.
 - (b) If actual number of days or partial days taught is not available from payroll records and the teacher is compensated for hourly service, service credit will be determined by dividing the number of hours for which compensation was paid by one thousand.
- (3) If a teacher has worked in a year for one employer any part of every day required for full-time teachers, annual service credit shall be one year.
- ~~(3)~~(4) If actual number of days or partial days taught is not available from payroll records and the teacher is compensated for per cent based salaried service, service credit granted on a contract which is issued on per cent of full-time employment as a teacher will be determined in accordance with the actual contract percentage averaged over three quarters or two semesters during the year, except that one full year of service credit will be granted when such employment exceeds sixty-six per cent averaged over three quarters or two semesters during the year.

- (D) Supplemental salaried service: Compensation received as a result of reimbursement from a contracted third party or agency for supplemental services rendered in addition to the full-time contracted work period or workload shall not be subject to contributions to the state teachers retirement system as provided in division (B) of section 3307.01 of the Revised Code and section 3307.26 of the Revised Code.
- (E) Non-teaching periods: Service credit granted for contribution paid during non-teaching periods authorized in sections 3307.77 and 3345.28 of the Revised Code shall be determined by the amount of contribution actually paid divided by the amount of contribution the member would have paid for full-time employment if the non-teaching period had not occurred.
- (F) Credit for teaching service in and after September 1971 previously reported for all active members on the date of this amendment of this rule may be recalculated in accordance with this rule. Credit for part-time salaried service earned prior to September 1971 may be evaluated and recalculated in accordance with the versions of this rule in effect between December 23, 1976 and the effective date of this amendment.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.53
Prior Effective Dates: 12/23/76, 12/26/81, 1/19/96, 7/1/01 (Emer.), 6/11/10

3307:1-3-01 **Interest rate and cost calculation for restoration and purchased service.**

~~(A) As used in this rule through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service is received by the retirement system as completed not later than December 31, 2013, references to the cost for purchasing service credit shall be based on sections 3307.74 and 3307.751 of the Revised Code as the appropriate section existed immediately before January 7, 2013.~~

~~(B)(A) Except~~

~~Except to the extent otherwise specified by the Revised Code or the Administrative Code, in any calculation of cost for the restoration or purchase of service credit under sections 3307.50 to 3307.79 of the Revised Code in which interest is to be compounded, the rate used shall be eight per cent compounded annually regardless of whether the restoration or purchase is paid in a single payment or through a payroll deduction plan, provided that the rate shall be four per cent for purchases of credit for military service that occurred prior to July 1, 1989 for a purchase under division (D)(1) of section 3307.751 of the Revised Code.~~

~~(C) The cost for purchase under division (B)(2) of section 3307.74 and division (D)(2) of section 3307.751 of the Revised Code of a year or partial year of service credit shall be an amount equal to fifty per cent of the liability resulting from such purchase, as determined by an actuary employed by the state teachers retirement board, for purchases of credit for:~~

~~(1) Service, during any year or partial year beginning on or after July 1, 1989; or~~

~~(2) Service by a member who first established state teachers retirement system membership on or after July 1, 1989, without regard to when any year or partial year of qualifying service commenced.~~

~~(D) The cost for purchase under division (D)(3) of section 3307.751 of the Revised Code of a year or partial year of service credit shall be an amount equal to one hundred per cent of the additional liability resulting from such purchase, as determined before January 1, 2014, by an actuary employed by the state teachers retirement board.~~

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.71, 3307.712, 3307.72, 3307.73,
3307.752, 3307.761, 3307.763, 3307.77
Prior Effective Dates: 12/23/76, 11/28/77, 1/1/80, 7/1/80, 12/26/81, 11/4/82,
4/27/85, 10/1/86, 9/15/89 (Emer.), 11/30/89, 1/1/95,
10/29/98 (Emer.), 1/17/99, 7/1/00, 7/1/01 (Emer.),
9/17/01, 5/24/04, 3/30/07 (Emer.), 6/28/07, 5/14/09,
1/7/13 (Emer.), 3/24/13, 1/1/14 (Emer.), 2/10/14

3307:1-3-02 **Purchase of service credit.**

~~(A)~~ As used in this rule through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service is received by the retirement system as completed not later than December 31, 2013, references to the cost for purchasing service credit shall be based on sections 3307.73, 3307.74, 3307.751, 3307.76 and 3307.771 of the Revised Code as the appropriate section existed immediately before January 7, 2013.

~~(B)~~(A) Members may purchase service credit under sections 3307.71, 3307.72, 3307.752, 3307.761, 3307.763 and 3307.77 of the Revised Code in increments and the cost for purchasing partial service credit shall be calculated as a proportionate part of the total cost at time of purchase. ~~Through June 30, 2014, only if the member's application to purchase service is received by the retirement system as completed not later than December 31, 2013, members may purchase credit under sections 3307.73, 3307.74, 3307.751, 3307.76 and 3307.771 of the Revised Code in increments and the cost for purchasing partial service credit shall be calculated as a proportionate part of the total cost at time of purchase.~~

~~(C)~~(B) Members may not purchase service credit that results in more than one year of total service credit as defined by section 3307.50 of the Revised Code for any year.

~~(D)~~(C) Members applying for service retirement must establish all service credit before the effective date of service retirement if credit for such service is to be included in the benefit calculation, except that:

(1) Service credit shall be deemed to have been established prior to the effective date of retirement in the event that after the effective date of retirement but prior to the final benefit determination service credit is granted by the public employees retirement system pursuant to section 145.483 of the Revised Code or by this retirement system pursuant to section 3307.75 of the Revised Code.

(2) Payment for other purchases or restoration of service credit will be accepted for three months after the effective date of retirement and service credit will be deemed to have been established prior to the effective date, provided:

(a) That prior to the effective date of retirement this retirement system approved an application for purchase of service credit on forms provided by this system determining that the service credit qualifies for purchase;

(b) That prior to the effective date of retirement this retirement system issued cost statements for each such purchase of service credit; and

- (c) That payment in full is received by the retirement system no later than the earlier of the last day of the third month after the effective date of service retirement wherein the first month of the three months is the month of retirement, unless or the day the retirement has become final pursuant to paragraph (G) of rule 3307-8-01 of the Administrative Code.
- (3) An estimated or partial benefit may be paid prior to the final determination only if a member qualifies for retirement without regard to a purchase or restoration of service credit for which payment in full has not been received.
- (4) That if payment in full is not received by the last day of the third month after the effective date of service retirement;
- (a) The application to purchase service credit shall be cancelled;
 - (b) The final benefit shall be calculated for a member eligible for retirement without the service credit that could have been obtained had timely payment been made;
 - (c) The application for retirement shall be cancelled for any member not eligible to retire without the service credit that could have been obtained had timely payment been made.
- ~~(E)~~(D) Members applying for disability benefits must complete all purchases of service credit before the first benefit payment if the service credit is to be included in the disability benefit calculation.
- ~~(F)~~ For purposes of sections 3307.74, 3307.751, 3307.761, 3307.763, and 3307.76 of the Revised Code, commencement of a year or partial year qualifying for the purchase of service credit shall be as of the first day of each such year.
- ~~(G)~~(E) Except for purchases of service credit by payroll deduction, a member may purchase all or part of eligible service credit under sections 3307.71, 3307.72, 3307.752, 3307.761, 3307.763 and 3307.77 of the Revised Code, provided that the minimum payment shall be the greater of the amount needed to establish one per cent of a year of service credit or two hundred dollars. But in all cases the member shall pay the full cost if less than either two hundred dollars or the amount needed to establish one percent of a year of service credit.
- ~~(H)~~(F) For purposes of sections 3307.72 and 3307.74 of the Revised Code, qualifying service for a full-year as a graduate teaching assistant or other graduate assistant

work may be purchased up to a maximum of fifty per cent of a year if the employer at the time provides evidence of the teaching work load assigned. In the absence of such evidence, a maximum of thirty-four per cent of a year may be purchased.

~~(F)(G)~~ Payments for purchased or restored service credit may be refunded upon the request of the member and such service credit will be cancelled,

- (1) If the service credit established under all Ohio public retirement systems for the year in which the service purchased was performed totals one year without credit for the period purchased; or
- (2) If a benefit calculated without credit for the period purchased is equal to or greater than one hundred per cent of final average salary; or
- (3) For any reason upon application for retirement.

~~(F)(H)~~ If disability benefits were paid pursuant to section 3307.63 or 3307.631 of the Revised Code, a member ~~or qualified survivor as defined in division (B) of section 3307.66 of the Revised Code~~ shall not receive a refund of any payments for a purchase of service credit included in the calculation of benefits paid pursuant to section 3307.63 or 3307.631 of the Revised Code.

(I) A qualified survivor as defined in division (B) of section 3307.66 of the Revised Code shall not receive a refund of any payments for a purchase of service credit.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.71, 3307.72, 3307.73, 3307.74,
3307.751, 3307.752, 3307.76, 3307.761, 3307.763,
3307.77, 3307.771
Prior Effective Dates: 12/23/76, 4/26/80, 12/26/81, 5/8/95, 5/27/95, 5/8/98,
7/1/01 (Emer.), 9/17/01, 9/17/02, 8/1/05, 06/11/10,
06/14/12, 1/7/13 (Emer.), 3/14/13, 1/1/14 (Emer.),
2/10/14

3307:1-3-03

Determination of purchasable service credit under section 3307.74 of the Revised Code.

The following rule shall be utilized to determine a member's eligibility to purchase service credit under sections 3307.70 and 3307.74 of the Revised Code:

(A) Factors to be used to determine eligibility and cost:

- (1) The service credit must be properly certified by the official employer or custodian of records on a form provided by the retirement system. This certification shall be taken from a legitimate source of documentation, such as payroll or retirement records of the state, municipality, institution, or public school. When records have been destroyed, an affidavit from the member may be used, but only in conjunction with other documented evidence establishing proof and amount of service. The determination of acceptable documentation shall reside solely with the retirement system and its decision shall be final.
- (2) To be eligible to purchase service credit under section 3307.74 of the Revised Code, the member must have been regularly employed. Part-time service may be purchased if the member was regularly employed.
- ~~(3) Through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service credit is received by the retirement system as completed no later than December 31, 2013, a member must establish a minimum of one year of contributing service subsequent to service to be purchased under section 3307.74 of the Revised Code as that section existed immediately before January 7, 2013.~~
- ~~(4) When interest is charged in the calculation of the cost, accrued interest shall be calculated from the date of membership in the state teachers retirement system of Ohio following the service to be purchased through the month of purchase. Interest shall be calculated at the rate established in rule 3307:1-3-01 of the Administrative Code.~~
- ~~(5)~~(3) If the serviceService credit to be purchased in a year is less than one complete year shall be determined as follows:
 - (a) The service credit earned with a school shall be determined by dividing the number of days of regular full-time service by one hundred eighty days, or dividing the number of full-time months of regular service by nine months, ~~or~~ Should the actual number of days or partial days taught not be available from payroll records and the teacher is compensated for hourly service, service credit will be determined by dividing the number of hours for which compensation was paid by one thousand hours.

- (b) The credit for all other types of eligible service shall be determined by dividing the number of days of regular service by two hundred forty days, or dividing the number of full-time months of regular service by twelve months. Should the actual number of days or partial days of employment not be available from payroll records and the individual is compensated for hourly service, service credit will be determined by dividing the number of hours for which compensation was paid by nineteen hundred fifty hours.
- ~~(6) Through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service credit is received by the retirement system as completed no later than December 31, 2013, cost for purchases shall be as specified by division (B) of section 3307.74 of the Revised Code as that section existed immediately before January 7, 2013, provided that:~~
- ~~(a) If the member's first employment covered under this retirement system after the service to be purchased was not full-time, calculation of cost shall be based upon the greater of the base amount as defined in section 3317.13 of the Revised Code, or the earnings and service credit upon which contributions were made, adjusted to full-time equivalence.~~
- ~~(b) Calculation of costs that are based on liability shall be determined as specified under paragraph (C) of rule 3307:1-3-01 of the Administrative Code.~~
- ~~(7) If restored Ohio service under section 3307.71 of the Revised Code is to be utilized for the purpose of establishing a salary base for purchased credit, a minimum of one year or the total withdrawn amount of service, whichever is less, must be restored.~~
- ~~(8)(4) Effective January 1, 2014, except as provided in paragraph (A)(6) of this rule, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.74 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.~~
- (B) Factors to be used to determine the type of service that may be purchased under section 3307.74 of the Revised Code:
- (1) Public school, college or university teaching service - service in a public school located outside the state of Ohio. Type of service will qualify if such school had been located in Ohio and retirement contributions had been amenable to the state teachers retirement system.

Teaching service performed at a public university or college when the

member was also a student at the public university or college qualifies for purchase only if the teaching service was performed prior to July 1, 1978, or after that date if performed after membership in the state teachers retirement system of Ohio was first established, or after that date if performed after membership was first established in the state retirement system of the state where the service was rendered and that retirement system covers public teaching service.

- (2) Other public service - paid employment by a governmental agency or subdivision of another state, or the United States federal government. Type of service will qualify if such governmental unit had been with Ohio and service rendered was amenable to retirement contributions covered by the public employees retirement system, the school employees retirement system, the Ohio police and fire pension fund, or state highway patrol retirement system. Services compensated by funds not appropriated for use by that governmental entity or fee-based services shall not constitute public service for the purposes of section 3307.74 of the Revised Code.

Service, other than teaching service, performed at a public university or college when the member was also a student qualifies for purchase only if the service:

- (a) Is not purchasable with the Ohio public employees retirement system; and,
- (b) was performed prior to July 1, 1978, or after that date if performed after membership in the state teachers retirement system of Ohio was first established, or after that date if performed after membership was first established in the state retirement system of the state where the service was rendered and that retirement system covers such public service.
- (3) School or entity operated primarily for United States citizens - service in any school operated by the direct control of the United States government, or by contract of a third party but under control of the United States government, or primarily a school for employees of the United States government or their dependents. As used in this paragraph, primarily for United States citizens shall be defined as a school where at least fifty per cent of the students are United States citizens.
- (4) Private school, college or university - teaching service at the time performed in a private school, college or university must meet all of the following categories:

- (a) The school, college or university must:

- (i) Be recognized by an established accrediting association or governmental agency. The determination of what qualifies as an established accrediting association or governmental agency shall reside ~~solely~~solely with the retirement system and its decision shall be final.
- (ii) Have the educational credits recognized by a public school, college or university in Ohio.
- (iii) Be primarily oriented toward preparation for high school graduation, an advanced degree in higher education, or an advanced certification in higher education. Pre-schools, day care centers, community organizations, private schools oriented primarily to trades and occupations, or self-improvement schools do not qualify under section 3307.74 of the Revised Code.

(b) The position:

- (i) On the school level, must be in a position determined by this retirement system as comparable to a position in a public school in Ohio.
- (ii) On the college or university level, must have had faculty rank or status.
- (iii) Teaching service with a private university or college when the member was also a student at the private university or college qualifies for purchase only if the teaching service:
 - (a) had faculty rank or status and such rank or status is confirmed by the private university or college for which the service was performed on a form provided by the state teachers retirement system; and,
 - (b) was performed prior to July 1, 1978 or after that date if performed after membership in the state teachers retirement system of Ohio was first established.

(C) Service credit may not be purchased for any service that was already used in the calculation or payment of a retirement benefit or that is used in the calculation of a retirement benefit that has been paid, is currently being paid or is payable in the

future to such member under any other retirement program, except social security, provided:

(1) If participation was in a defined benefit plan, otherwise qualifying service may be purchased upon certification by the plan administrator that there has been a total withdrawal and cancellation of all service credit for the member.

(2) If participation was in a defined contribution plan, otherwise qualifying service may be purchased upon certification by the plan administrator that:

(a) ~~If contributions were made to such plan, during fewer than five separate fiscal years beginning July first and ending June thirtieth, otherwise qualifying service may be purchased upon certification by the plan administrator that there has been a total withdrawal. The member was not one hundred per cent vested in employer contributions and there has been a total withdrawal of the account.~~

(b) ~~If contributions were made to such plan, during each of five or more separate fiscal years beginning July first and ending June thirtieth, otherwise qualifying service may be purchased upon certification by the plan administrator that there has been a total withdrawal and that the member was not entitled to or paid all employer contributions. The member was one hundred per cent vested in employer contributions and the contributions were made to such plan during fewer than five separate fiscal years beginning July first and ending June thirtieth; and, there has been a total withdrawal of the account.~~

(3) If the plan is a non-contributory plan where only employer contributions were paid to the retirement plan, the member is eligible to purchase the service only if the member is not vested in the plan and not entitled to any portion of the funds contributed to the plan on their behalf.

(D) Service credit may not be purchased under section 3307.74 of the Revised Code for service in an amount that exceeds the sum of service credit the member has earned under section 3307.53 of the Revised Code, restored under section 3307.71 of the Revised Code, granted under section 3307.75 of the Revised Code or purchased under section 3307.72, 3307.751 or 3307.752 of the Revised Code.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.74
Prior Effective Dates: 12/23/76, 4/26/80, 12/26/81, 6/2/94, 5/27/95, 5/8/98,
7/1/01 (Emer.), 9/17/01, 9/17/02, 8/1/05, 06/11/10,
7/9/12, 1/7/13 (Emer.), 3/24/13, 1/1/14 (Emer.),
2/10/14

3307:1-3-04 **Military service credit.**

(A) For purposes of sections 3307.70 and 3307.75, divisions (A)(1) and (B) of section 3307.751, and section 3307.752 of the Revised Code:

- (1) Effective July 1, 2011, a member shall be granted one-twelfth of a year of service credit for each month purchased. ~~Completed military applications provided by the retirement system, including the requested military documentation listing the member's dates of military service, received by the retirement system on or before June 30, 2011, shall have the amount of service eligible for purchase determined using one-eighth of a year of service credit for each month purchased.~~
- (2) A full month of service credit shall be granted for the month of entry and the month of discharge for only one period of service.
- (3) Separate costs shall be calculated for multiple non-consecutive periods of military service.
- (4) Except for purchases under section 3307.752 of the Revised Code, military service must be certified on an application provided by the retirement system and accompanied by a DD214 military separation form or an NA form 13038.

(B) For purposes of division (A)(2) of section 3307.751 of the Revised Code:

- (1) Service credit eligible for purchase shall be determined by dividing the actual number of days of active military service in the Ohio national guard or reserves by three hundred sixty-five. In all cases, the determination of the amount of service eligible for purchase resides solely with the retirement system and its decision shall be final.
- (2) Active duty with the Ohio national guard or active duty reserve service must be certified on an application provided by the retirement system and accompanied by a military form stating the dates of service that is acceptable documentation by the retirement system. The determination of acceptable documentation shall reside solely with the retirement system and its decision shall be final.

(C) For purposes of sections 3307.75 and 3307.751 of the Revised Code, time spent as a student enrolled at a military service academy does not constitute active duty and does not qualify under those sections.

(D) To qualify for a grant of or purchase of service credit under sections 3307.75 and

3307.752 of the Revised Code, a member must have entered uniformed services within five months of leaving employment covered by this retirement system.

(E) For purposes of sections 3307.751, 3307.752, 3307.761 and 3307.763 of the Revised Code the amount of military service credit that can be purchased under each section cannot exceed five years, except that service credit purchased for periods as a prisoner of war under division (B) of section 3307.751 of the Revised Code cannot exceed an additional five years.

(F) To qualify for a grant of service credit under section 3307.75 of the Revised Code:

(1) A member who entered military service within five months of leaving employment covered by this retirement system and who subsequently withdrew contributions made prior to the military service must restore at least the lesser of one year of service credit or the total amount of service credit cancelled upon the withdrawal.

(2) A member must return to service as a teacher as defined in section 3307.01 of the Revised Code or to a position covered by the public employees retirement system or the school employees retirement system within two years of the effective date of military discharge and must thereupon establish at least one year of service credit. If the member thereafter withdrew Ohio public service that meets this requirement, at least one full year of withdrawn service credit must be restored to qualify as a return to service.

~~(G) Through December 31, 2013 and extending through June 30, 2014, only if the member's application to purchase service credit is received by the retirement system as completed not later than December 31, 2013, purchases of military service credit under section 3307.751 of the Revised Code shall be based on section 3307.751 as that section existed immediately before January 7, 2013 and further:~~

~~(1) The contribution rate in effect at the time the first military service period began shall be utilized in calculating cost of service credit in division (D)(1) of section 3307.751 of the Revised Code.~~

~~(2) Accrued interest shall be calculated in division (D)(1) of section 3307.751 of the Revised Code from the termination date of military service prior to entering Ohio public service to the date of payment.~~

~~(3) Contributions in division (D)(1) of section 3307.751 of the Revised Code shall be made on the annual rate of compensation for full-time employment during the first year of Ohio public service subject to any statutory salary limitations then in effect. If the member's first Ohio contributing service after the military service to be purchased was not full-time, calculation of cost shall be~~

~~based upon the greater of the base amount as defined in section 3317.13 of the Revised Code, or the earnings and service credit upon which contributions were made, adjusted to full-time equivalence.~~

~~(4) At least one full year of contributing service under this retirement system must have been established after the period of military service to be purchased.~~

~~(5) Service credit may not be purchased under section 3307.751 of the Revised Code for service credit in an amount that exceeds the sum of service credit the member has earned under section 3307.53 of the Revised Code, restored under section 3307.71 of the Revised Code or purchased under section 3307.72 of the Revised Code.~~

~~(H)(G)~~ Effective January 1, 2014, ~~except as provided in paragraph (G) of this rule,~~ the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.751 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code. Service credit may not be purchased under section 3307.751 of the Revised Code for service credit in an amount that exceeds the sum of service credit the member has earned under section 3307.53 of the Revised Code, restored under section 3307.71 of the Revised Code or purchased under section 3307.72 of the Revised Code.

~~(H)(H)~~ For purchases of service credit for service in the uniformed services under section 3307.752 of the Revised Code:

(1) The cost shall be equal to the sum of the member and employer contributions that would have been made pursuant to sections 3307.26 and 3307.28 of the Revised Code if the member had not been out of active service as a teacher by reason of service in the uniformed services.

(2) The cost shall be without interest for a period which is the lesser of five years or three times the member's period of service beginning from the later of the member's date of reemployment or October 29, 1996. If interest is applied, it is applicable to the member contributions only.

(3) The member must have returned to covered employment as a teacher by the same employer within three calendar months after honorable discharge or release from the uniformed service.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.75, 3307.751, 3307.752, 3307.761,
3307.763
Prior Effective Dates: 11/30/89, 12/23/76, 4/2/79, 12/26/81, 9/15/89 (Emer.),
11/30/89, 12/26/97, 7/1/01 (Emer.), 9/17/01, 9/17/02,
8/1/05, 3/30/07 (Emer.), 6/28/07, 6/11/10, 10/28/10,
1/7/13 (Emer.), 3/24/13, 1/1/14 (Emer.) , 2/10/14

3307:1-3-05

Non-paid professional leaves approved by the retirement board.

A member may complete retirement contributions and secure retirement credit for non-paid professional leaves as approved by the retirement board by complying with the following requirements:

(A) Eligibility requirements:

- (1) An annual contract for service covered by this system during the year within which the absence occurred.
- (2) A leave granted by the employer for the purpose of accepting an assignment during such absence. Leaves will not be recognized for a period greater than a total of two school years for each period of leave.
- (3) Assignments which will be considered for retirement credit under this rule are those related to professional duties and responsibilities of members or activities which may be expected to improve the service rendered by a member upon return to employment.
- (4) Not later than twelve months following termination of the leave the member must resume contributing service covered by this system, the public employees retirement system or the school employees retirement system.
- (5) Approval of the employer for the payment of the employer cost without reimbursement from the member.
- (6) Retirement board approval for the member to make retirement contributions covering the period of absence.

(B) Procedural requirements:

- (1) Subsequent to the termination of the leave the member must file with the retirement board:
 - (a) A statement showing the nature and purpose of the assignment during such absence.
 - (b) A written request to the retirement board for approval of payment by the member of member contributions.

(c) Certifications of member's employer as follows:

- (i) Member's annual contract salary in effect for each year or part of year (first of July to thirtieth of June) in which there was such absence.
- (ii) Official action of the employer granting the leave stating the beginning date and the termination date.
- (iii) Official action of the employer approving the payment of the employer cost without reimbursement from the member.

- (2) If within sixty days of notice that the retirement board has approved the request the member pays to the employer the amounts specified by paragraph (C)(1) of this rule, the employer shall within thirty days of payment by the member pay to the retirement system the amount specified by paragraph (C)(2) of this rule along with the amounts paid by the member.

(C) Cost calculation:

(1) Member costs:

- (a) If payment is received by the retirement system by June thirtieth of the year in which the leave occurred, the member shall pay the difference between the contributions deducted from salary payments during the leave period, if any, and the contributions due based on the contract salary.
- (b) If payment is received by the retirement system after June thirtieth of the year in which the leave occurred, the member shall pay the sum of the following for each year of credit purchased:
 - (i) An amount determined by multiplying the employee rate of contribution in effect at the time the leave commenced by the contract salary the member would have received for the leave less salary payments made during the leave period, if any.
 - (ii) Interest compounded annually, at a board determined rate, on the amount determined under paragraph (C)(1)(b)(i) of this rule from the day following the last day of the year in which the leave terminated and ending through the month of payment.

- (iii) Interest compounded annually, at a board determined rate, on the employer contribution determined under paragraph (C)(2) of this rule from the day following the last day of the year in which the leave terminated and ending through the month of payment.
- (2) Employer contribution: the employer shall pay to the system for each year of credit purchased under this rule an amount determined by multiplying the employer contribution rate in effect at the time the leave commenced by the contract salary the member would have received for the leave less salary payments made during the leave period, if any.

Five Year Review (FYR) Dates: 02/20/2015 and 02/20/2020

CERTIFIED ELECTRONICALLY

Certification

02/20/2015

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.77
Prior Effective Dates: 12/23/76, 12/26/81, 7/1/01 (Emer.), 9/17/01, 9/17/02,
8/1/05, 6/11/10, 01/07/2013 (Emer.), 3/24/13

3307:1-3-06

Contributions during non-teaching periods.

Section 3307.77 of the Revised Code permits a teacher who is under contract the right to complete contributions for a period during which the teacher was prevented by illness, injury, a leave granted pursuant to section 3319.13, 3319.131, or 3345.28 of the Revised Code, or other reasons approved by the state teachers retirement board, from making regular retirement contributions.

To facilitate crediting of such contributions, employer contributions, and associated service credit, the following rule shall apply:

(A) In the event of absences for non-teaching periods caused by illness, injury, or leave pursuant to section 3319.13, 3319.131 or 3345.28 of the Revised Code; absences caused by school closings for weather conditions or other emergency conditions that alter the regular school year and which are beyond the control of the member; or leave pursuant to the Family and Medical Leave Act of 1993, Pub. L. 103-3, 107 Stat. 6, 29 U.S.C. 2601:

- (1) Employee contributions shall be made at the member's option.
- (2) The employer may make such deductions from other payrolls during the year in which the absence occurred as authorized in division (C) of section 3307.77 of the Revised Code.
- (3) Nothing herein shall be construed as authorizing the employer to make additional deductions from payrolls during a year other than the year in which the absence occurred.
- (4) Employer contributions from the member's employer at such time as the leave commenced shall be due based upon the date the member has contributions deducted or pays contributions to the employer.
- ~~(5) As authorized in division (C) of section 3307.77 of the Revised Code, the member may pay the proper employee contributions to the employer for transmittal to the retirement system, provided the payment is received by the retirement system by the thirtieth of June of the year in which the absence or leave terminated.~~
- ~~(6)~~(5) As authorized in division (D) of section 3307.77 of the Revised Code, if a member has changed employment, the employer responsible for accepting and forwarding contributions for the leave period shall be the member's employer at such time as the absence or leave commenced.
- ~~(7)~~(6) "Date of payment," as used under divisions (D)(2) and (D)(3) of section

3307.77 of the Revised Code, shall be defined to mean the end of the month in which payment is made.

~~(8)~~(7) "Last day of the year in which the absence or leave terminated," as used under divisions (D)(2) and (D)(3) of section 3307.77 of the Revised Code, shall be defined to mean the last day of the fiscal year in which there is service credit certified with the retirement system as eligible for purchase.

(B) Contributions may be submitted for purchases of service credit for absences that result in limitation of compensation that may be included in final average salary pursuant to section 3307.501 of the Revised Code, subject to approval by the executive director or the director's designee.

(C) Contributions may be submitted after the effective date of retirement for purposes of service credit for absences under section 3307.77 of the Revised Code, if the additional contributions will reduce or eliminate limitation of the compensation that may be included in final average salary under section 3307.501 of the Revised Code.

(D) Members purchasing leaves of absence pursuant to section 3307.77 of the Revised Code to meet the two year or one year disability eligibility application requirement pursuant to division (D) of section 3307.62 of the Revised Code shall purchase at a minimum, the time period extending from the date the leave began through the date required to meet eligibility.

(E) Members shall not be permitted to purchase leaves of absence pursuant to section 3307.77 of the Revised Code for leave periods granted retroactively, that if purchased, would qualify the member to apply for disability benefits with the retirement system.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.77
Prior Effective Dates: 12/23/1976, 9/26/77, 12/26/81, 4/27/85, 8/11/94,
5/25/99, 7/1/2001 (Emer.), 9/17/01, 8/1/05, 6/11/2010,
1/7/13 (Emer.), 3/24/13, 1/1/14 (Emer.), 2/10/14

3307:1-3-07

Other Ohio public service.

(A) To be eligible for purchase of service credit under sections 3307.70 and 3307.76 of the Revised Code, service credit must:

(1) Be properly certified by the official employer or custodian of records on a form provided by the retirement system. This certification shall be based upon a legitimate source of documentation such as payroll or retirement records of the state, municipality, public institution, or public school. When records have been destroyed, an affidavit from the member may be used, but only in conjunction with other documented evidence establishing proof and amount of employment. The determination of acceptable documentation shall reside solely with the retirement system and its decision shall be final; and,

(2) Be non-teaching service with an Ohio public school, college or university or be service with the state of Ohio or its agencies, instrumentalities or subdivisions.

~~(B) Through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service credit is received by the retirement system as completed not later than December 31, 2013, the cost for purchase of a year or partial year of service credit shall be based on section 3307.76 of the Revised Code as that section existed immediately before January 7, 2013 and shall be an amount equal to fifty per cent of the liability resulting from such purchase, as determined by an actuary employed by the state teachers retirement board.~~

~~(B)~~ Effective January 1, 2014, ~~except as provided for in paragraph (B) of this rule,~~ the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.76 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

~~(C)~~ A member is ineligible to purchase credit under section 3307.76 of the Revised Code if credit for the service may be obtained from the public employees retirement system or the school employees retirement system or if the credit is for service that is used in the calculation of any retirement benefit that has been paid, is currently being paid or is payable in the future to the member.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.76
Prior Effective Dates: 12/23/76, 12/26/81, 9/15/89 (Emer.), 11/30/89,
10/29/98 (Emer.), 1/17/99, 7/1/01 (Emer.), 9/17/01,
8/1/05, 6/11/10, 1/7/13 (Emer.), 3/24/13, 1/1/14
(Emer.), 2/10/14

3307:1-3-08

Establishment of service credit for leaves of absence and resignations due to pregnancy or adoption.

Service credit for periods of absence due to pregnancy leave or pregnancy resignation or adoption of a child may be purchased, subject to sections 3307.70 and 3307.771 of the Revised Code and the following requirements and procedures:

(A) Eligibility requirements:

- (1) A member must have resigned from a teaching position covered under Chapter 3307. of the Revised Code before July 1, 1982 due to pregnancy or adoption of a child or prior to that date, must have been granted an official leave of absence from such a position due to pregnancy or adoption.
- ~~(2) Through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service credit is received by the retirement system as completed not later than December 31, 2013, the member must have established at least one year of state teachers retirement system contributing service credit after the leave or resignation.~~
- ~~(3)~~(2) A member may not purchase service credit under section 3307.771 of the Revised Code if service credit for the absence has already been purchased or established under any other section of Chapter 3307. of the Revised Code.
- ~~(4)~~(3) A resignation or leave shall qualify as an absence due to the adoption of a child for the purposes of section 3307.771 of the Revised Code if:
 - (a) A child was placed in the member's home within twelve months of the effective date of the resignation or leave; and
 - (b) A final court order granting adoption to the member has been entered for the same child.

(B) Procedural requirements:

- (1) An employer that granted a leave must provide the retirement system with a certification stating the period and purpose of the leave.
- (2) An employer that accepted a resignation must provide the ~~state teachers~~ retirement system with a certification indicating the date of and the reason for the resignation.
- (3) If the employer is not able to certify the reason for the leave or resignation, the

member must provide one of the following:

- (a) ~~If the employer is not able to certify the reason for the leave or resignation and the member's pregnancy resulted in birth, a Δ photocopy of the child's birth certificate if the member's pregnancy resulted in birth; or must be provided by the member.~~
- (b) ~~If the employer is not able to certify that the reasons for the leave or resignation and the member's pregnancy did not result in birth, a Δ statement based on medical records if the member's pregnancy did not result in birth must be provided by the member.~~
- (4) If the employer is not able to certify that the reasons for the leave or resignation was due to adoption, documentation establishing that the child was placed in the member's home within twelve months after the effective date of the leave or resignation shall be provided by the member.
- ~~(5) Through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service credit is received by the retirement system as completed not later than December 31, 2013, if the member's first employment covered under this retirement system after the leave or resignation was not full time, calculation of cost shall be based upon the greater of the base amount as defined in section 3317.13 of the Revised Code, or the earnings and service credit upon which contributions were made, adjusted to full time equivalency.~~
- ~~(6)~~(5) Certifications and applications for the purchase of service credit must be completed on forms approved or provided by the state teachers retirement system.
- ~~(7) Through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service credit is received by the retirement system as completed not later than December 31, 2013, the cost for purchase of a year or partial year of service credit shall be based on section 3307.771 of the Revised Code as that section existed immediately before January 7, 2013. The member shall pay to the system for service credit to the member's accumulated account an amount determined by multiplying the employee rate of contribution in effect at the time the absence commenced, by the member's annual compensation for full time employment during the first year of service in Ohio following termination of the absence, and adding to that amount interest compounded annually, at the rate established pursuant to rule 3307:1-3-01 of the Administrative Code, from the date the absence terminated to the date of payment.~~

~~(8)(6)~~ Effective January 1, 2014, ~~except as provided in paragraph (B)(7) of this rule,~~ the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.771 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.771
Prior Effective Dates: 12/23/76, 4/27/85, 4/18/86 (Emer.), 7/3/86, 4/15/87,
9/1/96, 5/25/99, 7/1/01 (Emer.), 9/17/01, 6/11/10,
1/7/13 (Emer.), 3/24/13, 1/1/14 (Emer.) , 2/10/14

3307:1-3-09

Purchase of credit for service as a school board member.

- (A) Application for the purchase of service credit pursuant to section 3307.78 of the Revised Code shall be made on a form provided by the state teachers retirement system and shall include certification of the service.
- ~~(B) Purchase of credit pursuant to section 3307.78 of the Revised Code shall be deemed to have occurred on the date payment of the amount specified by that section is received. Such amount shall be refunded in the event the member's retirement does not become effective within ninety days of the date of purchase and any credit posted shall be canceled.~~
- ~~(C)~~(B) A member may purchase credit for service prior to July 1, 1991 as a school board member who meets the requirements set forth in section 3307.78 of the Revised Code. A member may purchase credit for concurrent service as a member of more than one board of education, provided that the total of all service credit earned or purchased for any school year shall not exceed one year.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.78
Prior Effective Dates: 9/23/91 (Emer.), 12/23/91, 9/17/01, 3/25/10

3307:1-3-10

Purchase of credit for waived service.

(A) A member may make application for the purchase of service credit under section 3307.73 of the Revised Code if a total of at least one and one-half years of contributing service under this system or eighteen months of contributing service credit under the public employees retirement system or the school employees retirement system has been established. A member who is also a member of the public employees retirement system or the school employees retirement system is ineligible to purchase service credit under this system if the unadjusted service credit established under either one of those systems exceeds the service credit established under this system.

~~(B) Through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service is received by the retirement system as completed not later than December 31, 2013, a member may purchase all or part of the service credit qualifying for purchase under section 3307.73 of the Revised Code. The cost to purchase service credit shall be based on section 3307.73 of the Revised Code as the section existed immediately before January 7, 2013 and if a member chooses to make more than one payment for any purchase, the balance remaining as used in division (C) of section 3307.73 of the Revised Code shall mean the cost for the remaining service credit to be purchased. The cost for the remaining service credit to be purchased shall be based on the cost per year, of the original cost established at the time of the first payment, plus compound interest at the rate established by rule 3307:1-3-01 of the Administrative Code.~~

~~(C)~~(B) The member shall request that the employer for whom the service was performed certify such service to this system. Once certification is received from the employer, the amount of service credit otherwise qualifying for purchase shall be determined as follows:

(1) If the service credit to be purchased is for service waived or exempted under Chapter 3307. of the Revised Code or denied pursuant to rule 3307-4-01 of the Administrative Code, upon receipt of the certification of the employer, the system shall determine the amount of service credit that would have been earned had the service not been waived, exempted or denied.

(2) If the service credit to be purchased is for service that would have been covered under Chapter 145. or Chapter 3309. of the Revised Code, the system shall contact the applicable retirement system and shall request certification from that retirement system that the service was exempt.

(3) Service credit may not be purchased for any service:

(a) Which is concurrent with any other service credit that will be used in calculating a benefit under Chapter 145., Chapter 3307., or Chapter

3309. of the Revised Code; or

- (b) If the purchase would result in the establishment of total service credit under Chapter 145., Chapter 3307., and Chapter 3309. of the Revised Code which exceeds a year of service credit in any year.

~~(D)~~(C) Once service qualifying for purchase has been certified and determined pursuant to paragraph ~~(E)~~ (B) of this rule, the cost for the purchase of service credit under section 3307.70 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code. ~~of purchase shall be calculated, subject to the following:~~

- ~~(1) Through December 31, 2013 and extending through June 30, 2014 only if the member's application to purchase service credit is received by the retirement system as completed not later than December 31, 2013, the cost to purchase service credit shall be based on section 3307.73 of the Revised Code as the section existed immediately before January 7, 2013. The cost of any purchase shall be calculated as of the date of a cost statement generated by the system and shall be based upon the twelve most recent months of earnings certified by the member's current or most recent employer under Chapter 145., Chapter 3307. or Chapter 3309. of the Revised Code. Where a full year of service credit has been earned in such year, total compensation shall be used in the calculation. If less than a full year of service credit was earned in such year, then compensation on a full-time equivalent basis shall be used in the calculation.~~
- ~~(2) Effective January 1, 2014, except as provided in paragraphs (B) and (D)(1) of this rule, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.73 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.~~

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.73
Prior Effective Dates: 6/22/92 (Emer.), 9/10/92, 7/1/01 (Emer.), 9/17/01,
08/01/05, 6/11/10 , 2/10/14

3307:1-3-11 **Payroll deductions for purchase and restoration of service credit.**

The following plan for restoration or purchase of service credit by payroll deduction is hereby established pursuant to ~~sections 3307.70 and~~ section 3307.701 of the Revised Code:

(A) Service credit eligible for payment by payroll deduction shall be determined as follows:

(1) Effective January 1, 2014, a member who has applied for restoration of service credit pursuant to section 3307.71 or division (C) of section 3307.761 of the Revised Code or purchase of service credit pursuant to section 3307.72 of the Revised Code may elect to make payment for such restoration or purchase by payroll deduction over a period of up to five years for each full or partial year of qualifying service credit if the member will receive regular periodic payments of salary or wages by the employer over that period in an amount after taxes and other deductions that is at least equal to the payment to be deducted.

~~(2) From January 1, 2014, through June 30, 2014, members who have applied for purchases of service credit pursuant to former sections 3307.73, 3307.74, 3307.751, 3307.76 or 3307.771 of the Revised Code as the appropriate section existed immediately before January 7, 2013, provided the member's application to purchase service credit was received by the retirement system as completed not later than December 31, 2013, may elect to make payment for purchase by payroll deduction as specified in (A)(4)(a) of this rule. The member must receive regular periodic payments of salary or wages by the employer over that period in an amount after taxes and other deductions that is at least equal to the payment to be deducted.~~

~~(3)~~(2) Where eligible service has been certified, the retirement system will provide to the member:

(a) A statement setting forth the total cost of such restoration or purchase; and

(b) A statement setting forth the cost of such restoration or purchase on a cost per year basis; and

~~(4)~~(3) Upon request, the retirement system will provide a form for the member's use in initiating restoration or purchase by payroll deduction, which shall include a statement of the monthly deductions necessary to spread payment over periods ranging from one to five years for each full or partial year of service credit ~~except as specified in (A)(4)(a) of this rule.~~

~~(a) From January 1, 2014, through June 30, 2014, the system will provide statements with payment periods ending on June 30, 2014 for purchases of service credit pursuant to former section 3307.73, 3307.74, 3307.751, 3307.76 or 3307.771 of the Revised Code as the appropriate section existed immediately before January 7, 2013, provided the member's application to purchase service credit is received by the retirement system as completed not later than December 31, 2013.~~

~~(b)(a) Such~~

Such statement shall be based upon the assumption that the interest rate then in effect under rule 3307:1-3-01 of the Administrative Code remains constant throughout each such period; however, the statement shall inform the member that the actual cost of restoration or purchase shall be subject to any change, during the period of deduction, in the interest rate applicable to such restoration or purchase.

~~(5)(4)~~ If a member wishes to elect payment by payroll deduction, the member shall complete and sign the form so provided to indicate the amount to be deducted monthly and file it with ~~his or her~~ the member's employer.

- (B) A form so filed with an employer shall be completed by the employer to indicate the date deductions will begin, which date shall be agreed upon by the member and the employer but in no case shall it be later than three months after the form is filed with the employer, and the monthly amount to be deducted. The employer shall transmit the form to the retirement system no later than the last day of the month preceding the month in which deductions will begin, except that the form may be transmitted with the first month's payroll deduction if the monthly deduction equals or exceeds the minimum payment specified in paragraph (D) of this rule.
- (C) Amounts deducted by an employer shall be transmitted monthly to the retirement system no later than the fifteenth day of the month following deduction. Employers will be charged interest on amounts not received by such time at the ~~higher of the rates~~ rate specified in rule 3307:1-3-01 of the Administrative Code.
- (D) Monthly payments shall not be less than the minimum amount specified to restore or purchase service credit over the maximum period allowable under paragraph (A) of this rule, and shall not be less than fifty dollars. Deducted payments in an amount less than the applicable minimum will be returned to the employer and that payroll deduction plan will be cancelled.
- (E) Except for purchase under a tax-deferred plan as provided in paragraph (L) of this rule, the amount of deduction selected by a member may be changed by written

notice given by the member to the employer; however, the monthly amount deducted shall not be less than the minimum monthly payment specified in paragraph (D) of this rule.

- (F) Except for purchases under a tax-deferred plan as provided in paragraph (L) of this rule, a member may elect to terminate payroll deduction at any time by notice to the employer in such manner as the employer may specify. Termination of employment or the grant of a disability benefit under section 3307.63 or 3307.631 of the Revised Code shall terminate deduction. In the event a member who has been restoring or purchasing service credit by payroll deduction terminates employment and becomes employed as a teacher by a different employer, a new application for payroll deduction will be required and it shall be the member's responsibility to file such application with the new employer to complete the restoration or purchase during the time period specified under the original payment schedule. The new cost calculation shall be based on the applicable cost criteria and interest rate in effect at the time of such application under rule 3307:1-3-01 of the Administrative Code.
- (G) A member will be eligible for payroll deduction by any employer for restoration or purchase under only one cost statement at any given time. If employed by more than one employer, a member may not simultaneously participate in more than one payroll deduction plan. No portion of qualifying service credit being purchased pursuant to this rule under a tax-deferred plan as provided in paragraph (L) of this rule shall be purchasable under provisions of rule 3307:1-3-02 of the Administrative Code unless payroll deductions under this rule are first terminated.
- (H) Changes in the interest rate applicable under rule 3307:1-3-01 of the Administrative Code will result in the recalculation of a new payroll deduction schedule for the remaining balance of service credit as of the effective date of the change in interest rate. A member participating in payroll deduction will be sent a recalculation in the event of such a change and may then either reselect the amount to be deducted in order to maintain the original payment schedule or alter the period of time involved, up to a maximum of five years for each full or partial year of qualifying service credit. In all cases, the member must pay at least the minimum monthly payment as specified in paragraph (D) of this rule.
- (I) A new application is required for restoration or purchase of additional service credit. The employer will be billed annually by fiscal year for employer contributions required for member purchases under sections 3307.72 and 3307.77 of the Revised Code. If the payroll deduction payments are terminated or paid-off within the year, the employer will be billed after the final payroll deduction payment. Any amounts unpaid by the first day of October of any year may be certified for payment under section 3307.31 of the Revised Code. The Ohio police and fire pension fund or state highway patrol retirement system will be notified annually by fiscal year of the amount purchased from the state teachers retirement system under section

3307.761 of the Revised Code. If the payroll deduction payments are terminated or paid-off within the year, the other retirement system will be notified of the amount of purchase after the final payroll deduction payment.

(J) The retirement system will prepare a monthly listing of participating employees based upon the payroll deduction forms and designated changes thereto previously submitted by an employer. Such listing shall be sent to the employer monthly and shall set forth ~~both~~ the expected ~~and minimum~~ deduction for each participant. The employer shall enter the amount actually deducted and return the listing and deducted amounts to the retirement system by the fifteenth of each month.

(1) If the actual deduction is less than the minimum deduction, the payroll deduction plan will be terminated and the service credit purchased to date will be credited to the member's account. Purchase of additional service credit by payroll deduction will require a new application.

(2) Participating members may be added by an employer if accompanied by the application form and the actual deduction equals or exceeds the minimum deduction as of the month the deduction begins.

(K) Accumulated deductions for the purchase or restoration of service credit shall be refundable only upon termination of covered employment and withdrawal of accumulated contributions pursuant to section 3307.56 of the Revised Code, except that upon the request of the member, the cost of service credit purchased by payroll deduction may be refunded for the reasons set forth in division ~~(F)~~ (G) of rule 3307:1-3-02 of the Administrative Code.

(L) An employer may adopt a plan in compliance with section 414(H)(2) of the Internal Revenue Code for the purchase of service credit by payroll deduction with payments designated as picked-up by the employer. An employer shall notify the retirement system of its adoption of any such plan at least sixty days before it goes into effect on a form provided by the retirement system. A member who has chosen to participate in such a plan may not terminate or alter payroll deduction until the service credit is fully purchased or employment is terminated.

(M) In lieu of payroll deduction, the retirement system will accept from the employer lump-sum payments for certified purchasable service credit for a member. The employer must submit a document indicating if the payment is from after-tax or tax-deferred funds. Tax-deferred funds will only be accepted by the retirement system if the employer has adopted a plan in compliance with section 414(H)(2) of the Internal Revenue Code as specified in paragraph (L) of this rule.

(N) If there is a refund of only the purchased service credit within two years of receipt,

the funds will be returned to the employer unless the employer requests distribution to the member; otherwise, the funds will be returned to the member and federal taxes will be withheld as required under federal law and regulations, if the money was tax-deferred.

- (O) If a member purchasing service through payroll deduction files for service retirement, the retirement system will notify the employer to stop the deductions the month before the member's benefit effective date and will send the member a cost statement for any remaining service credit eligible for purchase.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.701
Prior Effective Dates: 7/1/90, 5/27/91, 7/31/97, 5/25/00, 7/1/01 (Emer.),
9/17/01, 8/1/05, 6/11/10, 1/7/13 (Emer.), 3/24/13,
1/1/14 (Emer.), 2/10/14

3307:1-3-13

Determination of cost for service credit purchased under section 3307.70 of the Revised Code.

- (A) As provided in section 3307.73, 3307.74, 3307.751, 3307.76, 3307.771, or 3307.78 of the Revised Code, a member may purchase service credit at a cost that is equal to one hundred percent of the actuarial liability resulting from the purchase. The cost for each year shall be calculated separately and sequentially and shall be based on the factors outlined in paragraph (B) of this rule.
- (B) The member shall pay the retirement system for credit to the member's accumulated account an amount equal to one hundred per cent of the actuarial liability resulting from the purchase of the service credit as determined by an actuary employed by the state teachers retirement board based on the following factors at the time the cost statement is issued:
- (1) The member's age as of the previous July first.
 - (2) The member's years of service credit, which shall include all of the following, except that such total combined service credit shall not exceed one year of credit for any one year, and which shall be determined by the retirement system in its sole discretion:
 - (a) Total service credit as defined by section 3307.50 of the Revised Code as of the previous June thirtieth unless such service credit reporting is adjusted after that date, then the total service credit as of June thirtieth will be changed to reflect the adjustment made. Should the adjustment in service credit occur after the cost statement is issued but before the payment is completed, a new cost statement reflecting the adjustment in service credit will be issued to the member.
 - (b) All service credit established after June thirtieth or being purchased through payroll deduction as outlined in this rule and rule 3307:1-3-11 of the Administrative Code under sections 3307.71, 3307.72, 3307.73, 3307.74, 3307.75, 3307.751, 3307.752, 3307.76, 3307.761, 3307.763, 3307.77, 3307.771, and 3307.78 of the Revised Code. Should the amount of service credit in this paragraph change due to other purchases of service credit after the cost statement is issued but before the payment is completed, the member's years of service credit will be adjusted to reflect the change in the years of service credit and a new cost statement will be issued to the member.
 - (c) All service credit eligible for restoration under section 3307.71 of the Revised Code.

- (d) All service credit established in the public employees retirement system of Ohio and the school employees retirement system of Ohio including total service credit as defined in sections 145.01 and 3309.01 of the Revised Code and service credit eligible for restoration under sections 3309.26, 3309.261, 145.31 and 145.311 of the Revised Code.
- (3) The member's salary base for determining the cost of service credit purchased under section 3307.70 of the Revised Code shall be the compensation for the previous year and if the compensation is adjusted after the cost statement is issued but before the payment is completed, the salary base will be changed to reflect the adjustment made and a new cost statement will be issued to the member. The salary base shall be determined by the retirement system in its sole discretion.
- (a) Compensation is defined the same as division (L) of section 3307.01 of the Revised Code.
 - (b) If compensation was not based on full time service then the calculation of cost shall be based upon the greater of the salary base amount as defined in section 3317.13 of the Revised Code, or the compensation upon which contributions were made, adjusted to full-time equivalence.
 - (c) The salary base shall also include all compensation with the public employee's retirement system and school employee's retirement system for the previous year.
- (C) A purchase of service credit shall be applied sequentially to the member's existing service credit as follows:
- (1) If the member has one year of service credit eligible for purchase, the member will receive one year of service once the payment for one hundred percent of the actuarial liability created by the purchase has been paid in full.
 - (2) If the member is only eligible to purchase less than one year of service credit, the member will receive that amount of service credit once the payment for one hundred percent of the actuarial liability created by the purchase has been paid in full. If the member certifies additional service credit as eligible for purchase, the member will receive service credit for the balance of the year, if any balance is remaining for the last year, at no additional cost. A member will not receive more service credit than he or she is eligible to purchase.
- (D) Service credit may be purchased by one of the following methods:

- (1) Lump sum purchase. In order for a member to purchase service credit through a lump sum purchase all of the following shall apply:
 - (a) The retirement system will provide the member with a cost statement indicating the amount of service credit eligible for purchase and the current cost based on the factors described in paragraph (B) of this rule.
 - (b) The member must return the completed and signed cost statement with the first payment.
 - (c) A member must complete the service credit purchase on the cost statement by the earlier of the end of the month following the ninetieth day after the retirement system receives the first payment or June thirtieth.
 - (d) No service credit will be posted to a member's account until all funds for the total purchase of service credit have been received by the retirement system.
 - (e) If the member does not complete the purchase by the deadline established under paragraph (D)(1)(c) of this rule and indicated on the cost statement, then all payments received by the retirement system will be returned.
- (2) Installment purchase plan. The following plan for purchase of service credit by payroll deduction is hereby established pursuant to sections 3307.70 and 3307.701 of the Revised Code:
 - (a) A member who has applied for the purchase of service credit pursuant to section 3307.73, 3307.74, 3307.751, 3307.76, or 3307.771 of the Revised Code may elect to make payment to purchase one year of service credit, or the full amount of service credit eligible for purchase if the member is only eligible to purchase less than one year of service credit, by payroll deduction over a period of up to three years if the member will receive regular periodic payments of salary or wages by the employer over that period in an amount after taxes and other deductions that is at least equal to the payment to be deducted.
 - (i) Where eligible service has been certified, the retirement system will provide to the member a form for the member's use in initiating purchase of service credit by payroll deduction and a statement setting forth the total cost of such purchase and a statement of the monthly deductions necessary to spread payment over periods

ranging from one to three years.

- (ii) If a member wishes to elect payment by payroll deduction, the member shall complete and sign the form so provided to indicate the amount to be deducted monthly and file it with the member's ~~his or her~~ employer.

- (b) A form so filed with an employer shall be completed by the employer to indicate the date deductions will begin, which date shall be agreed upon by the member and the employer but in no case shall it be later than three months after the form is filed with the employer, and the monthly amount to be deducted. The employer shall transmit the form to the retirement system no later than the last day of the month preceding the month in which deductions will begin, except that the form may be transmitted with the first month's payroll deduction if the monthly deduction equals or exceeds the minimum payment specified in paragraph (D)(2)(d) of this rule.

- (c) Amounts deducted by an employer shall be transmitted monthly to the retirement system no later than the fifteenth day of the month following deduction. Employers will be charged interest on amounts not received by such time at the ~~higher of the interest rates~~ rate specified in rule 3307:1-3-01 of the Administrative Code.

- (d) Monthly payments shall not be less than the amount specified to purchase service credit over the maximum period allowable under paragraph (D)(2)(a) of this rule, and shall not be less than fifty dollars. Deducted payments in an amount less than the applicable minimum will be returned to the employer and that payroll deduction plan will be cancelled.

- (e) Except for purchase under a tax-deferred plan as provided in paragraph (D)(2)(k) of this rule, the amount of deduction selected by a member may be changed by written notice given by the member to the employer; however, the monthly payment deducted shall not be less than the minimum specified in paragraph (D)(2)(d) of this rule.

- (f) Except for purchases under a tax-deferred plan as provided in paragraph (D)(2)(k) of this rule, a member may elect to terminate payroll deduction at any time by notice to the employer in such manner as the employer may specify. Termination of employment or the grant of a disability benefit under section 3307.63 or 3307.631 of the Revised Code shall terminate payroll deduction. In the event a member who has

been purchasing service credit by payroll deduction terminates employment and becomes employed as a teacher by a different employer, a new application for payroll deduction will be required and it shall be the member's responsibility to file such application with the new employer to complete the purchase during the time period specified under the original payment schedule. The member shall have until the end of the month after the ninetieth day following termination of employment to file the application with the new employer. If the member does not resume the payroll deduction plan with a new employer or complete the purchase through a lump-sum payment by the deadline specified in this paragraph, then all funds will be returned as specified in paragraph (D)(2)(m) of this rule.

- (g) A member will be eligible for payroll deduction by any employer for restoration or purchase under only one cost statement at any given time. If employed by more than one employer, a member may not simultaneously participate in more than one payroll deduction plan. No portion of qualifying service credit being purchased pursuant to this rule under a tax-deferred plan as provided in paragraph (D)(2)(k) of this rule shall be purchasable under provisions of rule 3307:1-3-02 or 3307:1-3-13 of the Administrative Code unless payroll deductions under this rule are first terminated.
- (h) Changes in the interest rate applicable under rule 3307:1-3-01 of the Administrative Code will result in the recalculation of a new payroll deduction schedule for the remaining balance of service credit as of the effective date of the change in interest rate. A member participating in payroll deduction will be sent a recalculation in the event of such a change and may then either reselect the amount to be deducted in order to maintain the original payment schedule or alter the period of time involved, up to a maximum of three years from the date the original payroll deduction plan began. In all cases the member must pay at least the minimum monthly payment as specified in paragraph (D)(2)(d) of this rule.
- (i) The retirement system will prepare a monthly listing of participating employees based upon the payroll deduction forms and designated changes thereto previously submitted by an employer. Such listing shall be sent to the employer monthly and shall set forth ~~both~~ the expected ~~and minimum~~ deduction for each participant. The employer shall enter the amount actually deducted and return the listing and deducted amounts to the retirement system by the fifteenth of each month.
 - (i) If the actual deduction is less than the minimum deduction, the

payroll deduction plan will be terminated. Purchase of additional service credit by payroll deduction will require a new application. Should the payroll deduction plan not resume with an employer or the payment for the service credit not be completed with the retirement system by the earlier of the end of the month following the ninetieth day from the last payment made by payroll deduction or June thirtieth, then all funds will be returned as specified in paragraph (D)(2)(m) of this rule.

- (ii) Participating members may be added by an employer if accompanied by the application form and the actual deduction equals or exceeds the minimum deduction as of the month the deduction begins.
- (j) Accumulated deductions for the purchase of service credit shall be refundable only upon termination of covered employment and withdrawal of accumulated contributions pursuant to section 3307.56 of the Revised Code, except that upon the request of the member, the cost of service credit purchased by payroll deduction may be refunded for the reasons set forth in paragraph ~~(H)~~ (G) of rule 3307:1-3-02 of the Administrative Code.
- (k) An employer may adopt a plan in compliance with section 414(H)(2) of the Internal Revenue Code for the purchase of service credit by payroll deduction with payments designated as picked-up by the employer. An employer shall notify the retirement system of its adoption of any such plan at least sixty days before it goes into effect on a form provided by the retirement system. A member who has chosen to participate in such a plan may not terminate or alter payroll deduction until the service credit at a cost of one hundred percent of the actuarial liability is fully purchased or employment is terminated.
- (l) In lieu of payroll deduction, the retirement system will accept from the employer lump-sum payments for certified purchasable service credit for a member. The employer must submit a document indicating if the payment is from after-tax or tax-deferred funds. Tax-deferred funds will only be accepted by the retirement system if the employer has adopted a plan in compliance with section 414(H)(2) of the Internal Revenue Code as specified in paragraph (D)(2)(k) of this rule.
- (m) If there is a refund of only the purchased service credit within two years of receipt, the funds will be returned to the employer unless the employer requests distribution to the member; otherwise, the funds will be returned to the member and federal taxes will be withheld as

required under federal law and regulations, if the money was tax-deferred.

- (n) If a member purchasing service credit through payroll deduction files for service retirement, the retirement system will notify the employer to stop the deductions the month before the member's benefit effective date and will send the member a cost statement for any remaining amount due to complete the purchase of service credit at a cost of one hundred percent of the actuarial liability created by such purchase. Should the payroll deduction plan not be completed with the retirement system within three months of the retirement date, then all funds will be returned as specified in paragraph (D)(2)(m) of this rule.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.70, 3307.701, 3307.71, 3307.72, 3307.73,
3307.74, 3307.75, 3307.751, 3307.752, 3307.76,
3307.761, 3307.763, 3307.77, 3307.771, 3307.78
Prior Effective Dates: 1/1/14 (Emer.), 2/10/14

3307:1-4-01 **Compensation includible in the determination of final average salary.**

The following criteria and procedures are established by the state teachers retirement board pursuant to section 3307.501 of the Revised Code.

(A) As used in section 3307.501 of the Revised Code and this rule, a percentage increase shall be considered to be generally applicable if:

(1) It is paid by a board of education, school district, or governing authority of a community school or a science, technology, engineering, and mathematics school pursuant to a teacher salary schedule with the same employer including performance based payments that are paid in accordance with uniform criteria applicable to all members employed by the employer without regard to supplemental or extended pay contracts; or

(2) It is paid by a board of education, school district, or governing authority of a community school or a science, technology, engineering, and mathematics school to an employee not paid under the teacher salary schedule up to the amount payable under the teacher salary schedule including performance based payments that are paid in accordance with uniform criteria applicable to all members employed by the employer to teachers with equivalent service and education without regard to supplemental or extended pay contracts; or

(3) It is paid by a university or college as an average salary increase attributable to academic services as certified by an authorized representative of the university or college.

(4) It is paid by a board of education, school district, or governing authority of a community school or a science, technology, engineering, and mathematics school that does not use a teacher salary schedule as an average salary increase as certified by an authorized representative of the employer.

(B) In determining the highest percentage increase in compensation under division (B)(1) of section 3307.501 of the Revised Code, increases in compensation from one fiscal year earnings to another for which a member has not performed full-time service as defined in paragraph (A)(1) of rule 3307:1-2-01 of the Administrative Code in either or both year(s) shall be the greater of:

(1) The projected salary increase established by an actuary for the retirement board based on the member's attained age at the beginning of the fiscal year used in calculating the member's final average salary, or

(2) The percentage increase considered generally applicable to members employed

by the employer.

(C) Where the two highest years of compensation certified for an applicant for service retirement include a percentage increase otherwise excluded by division (B) of section 3307.501 of the Revised Code, the executive director of the state teachers retirement system or his designee may include all or part of such percentage increase in the calculation of final average salary, up to a maximum of seventy-five hundred dollars, if:

- (1) The increase is related to a diminution of compensation as the result of illness or incapacitation, provided that completion of contributions is not authorized under the terms of section 3307.77 of the Revised Code; or
- (2) The executive director of the state teachers retirement system or his designee determines that other good cause exists for inclusion.

(D) Where a percentage increase is excluded from compensation used to determine final average salary under the provisions of division (B) of section 3307.501 of the Revised Code and paragraph (A) or (B) of this rule, the applicant shall be given written notice of the right to an appeal pursuant to this paragraph, provided:

(1) The maximum of seventy-five hundred dollars has not already been included under paragraph (C) of this rule.

~~(1)~~(2) Requests for an appeal shall be made by the applicant in writing within thirty days of such notice.

~~(2)~~(3) The applicant shall be afforded the opportunity to present written information explaining the arguments for making an exception to the statutory limitation and to appear before a review committee designated by the state teachers retirement board. The applicant shall be informed of the date the committee will review and consider the appeal. An applicant who has requested a personal appearance before the committee may for good cause request delay of consideration, provided that no more than one prior request for delay has been granted.

~~(3)~~(4) All information supporting an applicant's assertion that good cause exists for making an exception to the statutory limitation shall be received by the retirement system at least two weeks before the committee's scheduled review.

~~(4)~~(5) After consideration of the information presented by the applicant, the committee shall submit its recommendation to the board.

- (E) In determining final average salary under division (C) of section 3307.501 of the Revised Code if disability benefits to a member began before August 1, 2015, the benefits beginning date shall be the effective date disability benefits were granted, provided that monthly benefits continue without any interruption in the monthly stream of benefits to the member pursuant to section 3307.57, 3307.58 or 3307.59 of the Revised Code or to a survivor of the member pursuant to section 3307.66 of the Revised Code.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.01, 3307.50, 3307.501
Prior Effective Dates: 8/15/86 (Emer.), 10/30/86, 9/15/89 (Emer), 11/30/89,
4/29/91, 10/29/91 (Emer.), 1/27/92, 7/1/01, 9/17/02,
8/19/04, 8/1/05, 9/12/09, 2/15/13 (Emer.) , 5/2/13

3307:1-5-01

Selection and reselection of plan of payment for retirees on or before September 1, 1989.

By authority of section 3307.04 and section 3307.60 of the Revised Code, the following rule shall apply to the plans of payment provided in section 3307.58 and 3307.60 of the Revised Code:

(A) The provisions for reselection of a plan of payment set forth in this paragraph shall be applicable to all service retirants granted retirement effective on or before September 1, 1989, except a retirant who elected recalculation of benefits pursuant to section three of Am. H.B. 293 of the 118th General Assembly or a retirant whose application is made on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter, who meet the requirements set forth in division (F) or (G) of section 3307.60 of the Revised Code.

(1) Application for a change of plan of payment must be filed with the state teachers retirement system on a form approved by the retirement board. Payment under a reselected plan of payment shall be effective as follows:

(a) Death of a beneficiary -first of the month following death of beneficiary regardless of when the application is filed, provided such beneficiary was designated at the time of retirement. The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule.

(b) Divorce, annulment or marriage dissolution – the later of the first of the month following date application is filed with the state teachers retirement system or the first of the month after the divorce, annulment or marriage dissolution, provided:

(i) The spouse was designated as beneficiary under the plan of payment selected at retirement; and

(ii) A spousal consent form provided by the retirement system or court order specifically authorizing the reselection of plan of payment on the basis of the marriage termination is filed with the retirement system; and

(iii) The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule.

(c) Marriage or remarriage – the later of either the first of the month following the date a completed application on a form provided by the

retirement system is filed with the state teachers retirement system or the first of the month after the marriage or remarriage, except if the marriage or remarriage occurs on or after June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage. The spouse must be selected as beneficiary as set forth in division (G) of section 3307.60 of the Revised Code and the benefit must be calculated as stipulated in paragraph (A)(3) of this rule.

- (2) The single lifetime benefit equivalent to which a retirant may elect to return shall be the gross benefit that the retirant would currently be receiving had the retirant selected a single lifetime benefit at retirement.
- (3) Option plans shall be based on the single lifetime benefit actuarially reduced based on the ages in effect when such plan is selected and the option factors in effect on the later of January 1, 1983, or the effective date of retirement. All previously granted cost of living adjustments and ad hoc increases shall also be reduced by such option factor.

Five Year Review (FYR) Dates: 02/20/2015 and 02/20/2020

CERTIFIED ELECTRONICALLY

Certification

02/20/2015

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.58, 3307.60
Prior Effective Dates: 12/23/76, 10/2/78/ 9/15/89 (Emer.), 11/30/89,
10/29/98 (Emer.), 1/17/99, 7/1/01 (Emer.), 9/17/01,
8/1/05, 6/11/10, 1/7/13 (Emer.), 3/24/13

3307:1-5-02

Selection and reselection of plan of payment for retirees on or after October 1, 1989.

By authority of sections 3307.04 and 3307.60 of the Revised Code, the following rule shall apply to the plans of payment provided in sections 3307.58, 3307.59 and 3307.60 of the Revised Code:

(A) The provisions for reselection of a plan of payment set forth in this paragraph shall be applicable to all service retirants granted retirement effective on or after October 1, 1989, or a retirant who elects recalculation of benefits pursuant to section three of Am. H.B. 293 of the 118th General Assembly, or a retirant whose application is made on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter, and who meet the requirements set forth in section 3307.60 of the Revised Code.

(1) Application for a change of plan of payment must be filed with the state teachers retirement system on a form approved by the retirement board. Payment under a reselected plan of payment shall be effective as follows:

(a) Death of a beneficiary – first of the month following death of beneficiary regardless of when the application is filed, provided such beneficiary was designated at the time of retirement. The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule or as specified in division (A)(4) of section 3307.60 of the Revised Code if a joint and survivor plan of payment with multiple primary beneficiaries was elected.

(b) Divorce, annulment or marriage dissolution – the later of the first of the month following date application is filed with the state teachers retirement system or the first of the month after the divorce, annulment or marriage dissolution, provided:

(i) The spouse was designated as beneficiary under the plan of payment selected at retirement; and

(ii) A spousal consent form provided by the retirement system or court order specifically authorizing the reselection of plan of payment on the basis of the marriage termination is filed with the retirement system; and

(iii) The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule or as specified in division (A)(4) of section 3307.60 of the Revised Code if a joint and survivor plan of

payment with multiple primary beneficiaries was elected.

- (c) Marriage or remarriage – the later of either the first of the month following the date a completed application on a form provided by the retirement system is filed with the state teachers retirement system or the first of the month after the marriage or remarriage, except if the marriage or remarriage occurs on or after June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage. The spouse must be selected as beneficiary under division (A)(1), (A)(2), (A)(3), (A)(4) or (A)(6) of section 3307.60 of the Revised Code and the benefit must be calculated as stipulated in paragraph (A)(3) of this rule.
 - (d) For those retirants whose benefit is commenced under a single lifetime benefit in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder, not later than one year after the date that the benefit described in this paragraph commences, a retirant who was married on the effective date of the benefit may elect a plan of payment under division (A)(1), (A)(2), (A)(3), or (A)(6) of section 3307.60 of the Revised Code and calculated as stipulated in paragraph (A)(3) of this rule provided the spouse is named as the beneficiary. The election shall be made on a form approved by the retirement system and shall be effective on the effective date of the benefit paid under a single life annuity. Any benefit overpayment may be recovered as provided in section 3307.47 of the Revised Code.
- (2) The single lifetime benefit equivalent to which a retirant who elected a plan of payment under division (A)(3) of section 3307.60 of the Revised Code or a plan of payment consisting of both a lump sum payment under division (B)(1) of section 3307.60 of the Revised Code and a benefit payable to a beneficiary under division (A)(3) of section 3307.60 of the Revised Code may elect to return shall be the gross benefit that the retirant would currently be receiving had the retirant selected a single lifetime benefit at retirement less any reductions, if applicable, for a lump-sum payment made under division (B)(1) of section 3307.60 of the Revised Code.
 - (3) Optional plans of payment shall be based on the single lifetime benefit less any reductions, if applicable, for a lump-sum payment made under division (B)(1) of section 3307.60 of the Revised Code actuarially reduced based on the ages in effect when such plan becomes effective and the option factors in effect on the effective date of retirement. All previously granted cost of living adjustments and ad hoc increases shall also be reduced by such option factor.
- (B) Pursuant to division (H)(1) of section 3307.60 of the Revised Code, a retirant married

on the effective date of service retirement effective on or after October 1, 1989, a retirant married at the time of an election for recalculation of benefits pursuant to section three of Amended House Bill No. 293 of the 118th General Assembly, or a retirant who applies on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter who is married at the time of such application, shall be deemed to have elected the plan of payment under option 3 as provided under division (A)(3) of section 3307.60 of the Revised Code with half of the retirant's benefit continuing for the lifetime of the spouse, unless:

- (1) The applicant elects a plan of payment which provides more than fifty per cent of the benefit payable during the lifetime of the retirant will continue after the retirant's death to the spouse.
- (2) The spouse consents on a form provided by the state teachers retirement system to the retirant's election of a single life annuity or payment pursuant to an optional plan under which, after the death of the retirant, the spouse will receive less than fifty per cent of the benefit payable during the lifetime of the retirant.
- (3) The ~~state teachers~~ retirement board waives the deemed election of option 2 after receipt of one of the following:
 - (a) If the retirement system receives the written statement of a physician certifying that the spouse is medically incapable of acknowledging the plan of payment elected 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
 - (b) 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 is unknown.

(C) Spousal consent to a member's plan of payment shall not be required if:

- (1) The member is required to elect a plan of payment pursuant to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property and the member designates the member's current spouse as a beneficiary under that plan, or
- (2) The amount specified pursuant to a court order or orders under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property is the maximum amount payable to a joint and

survivor beneficiary or beneficiaries.

- (3) The ~~state teachers~~ retirement system is required to commence a benefit in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder.
- (D) A member's current spouse must consent to the election of a plan of payment described in division (A)(4) of section 3307.60 of the Revised Code if either of the following apply:
- (1) The member selects a plan of payment described in division (A)(4) of section 3307.60 of the Revised Code, but the member is not subject to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that requires the member to make such election;
 - (2) The member is ordered to designate a former spouse as beneficiary of a specified portion of the benefit, but also designates a beneficiary or beneficiaries other than the member's current spouse under that plan of payment.
- (E) A member may elect a plan of payment pursuant to division (A)(6) of section 3307.60 of the Revised Code that is equivalent to a single lifetime benefit in a lesser amount, payable for life, ~~and~~ with the following ~~two choices~~ provisions:
- (1) The plan of payment shall include: ~~Continuing~~
 - (a) Continuing monthly benefits of either one hundred per cent or fifty per cent of the benefit payable during the lifetime of the retirant ~~is~~ are paid after the retirant's death to a sole primary beneficiary named at retirement; and
 - ~~(2)~~(b) Continuing benefits for any months remaining in a certain period that begins on the effective date of retirement and continues for a specific number of years chosen at retirement to a secondary beneficiary or beneficiaries; where
 - (a)(i) The certain period may be a minimum number of years or
 - (b)(ii) The certain period is an extended number of years elected by the member with an additional reduction in the benefit amount as determined by the actuary employed by the ~~state teachers~~

retirement board.

- ~~(3)~~(2) Monthly benefits shall not be paid to joint secondary beneficiaries, but joint secondary beneficiaries may receive a lump-sum amount equal to the present value of the benefits remaining in the certain period.
- ~~(4)~~(3) If all beneficiaries die before the expiration of the certain period, the present value of the benefits remaining in the certain period may be paid to the estate of the beneficiary last receiving benefits.
- ~~(5)~~(4) The present value of the benefits remaining in the certain period shall be calculated at the assumed rate of return in effect at the time of payment.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.58, 3307.59, 3307.60
Prior Effective Dates: 12/23/76, 10/2/78, 9/15/89 (Emer.), 11/30/89,
10/29/98 (Emer.), 1/17/99, 7/1/01 (Emer.), 9/17/01,
8/1/05, 10/27/06, 1/22/09 (Emer.), 7/16/09, 6/11/10,
7/1/13 (Emer.) , 3/24/13

3307:1-5-03

Court orders.

- (A) All retirants subject to division (H)(1)(b) of section 3307.60 of the Revised Code shall indicate such requirement on their applications for service retirement benefits filed with the state teachers retirement system and shall provide a copy of the court order or court orders when making application for benefits pursuant to section 3307.57, 3307.58 or 3307.59 of the Revised Code.
- (1) The state teachers retirement system in its sole discretion shall determine whether a retirant elects a plan of payment on the application for service retirement benefits that complies with any court orders.
 - (2) The state teachers retirement system may request the retirant to provide additional court orders or other information, as determined solely by the state teachers retirement system, to clarify the plan of payment that the retirant is required to elect.
 - (a) The state teachers retirement system shall not commence payment of retirement benefits until it receives the requested additional court orders or other information.
 - (b) If the state teachers retirement system does not receive the requested additional court orders or other information within twelve months of the date of the initial request, the retirant's application for service retirement benefits shall be cancelled.
- (B) At any time, before or after monthly benefits begin, a former spouse may waive his or her rights to any part of a lump-sum payment paid before or after the member's death or any portion of a continuing benefit payable after the retirant's death as required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property. Such waiver shall be effective upon receipt of a notarized statement prepared by the state teachers retirement system and signed by the affected former spouse. Such waiver shall be a full discharge and release to the board from any future claim for such payment.
- (C) For purposes of determining the priority of court orders issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that require a member to elect the plan of payment set forth in division (A)(4) of section 3307.60 of the Revised Code and designate a former spouse as a beneficiary, the state teachers retirement system shall process such court orders in the order in which they were filed with the clerk of courts.

Five Year Review (FYR) Dates: 02/20/2015 and 02/20/2020

CERTIFIED ELECTRONICALLY

Certification

02/20/2015

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.60
Prior Effective Dates: 10/27/06, 6/11/10

3307:1-5-04

Amounts due and unpaid at death of benefit recipient.

- (A) ~~Amounts due to a retirant receiving retirement benefits under a plan described in division (A) of section 3307.60 of the Revised Code and unpaid at death shall be paid to the retirant's surviving beneficiary or beneficiaries under the plan on a prorated basis. The amount payable to each surviving beneficiary shall be determined by multiplying the amount due the retirant by a fraction whose numerator is the gross monthly amount the beneficiary will be paid and whose denominator is the total gross monthly amount all beneficiaries will be paid.~~

Amounts due to a retirant receiving retirement benefits under a plan described in division (A) of section 3307.60 of the Revised Code and unpaid at death shall be paid to the retirant's surviving beneficiary or beneficiaries under the plan on a prorated basis. The amount payable to each surviving beneficiary shall be determined by multiplying the amount due the retirant by a fraction whose numerator is the gross monthly amount the beneficiary will be paid and whose denominator is the total gross monthly amount all beneficiaries will be paid.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.58, 3307.59, 3307.60
Prior Effective Dates: 12/23/76, 10/2/78, 9/15/89 (Emer.), 11/30/89,
10/29/98 (Emer.), 1/17/99, 7/1/01 (Emer.), 9/17/01,
8/1/05, 10/27/06, 1/22/09 (Emer.), 7/16/09, 6/11/10,
7/1/13 (Emer.) , 3/24/13

3307:1-5-05

Early retirement reduction factors.

(A) For purposes of division (E)(2) of section 3307.58 of the Revised Code, the percentage for reducing the annual single lifetime benefit of a member described in division (B)(2) of section 3307.58 of the Revised Code shall be the percentage that provides the member the greatest benefit when using:~~who earned service credit in the year of retirement shall be reduced by the lesser of either the percentage calculated as of July first immediately preceding the member's effective benefit date, assuming the member was eligible to retire on that July first, or the percentage calculated on the member's effective benefit date.~~

(1) Any of the percentages calculated as of each July first occurring on or after July 1, 2016, through July 1, 2026, that immediately precedes the member's effective benefit dates, assuming the member was eligible to retire on that July first; or,

(2) The percentage calculated on the member's effective benefit date.

(B) For purposes of determining eligibility for retirement benefits pursuant to section 3307.58 of the Revised Code, a member shall be considered to continually maintain retirement eligibility upon first meeting age and service eligibility, ~~except on through July 1, 2026. On or after August 1, 2026, when all members must attain age 60 to be~~ are only eligible for retirement benefits when they meet the age and service credit requirements outlined in division (B) of pursuant to section 3307.58 of the Revised Code.

Effective:

Five Year Review (FYR) Dates: 02/20/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.58
Prior Effective Dates: 7/1/13 (Emer.), 9/14/13

3307:1-6-01

Determination of temporary supplementary benefit fund.

By authority provided in section 3307.671 of the Revised Code, the state teachers retirement board shall establish the following rule for determining the amount of the temporary supplementary benefit fund, if allocated:

- (A) A temporary supplementary benefit will be paid to a person granted and paid a benefit by this system upon meeting the eligibility requirements of section 3307.57, 3307.58, 3307.59, 3307.60, 3307.63, 3307.631, or 3307.66 of the Revised Code, if during the year in which a payment is awarded the person received twelve monthly benefit payments including that paid for December.
- (B) If more than one person is receiving a benefit under section 3307.66 of the Revised Code from the account of a deceased member the temporary supplementary benefit payable to the account shall be divided into equal payments to each benefit recipient who is sharing in the account at the time of payment. If such division of the temporary supplementary benefit results in a payment of less than twenty-five dollars, the amount shall be increased to twenty-five dollars to each affected recipient.
- (C) A retirant who has been re-employed in violation of the restrictions of section 3307.35 of the Revised Code during a calendar year is ineligible to receive a temporary supplementary benefit for that year. If a determination of violation of section 3307.35 of the Revised Code is made after the payment of a temporary supplementary benefit is paid for the year in which the violation occurred, such benefit shall be repaid or collected along with any other benefits overpaid.
- (D) The amount of the temporary supplementary benefit will be determined according to the number of units accumulated by each account, as follows:
 - (1) One unit is accumulated for each full calendar year that the benefit has been paid from the account.
 - (2) One unit is accumulated for each year of total service credit as defined by division (D) of section 3307.01 of the Revised Code and rule 3307:1-1-01 of the Administrative Code. Partial units are accumulated for partial years of such Ohio credit.
 - (3) Units shall not be accumulated by recipients of disability benefits under section 3307.63 of the Revised Code for years of projected credit used in the calculation of a benefit.
 - (4) Units shall not be accumulated by recipients of service retirement benefits under section 3307.59 of the Revised Code for any period of time during which a

disability allowance was paid under section 3307.631 of the Revised Code.

- (E) For each year in which a temporary supplementary benefit is paid, the state teachers retirement board shall assign a monetary value to each unit, based upon the total amount allocated within the limits established in section 3307.671 of the Revised Code.
- (F) The total value of all units actually paid will establish the amount of the temporary supplementary benefit fund for that year.
- (G) Any temporary supplemental benefit calculated under this rule shall be reduced by any amounts due to be repaid to the retirement system on an account, without regard to the individual primarily responsible for such repayment.

Five Year Review (FYR) Dates: 02/20/2015 and 02/20/2020

CERTIFIED ELECTRONICALLY

Certification

02/20/2015

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.761
Prior Effective Dates: 12/27/80, 4/4/87, 5/25/00, 7/1/01 (Emer.), 9/17/01,
3/25/10

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 ~~for disability benefits and attending physician's report, on forms provided by the retirement system,~~ 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 that was completed within the last 60 days and includes supporting diagnostic testing; 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.

~~(B)~~(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.

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

~~(D)~~(E) 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 board to be performing teaching services.

(F) For purposes of division (B)(2) of section 3307.62, "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.

~~(E)~~(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.

~~(F)~~(H) "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.

~~(G)~~(I) 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.

~~(H)~~(J) "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.

Effective:

Five Year Review (FYR) Dates: 05/27/2016

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.48, 3307.57, 3307.62, 3307.63, 3307.631
Prior Effective Dates: 12/23/76, 12/26/77, 2/26/81, 7/3/91, 10/29/98 (Emer.),
1/17/99, 7/1/01 (Emer.), 9/17/01, 9/17/02, 7/1/06,
6/6/11, 1/7/13 (Emer.), 3/24/13, 1/1/14 (Emer.),
2/10/14

3307:1-13-01 ~~Re-employment~~ 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.

Effective:

Five Year Review (FYR) Dates: 06/01/2016

Certification

Date

Promulgated Under: 111.15
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

3307:1-14-01

Intersystem transfers with non-uniform systems.

(A) This rule amplifies section 3307.57 of the Revised Code and applies to members who retire with an effective date of retirement on or after February 1, 2013.

(B) For the purpose of this rule:

(1) "State retirement system" ~~has~~ and "retention percentage" have the same meaning as in section 3307.57 of the Revised Code.

(2) "Fiscal year" means, for the public employees retirement system, a calendar year and, for the school employees retirement system and state teachers retirement system, the twelve-month period beginning on July first and ending on June thirtieth.

(C) For purposes of determining the amount transferred under division ~~(B)(6)(a)~~ (B)(5)(a) of section 3307.57 of the Revised Code, all of the following applies:

(1) The amount contributed by the member includes any amounts paid to restore service credit under section 3307.71 of the Revised Code and purchases made under sections 3307.72 and 3307.77 of the Revised Code.

(2) The amount of employer contributions shall be determined using the lesser of the employer's contribution rate in effect at the beginning of the fiscal year for each of the state retirement systems involved in the transfer, less the retention percentage.

(3) Any amounts paid by the member to purchase service credit shall include, if applicable, any amounts paid by the employer to purchase service credit.

(4) Except as provided in this paragraph, interest shall be calculated beginning on the first day of the fiscal year following the year in which the contributions were made and ending on the last day of the month in which the transfer occurs. If the amount to be transferred includes any amounts paid to purchase service credit, other than amounts paid to restore service credit under section 3307.71 of the Revised Code and purchases made under sections 3307.72 and 3307.77 of the Revised Code, interest on the amounts paid to purchase service credit shall be calculated beginning on the first day of the fiscal year following the year in which the payment to purchase the credit was made and ending on the last day of the month in which the transfer occurs. For each year of service credit to be transferred, the interest rate shall be determined by using the lesser of the actuarial assumption rate in effect at the beginning of the fiscal year for each of the state retirement systems involved in the

transfer.

- (D) If a member of the public employees retirement system has contributions to more than one employer division of the system, the employer contribution rate for the system shall be determined using the last division to which the member contributed. If the period of service and contributions to be transferred includes service that occurred prior to the date the member's most-recent division was established, the state teachers retirement system shall use the employer contribution rate for its system for that year.

Effective: 03/23/2015

CERTIFIED ELECTRONICALLY

Certification

03/20/2015

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.57
Prior Effective Dates: 1/7/13 (Emer.), 3/24/13

3309-1-50 **Re-employment restrictions.**

(A) For the purpose of this rule and section 3309.341 of the Revised Code:

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

(B)

- (1) Forfeiture of a retirement allowance under section 3309.341 of the Revised Code for employment in a position covered by another Ohio retirement system shall apply only to a SERS retiree whose effective retirement benefit date is on or after September 1, 1991.
- (2) A SERS retiree who has received a retirement allowance for less than two months and who becomes employed in a position covered by an Ohio retirement system shall forfeit such allowance for any month in which he is so employed during the two-month period after the effective benefit date.

The forfeited allowance shall be the retirement allowance payable under a plan described in division (B)(1) or (B)(3) of section 3309.46 of the Revised Code before any lump sum amount elected pursuant to division (B)(4) of section 3309.46 of the Revised Code.

- (3) Notwithstanding paragraphs (B)(1) and (B)(2) of this rule, the forfeiture provision shall not apply to a SERS retiree who is employed in a position covered by a uniformed retirement system if the retiree was continuously employed in the position for at least two months prior to the effective retirement benefit date in this system.

(C)

(1)

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

(i) Apply for a benefit if eligible pursuant to section 3309.34; or 3309.35 ~~or 3309.38~~ of the Revised Code; or

(ii) Apply for a refund of contributions pursuant to section 3309.42 of the Revised Code.

(b) If the member applies for a benefit 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 also has established membership in a uniformed retirement system or systems is terminating all employment covered by all the systems, and is electing to take a retirement benefit from one or more of the other systems, as of the effective retirement benefit date, the member shall elect to:

(a) Apply for a benefit if eligible pursuant to section 3309.34; or 3309.35 ~~or 3309.38~~ of the Revised Code;

(b) Apply for a refund of contributions pursuant to section 3309.42 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 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 benefit in this system.

(3)

(a) 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

system may continue employment in the position covered by this system, provided that contributions made to this system after the member's effective retirement benefit date in the uniformed system shall accrue only a benefit as described in section 3309.344 of the Revised Code.

- (b) If the member has been continuously employed in such position for at least two months prior to the effective retirement benefit date in the uniformed system, the member may make an irrevocable election on a form provided by this system to have contributions to this system made prior to his effective retirement benefit date in the other system applied toward the same benefit described in section 3309.344 of the Revised Code. In the event this election is made, accrual of allowable interest shall not begin until after the effective retirement benefit date in the other system.

Effective:

Five Year Review (FYR) Dates: 02/03/2015

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.341, 3309.344, 3309.35
Prior Effective Dates: 1/2/93, 5/2/01, 5/14/05, 3/30/07