

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) 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 ~~and regardless of when military service took place for a purchase under section 3307.752 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.

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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) Members may purchase service credit under sections 3307.71, 3307.72, ~~3307.73, 3307.74, 3307.741, 3307.751, 3307.752, 3307.76, 3307.761, 3307.763, and 3307.77 and 3307.771~~ of the Revised Code in increments. The 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 section 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) 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)~~(D) 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) ~~Credit~~ 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 ~~or restoration~~ of service credit on forms provided by this system determining that the service credit qualifies for purchase ~~or restoration~~;

(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 last day of the third month after the effective date of service retirement, unless 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.
- ~~(D)~~(E) Members applying for disability benefits must complete all purchases of service credit before the first benefit payment if the service credit ~~for such service~~ is to be included in the benefit calculation.
- ~~(E)~~(F) For purposes of sections 3307.74, ~~3307.741~~, 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, ~~as defined by division (F) of section 3307.01 of the Revised Code.~~
- ~~(F)~~(G) Except for purchases of service credit by payroll deduction, ~~the participant 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.
- ~~(G)~~(H) 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.

~~(H)~~(I) Payments for purchased or restored service credit may be refunded upon the request of the member and ~~the~~ such service credit granted will be cancelled, upon the request of the member:

- (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.

~~(H)~~(J) 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 ~~may not request~~ shall not receive a refund of any payments for ~~the~~ a purchase of service credit.

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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 ~~type of service, eligibility, and purchase of 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 ~~board~~ system. This certification ~~should~~ 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) ~~In order to~~ To be eligible to ~~secure~~ purchase service credit under section 3307.74 of the Revised Code, the ~~employee~~ member must have been regularly employed. Part-time service may be purchased if the ~~employee~~ 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, ~~members~~ 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) If the service credit to be purchased in a year is less than one complete year:
 - (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 nine months, or
 - (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 twelve months.

- (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) 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 a year or a partial year of service credit under section 3307.74 of the Revised Code shall be ~~an amount equal to one hundred per cent of the liability resulting from the purchase, as determined by an actuary employed by the state teachers retirement board~~ determined as specified in rule 3307:1-3-13 of the Administrative Code.
- ~~(9) Credit will not be granted for service that would result in more than one year of total service credit as defined by section 3307.50 of the Revised Code for any year as defined by section 3307.01 of the Revised 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.

- (a) 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.
- (a) 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:
- (i) Is not purchasable with the Ohio public employees retirement system; and,
- (ii) 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 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, 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) ~~Service as a graduate assistant outside Ohio~~ 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; was with a public university or college and if performed prior to July 1, 1978 or after that date if performed after membership in this retirement system was first established.

(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) ~~Credit~~ 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 ~~such participant~~ the member.
 - (2) If participation was in a defined contribution plan:
 - (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.
 - (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.
- (D) ~~Credit~~ 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.

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

(A) For purposes of sections 3307.70 and 3307.75, ~~division~~ 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) Credit will not be granted for service that would result in more than one year of total service credit as defined by section 3307.50 of the Revised Code for any year as defined by section 3307.01 of the Revised Code.~~
- ~~(3)~~(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.
- ~~(4)~~(3) Separate costs shall be calculated for multiple non-consecutive periods of military service.
- ~~(5)~~(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. ~~The definition of reserves has the same meaning as found in division (A)(2) of section 3307.751 of the Revised Code.~~ In all cases, the determination of the amount of service eligible for purchase resides solely with the ~~state teachers~~ retirement system and its decision shall be final.
- ~~(2) Credit will not be granted for service that would result in more than one year of total service credit as defined by section 3307.50 of the Revised Code for any year as defined by section 3307.01 of the Revised Code.~~
- ~~(3)~~(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 ~~state teachers~~ 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 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) ~~Credit~~ 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) 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 a year or partial year~~ of service credit under section 3307.751 of the Revised Code shall be ~~an amount equal to one hundred percent of the liability resulting from the purchase, as determined by an actuary employed by the state teachers retirement board~~ 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.
- (I) 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.

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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) ~~Absence~~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,~~or,~~
 - (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 ~~state teachers~~ retirement system, provided the payment is received by the ~~state teachers~~ retirement system by the thirtieth of June of the year in which the absence or leave terminated.
 - (6) 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) "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) "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.

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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 ~~board~~ 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.
- (C) 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 ~~a year or partial year of~~ service credit under section 3307.76 of the Revised Code shall be ~~an amount equal to one hundred per cent of the liability resulting from such purchase, as determined by an actuary employed by the state teachers retirement board~~ determined as specified in rule 3307:1-3-13 of the Administrative Code.
- (D) 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 ~~or is for service that was already used in the calculation or payment of a retirement benefit.~~
- (E) ~~Credit will not be granted for service that would result in more than one year of total service credit as defined by section 3307.50 of the Revised Code during any year as defined by section 3307.01 of the Revised Code.~~

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3307:1-3-08 **Establishment of service credit for leaves of absence and resignations due to pregnancy.**

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) 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) 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)

- (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 photocopy of the child's birth certificate 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 statement based on medical records 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 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 equivalence.
- (6) Certifications and applications for the purchase of service credit must be completed on forms approved or provided by the state teachers retirement ~~board~~system. ~~Through~~
- (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.
- ~~(7)~~(8) Effective January 1, 2014, except as provided in paragraph (B)(~~67~~) of this rule, the cost pursuant to section 3307.70 of the Revised Code for the purchase of ~~a year or partial year~~ 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 ~~an amount equal to one hundred per cent of the liability resulting from such purchase, as determined by an actuary employed by the state teachers retirement board.~~

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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) ~~A member may purchase all or part of the service credit qualifying for purchase under sections 3307.70 and 3307.73 of the Revised Code.~~ 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~~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) 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 ~~transmit the employer's certification to~~ contact the applicable retirement system and shall request certification from that retirement system that the service was exempt ~~and the amount of credit that would have been earned had the service not been exempt.~~

- (3) ~~Credit~~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) Once service qualifying for purchase has been certified and determined pursuant to paragraph (C) of this rule, the cost 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 ~~employers~~ 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 ~~paragraph~~ paragraphs (B) and (D)(1) of this rule, the cost pursuant to section 3307.70 of the Revised Code for the purchase of ~~a year or partial year~~ 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 ~~an amount equal to one hundred per cent of the liability resulting from the purchase.~~
 - (3) ~~The cost factors applied to the calculation are hereby established by the state teachers retirement board as those determined by the actuary as equal to the additional liability resulting from the purchase of credit. The actuary shall review purchases and liability upon request of the executive director.~~
 - (4) ~~The cost for purchases of credit in portions of less than a full year shall be prorated on the basis of the cost for a full year.~~

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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 3307.701 of the Revised Code:

~~(A) As used herein:~~

~~(1) "Employer" shall be an employer as defined by division (A) of section 3307.01 of the Revised Code.~~

~~(2) "Member" shall be a member of the state teachers retirement system as defined by division (C) of section 3307.01 of the Revised Code.~~

~~(B)(A) 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, 3307.73, 3307.74, 3307.751, 3307.76, or section 3307.771 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 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. 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 (4)(a) of this paragraph. 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.~~

~~(1)(3) Where eligible service has been certified, the state teachers 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

~~(2)~~(4) Upon request, 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 follows: specified in (4)(a) of this paragraph.

~~(a)~~ From January 1, 2013, through December, 2013, the system will provide statements with payment periods ending on June 30, 2014, for purchases of 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.

~~(b)~~(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.

~~(c)~~(b) 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.

~~(3)~~(5) 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 employer.

~~(C)~~(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 ~~state teachers~~ 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 ~~(E)~~ (D) of this rule.

~~(D)~~(C) ~~Deductions made~~ Amounts deducted by an employer shall be ~~credited~~ transmitted monthly ~~with~~ to the ~~state teachers~~ 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 specified in rule 3307:1-3-01 of the Administrative Code.

~~(E)~~(D) Monthly payments shall not be less than the a minimum ~~of the~~ amount specified to restore or purchase service credit over the maximum period allowable under paragraph ~~(B)~~ (A) of this rule, ~~but in no case~~ 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 ~~purchase or restoration~~ payroll deduction plan will be cancelled.

~~(F)~~(E) Except for purchase under a tax-deferred plan as provided in paragraph ~~(M)~~ (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 applicable minimum monthly payment specified in paragraph (D) of this rule.

~~(G)~~(F) Except for purchases under a tax-deferred plan as provided in paragraph ~~(M)~~ (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.

~~(H)~~(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 ~~pre-tax payroll deduction plan~~ 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)~~(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. ~~However, the new monthly minimum amount deducted shall be the greater of the new recalculated minimum or the previous amount that was being deducted~~ In all cases, the member must pay the minimum monthly payment as specified in paragraph (D) of this rule.

~~(I)~~(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)~~(J) The ~~state teachers~~ 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 ~~state teachers~~ 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.

- ~~(E)~~(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 ~~(G)~~(I) of rule 3307:1-3-02 of the Administrative Code.
- ~~(M)~~(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.
- ~~(N)~~(M) In lieu of payroll deduction, the ~~state teachers~~ 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. ~~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 twenty per cent federal taxes will be withheld if the money was tax deferred. Refunds under two hundred dollars will be sent to the member and no tax withholding will be deducted unless the member directs otherwise.~~
- ~~(O)~~(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. ~~If a member purchasing service through payroll deduction files for service retirement, the state teachers 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.~~
- (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.

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3307:1-3-12

Service credit established under retirement incentive plan.

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

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3307:1-3-13**Determination of cost for service credit purchased under section 3307.70 of the Revised Code.**

(A) As provided in sections 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 percent 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 1.

(2) The member's years of service credit, which shall include all of the following and 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 30 unless such service credit reporting is adjusted after that date, then the total service credit as of June 30 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 30 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 and service credit eligible for restoration under sections 3309.26, 3309.261, 145.31 and 145.311 of the Ohio 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 section 3307.01(L) 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 on June 30.

- (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 section 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 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 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 rules 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 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 30, 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 division (I) 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 (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.

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

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

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

- (A) "Applicant" shall mean the member for whom an application for disability benefits and attending physician's report, on forms provided by the retirement system, have been completed and ~~filed with~~ received by the retirement system.
- (B) "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) "Board," shall mean the state teachers retirement board.
- (D) For purposes of section 3307.48 of the Revised Code, to "perform any teaching service" whether or not such services or positions are performed full-time or part-time, in a public or private employment school or non-school setting, on a volunteer basis or for compensation, in or outside the state of Ohio shall be defined to include any of the following:
- (1) All employment, contracted services or volunteer work that if performed in an Ohio public school would be considered employment covered by the state teachers retirement system as defined in section 3307.01 of the Revised Code.
 - (2) All teachers, tutors, substitute teachers, electronic classroom instructors, daycare teachers, community school instructors and private-lesson providers whether the service was performed through employment, contracted services, or volunteer work.
 - (3) All employment contracted services, or volunteer work that relates to the work of educators, such as, but not limited to, writing curriculum, leading workshops, providing training, instructing students of any age, or directing teachers, student teachers or students.
 - (4) Any other service determined by the Board to be performing teaching services.
- ~~(D)~~(E) "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.

~~(E)~~(F) "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.

~~(F)~~(G) 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.

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

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

- (A) Pursuant to sections 3307.39; and 3307.391 ~~and 3307.61~~ of the Revised Code, a health care program is hereby established for certain service retirement and disability benefit recipients and certain dependents of those benefit recipients who meet the conditions of eligibility specified by this chapter of the Administrative Code ~~as well as~~ and the conditions of ~~eligibility~~ eligibility for participation in any medical or ancillary plan offered.
- (B) The health care program shall consist of such medical plans and ancillary plans as the retirement board may from time-to-time offer. The retirement board shall review the ~~program, medical and ancillary~~ the plans and benefits offered at least every two years.
- (C) As used in this chapter of the Administrative Code:
- (1) "Ancillary plan" shall mean a plan offering ~~ancillary~~ auxiliary coverage, such as dental or vision coverage.
 - (2) "Child" shall mean a biological child, lawfully adopted child or stepchild of a member, of a primary service retirement benefit recipient, or of a disability benefit recipient or a child for whom a member, a primary service retirement benefit recipient, or disability benefit recipient has been legally appointed as guardian, provided that such child has not yet attained age twenty-six.
 - (3) "Dependent" shall mean a spouse, child, or sponsored dependent as defined in this rule.
 - (4) "Disabled adult child" shall mean any biological child, child lawfully adopted prior to age eighteen, stepchild of a deceased member, primary service retirement benefit recipient or disability benefit recipient or a child for which a deceased member, primary service retirement benefit recipient or disability benefit recipient has been legally appointed as guardian prior to age eighteen and who is permanently and totally disabled. To determine an adult child meets and continues to meet the requirements in paragraphs (C)(4)(b) or (C)(4)(c) of this rule, the same procedure for the determination of "physical or mental incompetency" as outlined in paragraph (I) of rule 3307:1-8-01 of the Administrative Code for survivor benefit eligibility shall be followed. The disabled adult child shall also meet one of the following requirements:
 - (a) Has never married and has been adjudged physically or mentally incompetent by a court prior to age eighteen or age twenty-two if the child was attending school on at least a two-thirds full-time basis and

the child's physical or mental incompetency has been continuous since the court's initial adjudication, or

(b) Has never married and has attained age twenty-six and has been unable to earn a living because of a mental or physical condition that was disabling prior to age eighteen or age twenty-two if the child was attending school on at least a two-thirds full-time basis, provided the disabled adult child has been continuously disabled and unable to earn a living from the initial date that the disabled adult child was determined to have a mental or physical condition that was disabling. The chair of the medical review board shall determine that the child has a mental or physical condition that incapacitated the child before the maximum age specified in this paragraph. As used herein, "unable to earning a living" means that a child was incapable of earning at least sixteen thousand dollars a year for any year before January 1, 2008, and was incapable of earning for each year since January 1, 2008, the federal minium wage as of January first for each year of the prior year as well as the current year multiplied by two thousand eighty hours, increased by fifty per cent and rounded to the nearest thousand dollars for each year thereafter., or

(c) Has never married, has attained age twenty-six and attends an adult workshop or school for the developmentally disabled operated by a county or state department of developmental disabilities. If attendance has not been continuous since age eighteen or age twenty-two if the child was attending school on at least a two-thirds full-time basis, additional earnings verification may be required in accordance with paragraph (C)(4)(b) of this paragraph.

(5) "Medical plan" shall mean a plan ~~offereing~~ offering health, medical, hospital, or prescription drug coverage or any combination thereof.

(6) "Plan enrollee" means any individual described in rule 3307:1-11-02 of the Administrative Code who participates in the medical or ancillary plans offered by the retirement system.

~~(6)~~(7) "Primary service retirement benefit recipient" shall mean a member who applied for and was granted service retirement benefits under the plan described in sections 3307.50 to 3307.79 of the Revised Code or a plan established under section 3307.81 of the Revised Code that provides health care coverage.

~~(7)~~(8) "Retiree," "Service retiree," "Service benefit recipient," "service retirement benefit recipient," and "recipient of a service retirement benefit" shall mean a

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

~~(8)~~(9) "Sponsored dependent" includes:

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

~~(9)~~ "Plan enrollee" means any individual described in rule 3307:1-11-02 of the Administrative Code who participates in the medical plans offered by the retirement system.

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

~~(11)~~(D) A primary service retirement benefit recipient or disability benefit recipient shall provide any information requested by the retirement system to validate the eligibility of a disabled adult child in any medical or ancillary plan offered by the retirement system.

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3307:1-11-02 **Health care services - eligibility.**

Subject to the requirements of Chapter 3307:1-11 of the Administrative Code and the specific requirements of the various plans that may be offered, the following shall be eligible to participate in the medical and ancillary plans offered by the retirement system:

- (A) A primary service retirement benefit recipient whose benefit effective date is prior to January 1, 2004.
- (B) A primary service retirement benefit recipient with fifteen or more years of total service credit whose benefit effective date is January 1, 2004 or later.
- (C) A disability benefit recipient.
- (D) A primary service retirement benefit recipient who was receiving disability benefits and whose benefit effective date is prior to January 1, 2004 and who began receiving service retirement benefits with no break in receipt of monthly benefits following the termination of disability benefits. Service credit used to determine health care eligibility shall be the total service credit used in the calculation of service retirement benefits, which shall not include service credit purchased under section 3307.741 of the Revised Code.
- (E) A primary service retirement benefit recipient who was receiving disability benefits; whose benefit effective date is January 1, 2004 or later; and who began receiving service retirement benefits with no break in receipt of monthly benefits following the termination of disability benefits, provided the benefit recipient has fifteen or more years of total service credit. Service credit used to determine health care ~~eligibility~~ eligibility shall be the total service credit used in the calculation of service retirement benefits, which shall not include service credit purchased under section 3307.741 of the Revised Code.
- (F) A person receiving benefits under a joint and survivor annuity or annuity certain plan of payment described in section 3307.60 of the Revised Code who was eligible for coverage as a dependent of the primary service retirement benefit recipient at the time of the primary service retirement benefit recipient's death, provided:
 - (1) The effective date of the person's monthly benefits is before January 1, 2004; or
 - (2) The effective date of the person's monthly benefits is January 1, 2004 or later and the primary service retirement benefit recipient had fifteen or more years of total service credit at the time of retirement.
- (G) A person granted survivor benefits under division (C)(2) of section 3307.66 of the Revised Code who was eligible for coverage as a dependent at the time of the

member's or disability benefit recipient's death.

(H) A person granted survivor benefits under division (C)(1) of section 3307.66 of the Revised Code who was eligible for coverage as a dependent at the time of the member's or disability benefit recipient's death, provided:

(1) The effective date of survivor benefits or the effective date of disability benefits of the deceased member is before January 1, 2004; or

(2) The effective date of survivor benefits is January 1, 2004 or later and the deceased member had fifteen or more years of total service credit at the time of death.

(I) Dependents of the primary service retirement benefit recipients and disability benefit recipients described in paragraphs (A) to (E) of this rule, including children born after the effective date of a benefit, and to the extent that a medical or ancillary plan allows coverage for sponsored dependents.

(J) Effective January 1, 2009, a plan enrollee, who is not eligible for Medicare part B is not eligible for primary coverage in a medical plan offered pursuant to section 3307.39 of the Revised Code if the plan enrollee is employed and has access to a medical plan with prescription coverage available through the employer or if employees of that employer in comparable positions have access to a medical plan available through the employer provided the medical plan with prescription coverage available through the employer is equivalent to the medical plan with prescription coverage at the cost available to full-time employees as defined by the employer. As used in this rule, "employer" means a public or private entity that acts as an employer and is not limited to an "employer" as defined in section 3307.01 of the Revised Code.

(1) Any secondary coverage provided by a medical plan offered by the retirement system pursuant to section 3307.39 of the Revised Code to a plan enrollee subject to paragraph (J) of this rule shall apply only to those medical expenses not paid by the medical plan with prescription coverage available through the employer and which are covered in the medical plan offered by the retirement system under section 3307.39 of the Revised Code.

(2) The board may require each plan enrollee to annually file a statement disclosing the availability of a medical plan with prescription coverage available through the employer with the board or its designee. The statement shall include the name of the employer, the medical plan available through the employer and such other information that may be required. If a plan enrollee does not enroll in the medical plan available through an employer when it becomes available

to a plan enrollee, no medical plan coverage will be provided by the ~~state~~ ~~teachers~~ retirement system while the individual was eligible for available employer coverage.

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1/08/07, 12/6/07, 5/14/09, 8/12/10 (Emer.), 10/28/10,
1/1/13

3307:1-11-03 **Health care services - cost.**

(A) ~~An~~ a plan enrollee's cost to participate in the ~~medical plan~~ health care program will be determined as follows:

- (1) Costs shall be based upon service credit, the effective date of benefits, and such other factors as the ~~state teachers~~ retirement board may find relevant. Except as provided in paragraph (A)(3)(c) of this rule, service credit used in calculating ~~an~~ a plan enrollee's cost shall be the service credit used in the calculation of service retirement benefits, ~~which excludes service credit purchased under section 3307.741 of the Revised Code.~~ The ~~state teachers~~ retirement board shall annually review costs and premiums charged for participation in the ~~medical plan~~ health care program and shall establish a schedule for determining or calculating plan enrollee costs and premiums.
- (2) Enrolled benefit recipients shall pay all costs or premiums through benefit deduction unless the amount of a benefit will not cover such costs. In that case, the benefit recipient will be billed directly by the ~~state teachers~~ retirement system for any balance remaining through invoices for an initial period not to exceed three months and then by monthly electronic debit of the balance owed. It will be the sole responsibility of the benefit recipient to provide and maintain the information and available funds required for the retirement system to complete the monthly electronic debit. Should the retirement system be unable to debit the payment electronically after the initial three month period, enrollment in the health care program may be terminated. In all events, if payment is not received on or before the first business day of the month the premium is due, enrollment in the health care program may be terminated. Participation in and coverage under the medical plan may be terminated in the event payment is not made within thirty days.
- (3) The ~~state teachers~~ retirement board will not waive any portion of the cost for:
 - (a) Service benefit recipients with less than fifteen years of total service credit with an effective date of benefits before January 1, 2004.
 - (b) Spouses or dependents of service and disability benefit recipients.
 - (c) Any service benefit recipient who retires or who makes application to retire on or after March 17, 1989 and: who has purchased service credit under former section 3307.741 of the Revised Code in order to become eligible for benefits under section 3307.58 of the Revised Code.

Until such time as the service benefit recipient is eligible for benefits under section 3307.58 of the Revised Code without regard to service credit purchased under such section, the benefit recipient and all eligible dependents are eligible for participation in the health care program only by paying all premium and associated costs. At such time as the benefit recipient would be eligible for service retirement benefits under section 3307.58 of the Revised Code without regard to service credit purchased under such section, the retirement board may waive a portion of the cost for a benefit recipient with fifteen or more years of total service credit.

~~(i) Who has purchased service credit under section 145.28, 3307.73, 3307.741, 3307.78 or 3309.301 of the Revised Code in order to become eligible for benefits under section 3307.58 of the Revised Code; or for whom service credit has been purchased under section 145.297, 145.298, 3307.54 or 3309.33 of the Revised Code in order for the member to become eligible for retirement effective on or after September 1, 1996.~~

~~(ii) Until such time as the service benefit recipient is eligible for benefits under section 3307.58 of the Revised Code without regard to service credit purchased under such sections, the benefit recipient and all eligible dependents are eligible for participation in the health coverage program only by paying all premium and associated costs. At such time as the benefit recipient becomes eligible for service retirement benefits under section 3307.58 of the Revised Code without regard to service credit purchased under such sections, the state teachers retirement board may waive a portion of the cost for a benefit recipient with fifteen or more years of total service.~~

(4)

(a) If benefits have been granted under section 3307.60 of the Revised Code and the effective date of the benefit recipient's retiree's monthly benefits is before January 1, 2004, for the later of five years from January 1, 2004 or the effective date of survivor benefits as defined under the above section benefits to a service retiree's beneficiary, costs for the survivor benefit recipients beneficiary and dependents shall be calculated based upon the member's retiree's years of service and other factors as the ~~state teachers~~ retirement board may find relevant. After the five year subsidy period, the state teachers retirement board will not waive any portion of the cost.

(b) If benefits have been granted under section 3307.60 of the Revised Code and the effective date of the ~~benefit recipient's~~ retiree's monthly benefits is on or after January 1, 2004, the ~~member~~ retiree must have had fifteen or more years of service credit for the ~~survivor~~ service retiree's beneficiary and dependents to qualify for the five year ~~total~~ subsidy period. In the event the ~~benefit recipient~~ retiree named multiple beneficiaries under division (A)(4) of section 3307.60 of the Revised Code, the percent subsidy for which the ~~benefit recipient~~ retiree was eligible will be allocated equally among the surviving beneficiaries for the five year subsidy period. After the five year subsidy period, the ~~state teachers~~ retirement board will not waive any portion of the cost.

(5)

(a) If benefits have been granted under division (C)(1) of section 3307.66 of the Revised Code as the result of the death of a member eligible for service retirement, and the effective date of survivor benefits is before January 1, 2004, for the later of five years from January 1, 2004 or the effective date of survivor benefits ~~as defined under the above section~~, costs for the survivor benefit recipients and dependents shall be calculated based upon the member's years of total service credit and other factors as the ~~state teachers~~ retirement board may find relevant. After the five year subsidy period, the ~~state teachers~~ retirement board will not waive any portion of the cost.

(b) If benefits have been granted under division (C)(1) of section 3307.66 of the Revised Code as the result of the death of a member eligible for service retirement, and the effective date of survivor benefits is on or after January 1, 2004, the member must have had fifteen or more years of total service credit for the survivor and dependents to qualify for the five year subsidy period unless the member was receiving ~~state teachers retirement system~~ disability benefits pursuant to section 3307.62 of the Revised Code at the time of death. If the member was ~~receiving a~~ receiving a disability ~~benefits recipient~~ benefits recipient at the time of death, the effective date of disability benefits is used for determining whether the member had fifteen or more years of total service credit for the survivor to qualify for the five year subsidy period.

(c) If benefits are granted under division (C)(2) of section 3307.66 of the Revised Code as the result of the death of a member, for the later of five years from January 1, 2004 or the effective date of survivor benefits ~~as defined under the above section~~, costs shall be calculated based upon the greater of the member's years of total service credit or

fifteen years and other factors as the ~~state teachers~~ retirement board may find relevant. After the five year subsidy period, the ~~state teachers~~ retirement board will not waive any portion of the cost.

- (B) ~~An~~ A plan enrollee's cost to participate in ~~the~~ an ancillary ~~plans~~ plan shall be the full cost of coverage as specified by the ~~state teachers~~ retirement board.

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TO BE RESCINDED

3307:1-11-04

Health care services - effective date.

(A) The effective date of medical, dental and vision plan coverage for benefit recipients who elect coverage and enroll dependents shall be determined as follows:

- (1) Disability benefit recipients - if a disability benefit recipient elects coverage when disability benefits are granted, coverage shall begin on the first of the month following the date that the retirement board acts to grant disability benefits.

A disability benefit recipient may defer enrollment up to three months if the disability benefit recipient elects coverage when benefits are granted, and in such a case, the effective date of the deferred coverage is the first of the month following termination of other group coverage within the three-month period.

- (2) Service retirement benefit recipients - if a service retirement benefit recipient elects coverage when service retirement benefits are granted, coverage shall begin on the first of the month following the date the service retirement application is received by the state teachers retirement system or effective date of retirement, whichever is later.

A service retirement benefit recipient may defer enrollment up to three months if the service retirement benefit recipient elects coverage when benefits are granted and in such case, the effective date of the deferred coverage is the first of the month following the termination of other group coverage within the three-month period.

- (3) Survivor benefit recipients - if a survivor benefit recipient submits a health care enrollment application within three months from the end of the month of the member's date of death, coverage shall begin on the first of the month following the member's date of death.

- (4) Service retirement beneficiary recipients - if a service retirement beneficiary benefit recipient was enrolled as a dependent of a service retirement benefit recipient at the time of the service retirement benefit recipient's death, coverage shall continue at the same level as when the service retirement beneficiary benefit recipient was enrolled as a dependent unless the service retirement beneficiary benefit recipient contacts the state teachers retirement system within three months of the service retirement benefit recipient's death to elect different medical coverage. Any change will become effective the first of the month after the election is made.

- (5) If a benefit recipient does not elect to enroll in coverage under a plan as permitted under paragraph (A) of this rule and later applies for coverage, coverage shall begin as follows:
- (a) Coverage will begin on the first day of January following an open enrollment period specified by the state teachers retirement system.
 - (b) Coverage will begin on the first of the month following termination of other group coverage if application for coverage is received and approved by the state teachers retirement system within the thirty-one days after the termination of such other coverage.
 - (c) Through December 31, 2010, coverage will begin the first of the month after the completion of a six-month waiting period following application for coverage by a benefit recipient who is not at the time of application covered under another group health care plan or who is covered under another group plan that will not be terminating. The six-month period begins the month in which the application is received by the state teachers retirement system.
 - (d) Effective January 1, 2011, coverage will begin the first of the month after the completion of a ninety-day waiting period following application for coverage by a benefit recipient who is not at the time of application covered under another group health care plan or who is covered under another group plan that will not be terminating. The ninety-day period begins the month in which the application is received by the state teachers retirement system.
- (6) Coverage for a new spouse enrolled by a service retirement or disability benefit recipient will be effective on the first of the month following the marriage, if a written application is received by the retirement system within thirty-one days of the date of marriage or within thirty-one days in which a change in a service retirement plan of payment is effective that qualifies the new spouse for a monthly benefit upon the death of a service retiree.
- (7)
- (a) Coverage for a newborn or adopted child of a service retirement, disability or survivor benefit recipient will begin on the day of birth or adoption, provided that a written application is received by the retirement system within thirty-one days of birth or adoption.

- (b) If coverage for other dependent children is already in effect and a written application is received by the retirement system later than thirty-one days after the birth or adoption, coverage shall be effective the first of the month after receipt of the application.
 - (c) Through December 31, 2010, if no coverage for other dependent children is already in effect and a written application is received by the retirement system later than thirty-one days after the birth or adoption, coverage shall not be effective until first of the month following the completion of a six-month waiting period. The six-month waiting period begins the month in which the application is received.
 - (d) Effective January 1, 2011, if coverage for other dependent children is not already in effect and a written application is received by the retirement system later than thirty-one days after the birth or adoption, coverage shall not be effective until the first of the month following the completion of a ninety-day waiting period. The ninety-day waiting period begins the month in which the application is received.
- (B) The effective date of long-term care plan coverage shall be as specified by the plan administrator.

Effective: 01/01/2014

CERTIFIED ELECTRONICALLY

Certification

11/26/2013

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.67
Prior Effective Dates: 12/23/76, 11/28/77, 3/17/89 (Emer.), 6/1/89, 9/23/91 (Emer.), 5/28/92, 6/22/92 (Emer.), 9/10/92, 2/13/93, 9/1/96, 7/3/97, 9/16/98 (Emer.), 11/27/98, 5/25/00, 7/1/01 (Emer.), 9/17/01, 7/1/06, 10/28/10, 6/6/11

3307:1-11-04

Health care services - effective date.

(A) The effective date of coverage in medical and ancillary plans for plan enrollees shall be determined and is limited as follows:

(1) Initial Enrollment: When a monthly benefit payment begins, medical and ancillary coverage shall begin as follows:

(a) Service retirement benefit recipients:

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

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

(b) Disability benefit recipients:

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

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

(c) Survivor benefit recipients:

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

(d) Service retiree beneficiary benefit recipients:

(i) On the first of the month following the month of the retiree's death, provided a service retiree beneficiary who was not enrolled as a dependent of a retiree at the time of the retiree's death enrolls by the end of the third month following the month of the retiree's death.

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

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

(a) Open enrollment: Coverage will begin on the first day of the next plan year following an open enrollment period specified by the retirement system.

(b) Special enrollment: Except as otherwise specified in this paragraph, coverage will begin on the first of the month following any one of the following qualifying events if the application to enroll is received within thirty-one days of the qualifying event and approved by the retirement system:

(i) Termination of other coverage.

(ii) Coverage for a new spouse of a service retirement benefit recipient or disability benefit recipient.

(iii) Coverage for a biological newborn or lawfully adopted child or stepchild, which will begin on the day of birth or adoption.

Replaces: 3307:1-11-04

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3307-9-01

Division of property orders.

(A) For purposes of this rule:

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

(B)

- (1) The retirement system may retain an order that provides the last four digits of the participant's or alternate payee's social security numbers.
- (2) After the state teachers retirement system retains an order, the alternate payee shall provide information required on a form provided by the retirement system. The retirement system shall not issue payment to the alternate payee until the retirement system receives the information required for payment. The alternate payee shall notify this retirement system in writing of any change in the information.

(C) The retirement system shall charge a fee to defray the cost of administering an order as follows:

- (1) The fee hereby established shall be deducted prior to calculation of the limit specified by section 3105.85 of the Revised Code.
- (2) The fee hereby established shall be divided between the participant and the alternate payee. The fee shall be deducted from the first payment made after retention of an order, except to the extent that the deduction in such manner would exceed the limitation specified by section 3105.85 of the Revised Code, in which case fees shall be paid by deduction from future payments.
- (3) The fee shall be calculated under the terms of this rule in effect at the time payment is made.
 - (a) The fee shall be calculated as an amount equal to the lesser of four hundred dollars or one per cent of the amount a participant in the defined benefit plan established by sections 3307.50 to 3307.79 of the Revised Code is or would be eligible to receive as a lump sum payment under section 3307.56 of the Revised Code.

- (b) In the case of a participant in a plan established under section 3307.81 of the Revised Code, the fee shall be calculated as an amount equal to the lesser of four hundred dollars or one per cent of the amount the participant is or would be eligible to receive as a lump sum payment under the plan in which he or she participates.
 - (c) In the event a participant is ineligible for a lump sum distribution because benefits have been granted prior to the retention of an order, the fee shall be four hundred dollars.
- (D) Pursuant to section 3105.90 of the Revised Code, an order shall be on the form prescribed by the appendix to this rule. The retirement system shall accept both the version of the form prescribed by the appendix to former rule 3307-9-01 of the Administrative Code that was effective January 1, ~~2004~~2010, and the version of the form prescribed by the current appendix until June 30, ~~2010~~ 2014. After June 30, ~~2010~~ 2014, the retirement system shall only accept the form prescribed by the current appendix.
- (E) Any benefit or lump sum payment that is owed and unpaid to an alternate payee at the time of the alternate payee's death shall be paid to the estate of the alternate payee.
- (F) Any beneficiary designations previously received by the retirement system from an alternate payee shall be voided as of the effective date of this rule and all due and unpaid payments shall be paid as outlined in paragraph (E) of this rule.

3307-9-01

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