

3309-1-03

Staff authority and appeals.

- (A) The school employees retirement board authorizes its administrative staff to make determinations on member and benefit matters in accordance with Chapter 3309. of the Revised Code, this chapter, and policies of the retirement board. This authority includes, but is not limited to, membership, compensation, benefits, and employer reporting matters. Final determinations by the staff may be appealed to the retirement board pursuant to this rule.
- (B) Except as provided in rules 3309-1-40 and 3309-1-41 of the Administrative Code, any affected person may appeal a final determination of the staff of the school employees retirement system as provided in this rule.
- (C)
- (1) A notice of appeal shall be submitted to the executive director in writing, and must be received by the retirement system no more than thirty days after the date of the final staff determination. It shall state the determination to be reviewed, the basis for the review, and whether a personal appearance before the retirement board is requested.
 - (2) The retirement system shall notify the person of the time and place of the personal appearance, if one was requested, and the deadline for submitting any documentation the person wants the retirement board to consider on appeal.
- (D)
- (1) The retirement board shall review each appeal and determine whether to uphold the staff determination based upon information in the files of the retirement system.
 - (2) The affected persons and their representatives shall be notified of the retirement board's determination which shall be final.
- (E) Any notice required or permitted to be given by the retirement system under this rule shall be sent by regular U.S. mail by the administrative staff of the retirement system addressed to the last address on file in the records of the retirement system.

Effective:

Five Year Review (FYR) Dates: 1/30/2018

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.14
Prior Effective Dates: 09/27/2004, 03/30/2007, 10/06/2008, 04/01/2013

3309-1-04

Election of retirement board members.

(A) The school employees retirement board shall conduct elections in accordance with Chapter 3309. of the Revised Code and this rule.

(B) Notifications

- (1) At a regular meeting of the retirement board but no later than July in the fiscal year in which an election of members to the board is required, the retirement board shall establish an election time schedule.
- (2) This schedule shall include, a statement of the requirements for nomination by petition, the date after which nominating petitions shall be available, the final date for receipt of completed nominating petitions, the final date for receipt of completed election ballots being the first Monday in March, and the date and place for the election count to be conducted under the supervision of judges as designated in paragraph (D) of this rule.

(C) Nominations

- (1) Candidates for board members shall be nominated by petition on forms provided by the school employees retirement system.
- (2)
 - (a) Not later than the last business day of September in the fiscal year in which an election is held for an employee member, notice of election posters shall be sent to employers and petitions and required forms shall be available to members.
 - (b) Any member, except a member receiving a disability benefit pursuant to section 3309.40 or 3309.401 of the Revised Code, who is not otherwise ineligible under Chapter 3309. of the Revised Code, may be nominated for election as an employee member of the board by petitions that contain at least five hundred valid nominating signatures with not less than twenty signatures of members from each of at least ten different counties in Ohio. The member's place of employment shall determine the county for such member.
- (3)
 - (a) Not later than the last business day of September in the fiscal year in which an election is held for a retirant member, a notice of election shall be sent to retirants at their home addresses of record and petitions and required forms shall be available to retirants.

(b) Any retirant, who is not otherwise ineligible under Chapter 3309. of the Revised Code, may be nominated for election as a retirant member by petitions which contain at least one hundred fifty valid nominating signatures, with not less than ten signatures of retirants from each of at least five different counties in Ohio. The retirant's place of residence shall determine the county of such retirant.

(4)

(a) Petitions and completed required forms for a candidate must be received by the system by the petition filing date established by the retirement board pursuant to paragraph (B) of this rule to be valid.

(b) Petition signatures and candidate eligibility shall be verified based on records of the retirement system and the requirements of Chapter 3309. of the Revised Code. Signatures that cannot be conclusively verified shall not be counted.

(c) The names of qualified candidates shall be certified by a director of the retirement system and shall be subject to review and audit by the secretary of state. A qualified candidate is one who meets the requirements of Chapter 3309. of the Revised Code. In the event that there is a discrepancy between the certification by the officer of the retirement system and the results of the review and audit by the secretary of state, the determination of the secretary of state shall control and be final.

(d) Based on the final certification, the names of qualified candidates shall be placed on the ballot for election.

(D) Voting

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

(2)

(a) Voting materials for each voting member or retirant of the retirement system shall include a list of candidates, information on each candidate, voting instructions, and any other materials the retirement board deems necessary.

(b) Voting materials shall be sent to eligible members or retirants no later than the last business day in January in an election year at the address on file with the retirement system.

- (3)
 - (a) For any election requiring a vote by members, the retirement board shall distribute ballots for such election to all members whose accounts have had contributions posted within the eighteen month period immediately preceding the month in which ballots are distributed; and
 - (b) To members whose accounts have not had contributions posted within the eighteen month period immediately preceding the month in which ballots are scheduled to be distributed, upon the members written request for a ballot.
- (4) The election count shall be monitored by a panel of judges consisting of representatives of the secretary of state and the attorney general. The representative of the secretary of state shall be the chief judge. If a representative from such offices is not available, a representative of the retirement system's independent auditor and/or the auditor of state may be substituted. If a representative of the secretary of state is not available, the chief judge, in order of precedence, shall be the representative of the attorney general, the representative of the auditor of state, or the representative of the retirement system's independent auditor.
- (5) If the ballot count results in a tie vote, the election shall be determined by a coin toss conducted by the judges with "heads" being assigned to the candidate whose last name is first alphabetically and "tails" assigned to the other candidate.
- (6) If a candidate is elected by a margin of less than one percent of the votes cast, a recount will automatically be conducted.
- (7) The chief judge shall provide a certification of the election results signed by all judges. The election results shall be submitted to the retirement board for its approval at the first regular retirement board meeting that is not less than thirty-one calendar days after certification of the results of the election.
- (8) Within thirty calendar days after the certification of the election count, an unsuccessful candidate may request a recount in writing to the retirement board together with a check payable to the retirement system for the costs of the recount in the amount of one hundred dollars; provided however, if the recount results in the requesting candidate winning the election, the cost shall be refunded.

(E) Vacancies

- (1) When an election is held to fill the vacant term of an elected member of the board, the election shall be held pursuant to paragraph (E) of this rule.
- (2) The retirement board by majority vote of the board shall declare the seat vacant and establish a board-meeting schedule to nominate, interview and select a successor member to fill the position.
- (3) The retirement board shall provide notice of the vacancy and the procedure and forms required to be considered as a qualified candidate to fill the vacancy.
 - (a) Candidates shall qualify under the same eligibility requirements as the predecessor in office.
 - (b) The names of qualified candidates shall be certified by a director of the retirement system and shall be subject to review and audit by the secretary of state. In the event that there is a discrepancy between the certification by the officer of the retirement system and the results of the review and audit by the secretary of state, the determination of the secretary of state shall control and be final.
- (4) At a public board meeting, each board member may nominate one candidate to fill the vacancy.
- (5) The board members shall interview the nominated candidates.
- (6) A successor member shall be elected from the list of candidates by a majority vote of the retirement board in a public meeting as follows:
 - (a) Two successive votes shall occur in order for one candidate to receive a majority. If no candidate receives a majority, successive votes shall continue with the candidate receiving the least number of votes eliminated after each vote until one candidate receives a majority vote of the board or until only two candidates remain.
 - (b) In the event no candidate receives a majority vote and two candidates remain, one final vote shall occur. If neither candidate receives a majority vote, the winner shall be decided by a coin toss conducted by the election judge with "heads" assigned to the candidate whose last name is first in alphabetical order and "tails" to the other candidate.
- (7) The election shall be monitored by a representative of the secretary of state, or if unavailable, by a representative of the attorney general, who shall serve as election judge and certify the results of the election.

- (8) All documents regarding filling the vacancy, including resumes and forms required by the retirement system, shall be made available to any person upon request and payment of the cost of compiling, copying and mailing the documents.

- (F) An employee member of the board who retires while a member of the board shall be eligible to become a retirant member of the board when three years have elapsed from the member's effective date of retirement and the date of the scheduled election for the retirant member seat.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.05, 3309.06, 3309.07, 3309.071, 3309.075,
3309.22
Prior Effective Dates: 12/02/2004, 08/10/2007, 04/03/2009, 01/07/2013,
04/10/2014

3309-1-09

Federal taxation.

(A) For purposes of this rule, "benefit" refers to a payment from the accumulated contributions of the member or the employer, or both, under Chapter 3309. of the Revised Code and includes an account refund, pension, annuity, disability benefit, or survivor benefit.

~~(A)~~(B) Notwithstanding any provision in rules of school employees retirement system ("SERS") or Chapter 3309. of the Revised Code to the contrary, distributions to members and beneficiaries shall be made in accordance with section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C. 401(a)(9), and the following:

- (1) The entire interest of a member shall be distributed to the member:
 - (a) Not later than the required beginning date; or
 - (b) Beginning not later than the required beginning date over the life of the member and a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code.
- (2) The required beginning date means April first of the calendar year following the later of:
 - (a) The calendar year in which the member attains age seventy and one half years of age; or
 - (b) The calendar year in which the member retires.
- (3) If distribution of a member's benefit has begun in accordance with section 401(a)(9) of the Internal Revenue Code, and the member dies, any survivor benefits will be distributed at least as rapidly as under the plan of payment selected and effective as of the date of the member's death.
- (4) If a member dies before the distribution of the member's interest has begun in accordance with section 401(a)(9) of the Internal Revenue Code, the entire interest of the member will be distributed within five years after the death of such member. However, if a benefit is payable to or for the benefit of a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed, in accordance with applicable regulations, over the life of such beneficiary, or over a period not extending beyond the life expectancy of the beneficiary, provided that such distributions begin not later than one year after the date of the member's death. If the beneficiary is the surviving spouse of the member, distributions shall not be required to begin, pursuant to this section, until the end of the calendar year

in which the member would have attained age seventy and one-half. When the beneficiary is the surviving spouse and the surviving spouse dies before distributions commence, then the surviving spouse shall be treated as the member for purposes of this rule.

- (5) Any death benefit amount payable under Chapter 3309. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code.

~~(B)~~(C) When the retirement system is required to make a distribution in accordance with section 401(a)(9) of the Internal Revenue Code, and a member or retirant does not respond after notification of such event, the following shall apply notwithstanding any provision in SERS rules or Chapter 3309. of the Revised Code to the contrary.

- (1) If the member is not eligible for a retirement allowance pursuant to section 3309.34; or 3309.35; ~~or 3309.38~~ of the Revised Code, the retirement system shall refund the member's account as authorized in section 3309.42 of the Revised Code.
- (2) If the member is eligible for a retirement allowance pursuant to section 3309.34; or 3309.35; ~~or 3309.38~~ of the Revised Code, the retirement system shall calculate and pay a benefit as authorized in section 3309.36; ~~3309.38~~; or 3309.343 of the Revised Code, as a plan B, effective on the required beginning date as provided in paragraph (A)(2) of this rule.
- (a) The member cannot purchase or receive any service credit after the effective date of the retirement allowance.
- (b) A member who commences receipt of a retirement allowance under this rule, and who is married, may, not later than one year after the payment commenced, elect a plan of payment under division (B)(1), (B)(3)(b), or (B)(3)(c) of section 3309.46 of the Revised Code provided the spouse is named as the beneficiary. The election shall be made on a form provided by the retirement system and shall be effective on the later of the effective date of the retirement allowance or the marriage. Any overpayment may be recovered as provided in section 3309.70 of the Revised Code.
- (c) If the member also was eligible for health care coverage pursuant to SERS rules and Chapter 3309. of the Revised Code, the member may, not later than sixty days after the commencement of payment of the retirement allowance, enroll for such health care coverage on a form provided by the retirement system. The effective date shall be no earlier than the first of

the month after the retirement system receives the member's enrollment form.

- (3) If the retirant is eligible for a benefit pursuant to section 3309.344 of the Revised Code, the retirement system shall calculate and pay a single lump sum benefit as authorized in section 3309.344 of the Revised Code. If such retirant also is eligible for an annuity, the retirant may return the lump sum payment within sixty days of the receipt of the payment and request an annuity on a form provided by the retirement system.
- (4) If the benefit payment of a deceased member's spouse is subject to section 401(a)(9) of the Internal Revenue Code, then the retirement system shall treat the spouse as if the spouse was the member for the purposes of this rule.

~~(E)~~(D)

- (1) Effective for the limitation year beginning on January 1, 2012, the final regulations promulgated April 5, 2007 with respect to section 415 of the Internal Revenue Code, 26 U.S.C. 415 are incorporated herein by reference. The 5.5 per cent interest rate assumption established by the Pension Funding Equity Act of 2004, which is applicable to any actuarial adjustments required because the member or retirant elects a form of payment to which section 415(b)(2)(E) of the Internal Revenue Code and section 417(e)(3) of the Internal Revenue Code, 26 U.S.C. 417(e)(3) apply based on the form of benefit and not the status of the plan, shall be effective as of that same date.
- (2) "Limitation year" is the year used in determining whether the limits set forth in section 415 of the Internal Revenue Code have been exceeded with respect to a member or retirant in the plan describe in sections 3309.18 to 3309.70 of the Revised Code. The limitation year for the plan is the calendar year.

~~(D)~~(E) Effective January 1, 2007, to the extent required by section 401(a)(37) of the Internal Revenue Code, 26 U.S.C. 401(a)(37) and notwithstanding any provision in Chapter 3309. of the Revised Code to the contrary, the survivor of a member on a leave of absence to perform military service with reemployment rights described in section 414(u) of the Internal Revenue Code, 26 U.S.C. 414(u), where the member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under Chapter 3309. of the Revised Code had the member resumed employment and then terminated employment on account of death.

~~(E)~~(F) If there is a termination of the plan described in Chapter 3309. of the Revised Code or a complete discontinuance of contributions to the plan, the rights of each affected member, retirant, and beneficiary to the pension, annuity, or benefits accrued at the date of termination or discontinuance of contributions, to the extent then funded, are non-forfeitable.

Effective:

Five Year Review (FYR) Dates: 1/30/2018

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.03, 3309.34, 3309.344, 3309.36, 3309.44,
3309.45, 3309.46, 3309.50
Prior Effective Dates: 01/06/2009 (Emer.), 04/03/2009, 09/26/2010,
04/01/2013, 04/10/2014

3309-1-13

Obtaining optional or compulsory service credit.

(A)

- (1) Except as provided by section 3309.012 of the Revised Code, a member of the school employees retirement system, public employees retirement system or state teachers retirement system shall be eligible to purchase service credit for any period during which contributing service was optional. Contributing service shall be deemed to be optional when contributions were not required by the school employees retirement system and no contributions or member record was received. In order to receive optional service credit payments shall be made as provided in this paragraph.
- (2) For any period of optional service, the member shall pay to the school employees retirement system an amount equal to the employee's and employer's contributions for such period, plus interest at the rate to be set by the school employees retirement board from the end of each year compounded annually. Such amounts paid by the member shall be credited to the employees' savings fund.
- (3) In lieu of the member paying the amounts described in this paragraph, the employer for which the optional service was performed may pay an amount equal to either the employee's and employer's, or only the employer's, contributions for such period, plus interest at the rate set by the retirement board from the end of each year compounded annually. If paid by the employer, such amounts shall be credited as follows:
 - (a) The amount and interest attributable to the employee's back contributions shall be credited to the employees' savings fund; and,
 - (b) The amount attributable to the employer's contributions shall be deposited in the employers' trust fund and the interest collected on such amount shall be credited to the guarantee fund.

If the employer pays only the amount equal to the employer's contributions and interest on that amount, the member shall pay the amount equal to the employee's contributions and interest on that amount.

(B)

- (1) Except as provided in paragraph (D) of this rule, to receive service credit for periods of compulsory service prior to June 30, 1991, for which the employer did not deduct and transmit contributions, the member shall pay the employee's

share of the back contributions and the employer shall pay the employer's share of the back contributions.

- (2) Payments of the employee's share of back contributions shall include a charge for interest at the rate to be set by the retirement board from the end of each year, compounded annually. The employee's back contributions and interest shall be credited to the employees' savings fund, and in the event of death or withdrawal from service prior to retirement, shall be paid in the same manner as accumulated contributions pursuant to sections 3309.42 and 3309.44 of the Revised Code.
 - (3) The employer's share of back contributions shall include a charge for interest at the rate to be set by the retirement board from the end of each year, compounded annually. The employer's share of back contributions shall be deposited in the employers' trust fund and the interest collected thereon shall be credited to the guarantee fund.
- (C)
- (1) Except as provided in paragraph (D) of this rule, to receive service credit for periods of compulsory service after June 29, 1991, for which the employer did not deduct and transmit contributions, the employer shall pay both the employer's share and the employee's share of the back contributions. Payments for both the employee's and the employer's shares of back contributions shall include a charge for interest at the rate set by the retirement board for the end of each year, compounded annually.
 - (a) The employee's back contributions and interest shall be credited to the employees' savings fund, and in the event of death or withdrawal from service prior to retirement, shall be paid in the same manner as accumulated contributions pursuant to sections 3309.42 and 3309.44 of the Revised Code.
 - (b) The employer's share of back contributions shall be deposited in the employers' trust fund and the interest collected thereon shall be credited to the guarantee fund.
- (D) When a member has left service with an employer after attaining sixty-five and applies for retirement, the member shall receive service credit in accordance with section 3309.48 of the Revised Code for periods of compulsory service for which the employer did not deduct and transmit contributions.

- (E) The salary and service of the member shall be certified by a fiscal officer of the school district who has knowledge of and access to the records of the district. A member cannot certify his own salary or service.
- (F) The member's share of back contributions may be paid directly to the retirement system.
- (G) The employer's share of back contributions may be paid either by an official warrant or collection from the employer's share of the state school foundation fund.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.23, 3309.47, 3309.48
Prior Effective Dates: 12/24/1976, 02/01/1992, 06/12/1995, 02/11/2000,
07/30/2001 (Emer.), 11/01/2001, 05/09/2003,
04/01/2013

3309-1-15

Applicable law in determining survivor benefits.

The law in effect at the time a deceased member's beneficiary is first eligible for a survivor benefit shall determine the benefits payable to such beneficiary or to any other person who subsequently becomes eligible to receive a survivor benefit by reason of the member's death prior to retirement.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.661
Prior Effective Dates: 12/24/1976, 11/09/1998, 05/09/2003

3309-1-17

Allowances and benefits payable.

The administrative staff is hereby authorized to pay retirement allowances, disability benefits, and other benefits during the interim period which may occur between the date such allowances and benefits are payable and the date the retirement board can receive and act upon the application, as such authority so granted is considered as necessary to the proper operation of the retirement system.

For purposes of this rule, disability benefits are payable after the submission of a determination and recommendation of disability to the retirement board and after the retirement system has received the employer's certification of final deposits on behalf of the member.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.14
Prior Effective Dates: 12/24/1976, 05/08/2004, 12/04/2014

3309-1-21

Estimated retirement allowances.

(A) For purposes of this rule:

- (1) "~~Final Retirement retirement Allowance~~ allowance" means a monthly retirement allowance paid pursuant to section 3309.35, 3309.36 or 3309.46 of the Revised Code that the retirement system calculates after the employer certifies the final contributions and service credit made on behalf of the member.
- (2) "~~Estimated Retirement retirement Allowance~~ allowance" means a monthly retirement allowance paid pursuant to section 3309.35, 3309.36 or 3309.46 of the Revised Code prior to the certification of a member's final contributions and service credit and the calculation of the final retirement allowance.

(B) A member retiring on or after March 1, 2014 under section 3309.35, 3309.36 or 3309.46 of the Revised Code who meets the following requirements shall receive an estimated retirement allowance:

- (1) The retirement system has received the member's application for age and service retirement and all required forms and documents necessary to process the retirement application at least thirty days prior to the effective date of retirement.
- (2) The member has sufficient service credit in this system to retire under section 3309.34 of the Revised Code, not including the following:
 - (a) Any additional service that may be credited following receipt of the certification of final deposits from the employer; and
 - (b) Service credit purchases not completed at least thirty days prior to the benefit effective date.

(C) Notwithstanding paragraph (B) of this rule, an estimated retirement allowance will not be issued if:

- (1) The member elects to receive health care coverage and the amount of the benefit recipient's health care premium will exceed the amount of the estimated retirement allowance; or
- (2) The member's retirement allowance is subject to any court order.

(D) An estimated retirement allowance shall be calculated using the accumulated contributions and service credit available in the account of the member at the time the retirement application is received. The retirement system shall calculate the final

retirement allowance following the receipt of the employer's certification of final deposits and all contributions on behalf of the member.

- (1) If no additional contributions are received by the retirement system, the estimated retirement allowance shall be the final retirement allowance.
 - (2) If the final retirement allowance is greater than the estimated retirement allowance the retirement system shall begin paying the greater amount on the first of the month next following receipt of the additional contributions. The retirement system shall issue a retroactive payment for the difference between the total amount paid as estimated retirement allowances and the amount that would have been paid had the member received payments in the amount of the final retirement allowance.
 - (3) If the final retirement allowance is less than the estimated retirement allowance, the retirement system shall begin issuing the final retirement allowance on the first of the month next following receipt of the certification of the member's final contributions and the retirant shall repay any overpayment to the retirement system pursuant to section 3309.70 of the Revised Code.
- (E) ~~Any~~In order to change to a retirement plan selection, including an election to take or change to a partial lump sum option payment, a member must be made withdraw their retirement application in accordance with rule 3309-1-33 of the Administrative Code and file a new application.
- (F) If the member elects to receive a partial lump sum option payment pursuant to division (B)(4) of section 3309.46 of the Revised Code, the retirement system shall make such payment ~~on the first of the month next~~ following the calculation of the final retirement allowance under paragraph (D) of this rule.

Effective:

Five Year Review (FYR) Dates: 1/30/2018

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.35, 3309.45, 3309.46
Prior Effective Dates: 12/14/2013

3309-1-31

Adjusting retirement eligibility requirements.

- (A) This rule applies only to members who retire under division (A)(2)(a) of section 3309.34 of the Revised Code.
- (B) For each quinquennial actuarial review conducted under division (B) of section 3309.21 of the Revised Code, the school employees retirement board shall direct its actuary to evaluate the retirement eligibility requirements in division (A)(2)(a) of section 3309.34 of the Revised Code.
- (1) If the actuary determines that an adjustment to the retirement eligibility criteria is necessary to ensure that the retirement system meets the thirty-year amortization period requirement of section 3309.211 of the Revised Code, the retirement board shall direct its administrative staff to develop recommendations for changes to the retirement eligibility criteria consistent with the actuarial determination.
 - (2) The recommendations developed under paragraph (B)(1) of this rule shall be submitted to the retirement board at a regularly scheduled board meeting. The retirement board shall take no formal action on the recommendations at the meeting the recommendations are first presented.
 - (3) No sooner than thirty days after the recommendations are presented to the retirement board, the retirement board shall schedule at least one special meeting, held in accordance with section 121.22 of the Revised Code, for the purpose of receiving public comments on the recommendations.
 - (4) The retirement board shall modify the retirement eligibility criteria only after considering the recommendations and any public comments.
- (C) Any modifications to the retirement eligibility requirements made pursuant to this rule will go into effect no earlier than two years after the effective date of the administrative rule adopted under division (D) of section 3309.34 of the Revised Code.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under:	111.15
Statutory Authority:	3309.04
Rule Amplifies:	3309.34
Prior Effective Dates:	09/30/2013

3309-1-32

Cost-of-living; base allowance change.

(A) For purposes of this rule:

- (1) "Base allowance" means the benefit amount due a benefit recipient on the later of July 1, 1979 or the effective date of such benefit, as adjusted pursuant to this rule. A base allowance excludes subsequent allowances for cost-of-living pursuant to section 3309.374 of the Revised Code, reimbursements for medicare part "B" pursuant to section 3309.69 of the Revised Code, or additional annuity payments pursuant to section 3309.47 of the Revised Code.
- (2) "Benefit" means a periodic payment under an allowance, pension, or benefit granted under Chapter 3309. of the Revised Code, other than an annuity paid under section 3309.341 of the Revised Code.
- (3) "Benefit amount" means the amount due a benefit recipient on the effective date of such benefit.
- (4) "Benefit recipient" means an age and service retiree, disability benefit recipient, or a beneficiary as defined in section 3309.01 of the Revised Code, who is receiving monthly benefits due to the death of a member, age and service retiree or disability benefit recipient.

(B) A base allowance upon which a cost-of-living is calculated shall be adjusted when any of the following occur:

- (1) The enactment of any statutory ad hoc allowance increase but only if such statutory authority provides that such increase become part of the base allowance.
- (2) Recalculation of a retiree's benefit due to a change in a plan of payment as permitted in section 3309.46 of the Revised Code.
- (3) Recalculation of a benefit recipient's benefit amount after an audit.
- (4) If a benefit recipient waives any portion of a benefit amount pursuant to section 3309.662 of the Revised Code, the base allowance shall be the portion being paid. If a waiver is revoked, the base allowance shall be the amount allowed under this rule.

(C)

- (1) The recipient of any allowance, pension, or benefit that was effective before April 1, 2018 shall be eligible to receive an increase under section 3309.374 of

the Revised Code upon receiving an allowance, pension, or benefit for twelve months.

(2)

(a) The recipient of any allowance, pension, or benefit that becomes effective on or after April 1, 2018 shall be eligible to receive an increase under section 3309.374 of the Revised Code upon attainment of the fourth anniversary of the allowance, pension, or benefit.

(b) For purposes of paragraph (C)(2)(a) of this rule, a recipient shall be credited with anniversaries for any previous allowance, pension, or benefit attributable to the same member account in the retirement system that occurred on or after January 1, 2018.

Effective:

Five Year Review (FYR) Dates: 2/1/2019

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.374
Prior Effective Dates: 12/24/1976, 11/23/1979, 01/02/1993, 08/02/2002,
04/02/2010

3309-1-36

Restoration of cancelled SERS service credit.

- (A) For purposes of section 3309.26 of the Revised Code and this rule:
- (1) "Contributing service credit" means contributing service credit in this system, the public employees retirement system, the state teachers retirement system, the Ohio police and fire pension fund, or the state highway patrol retirement system.
 - (2) "Eligible member" means a member of this system who has cancelled service in this system and who has earned at least one and one-half years of contributing service credit subsequent to the withdrawal of contributions and cancellation of service credit in this system.
 - (3) "Eligible former member" means a former member of this system who has cancelled service in this system, who has earned at least one and one-half years of contributing service credit subsequent to the withdrawal of contributions and cancellation of service credit in this system, and who is not eligible to buy the cancelled service as a member of the Ohio police and fire pension fund, the state highway patrol retirement system, or the city of Cincinnati retirement system.
- (B) Eligible members and eligible former members may restore all or a portion of cancelled service credit in this system by paying to the system the amount withdrawn plus interest compounded annually.
- (C) Compound interest shall accrue from the first of the month of withdrawal through the month of repayment.
- (D) Cancelled service credit may be restored in increments of one month.
- (E) Service credit restored under this rule shall receive .125 per cent of a year service credit per month of service rendered prior to July 1, 1955, and .111 per cent of a year service credit per month of service rendered after June 30, 1955 and before July 1, 1977. Service performed after June 30, 1977 shall be determined by dividing the number of days paid by one hundred eighty, if the employee worked less than one hundred twenty days in the partial year to be restored. All other service restored under this rule shall receive .083 per cent of a year service credit per month of service rendered.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.26
Prior Effective Dates: 12/24/1976, 11/09/1998, 05/02/2001, 04/03/2008,
04/01/2013

3309-1-38

Interest rate.

- (A) Except as otherwise provided in Chapter 3309. of the Revised Code or SERS rules, the rate of compound interest for the purchase or restoration of service credit under Chapter 3309. of the Revised Code or SERS rules shall be the rate guaranteed by the retirement board at time of purchase, as recommended by the actuary, and such rate of compound interest shall be applied to the entire period purchased or restored.

Effective:

Five Year Review (FYR) Dates: 2/1/2018

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.01(I), 3309.021, 3309.022, 3309.26, 3309.31,
3309.451, 3309.473, 3309.474, 3309.73, 3309.75
Prior Effective Dates: 12/24/1976, 02/01/1992, 01/02/1993, 11/01/1996,
11/09/1998, 05/02/2001, 02/11/2002, 05/09/2003,
04/01/2013

3309-1-39

Purchase of police and fire and highway patrol service.

- (A) A member may purchase all or a portion of service credit for Ohio police and fire service and Ohio highway patrol service as provided in section 3309.73 or 3309.731 of the Revised Code.
- (B) A member is not eligible to purchase or obtain credit if being paid, or eligible to be paid, a benefit based on the service in another pension plan.
- (C) Service purchased under section 3309.73 or 3309.731 of the Revised Code shall be properly certified by an official of the Ohio police and fire pension fund, or the state highway patrol retirement system, or the official employer or custodian of records, on a form furnished by the retirement board.
- (D) Service credit may be purchased in increments of one month.
- (E) Interest shall be calculated as provided in section 3309.73 or 3309.731 of the Revised Code.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.73, 3309.731
Prior Effective Dates: 12/24/1976, 11/09/1998, 05/02/2001, 05/03/2002,
04/03/2008

3309-1-52

Travel and expense reimbursement.

(A)

- (1) Members of the school employees retirement board and staff members of the school employees retirement system shall be reimbursed by the retirement system for actual, proper and reasonable expenses incurred for attendance at appropriate meetings, sessions, seminars and conferences.
- (2) "Actual, proper and reasonable expenses" means that the particular service or accommodation was in fact used by, or provided to, the board or staff member, was appropriate under the circumstances and within the bounds of prudent judgment.
- (3) "Appropriate meetings, sessions, seminars and conferences" include, but are not limited to, the following:
 - (a) Meetings of the retirement board or its committees;
 - (b) Meetings sponsored by the retirement board or the retirement system;
 - (c) Member or retiree related meetings;
 - (d) Other educational meetings, sessions, seminars and conferences that serve to make the board or staff member more knowledgeable and are related to the general purposes of the retirement system and in the interest of the system's participants.
 - (e) Other meetings which involve the retirement system's business operations.

(B) Reimbursable expenses include, but are not limited to, the following:

- (1) Transportation.
 - (a) Air fare will be reimbursed at coach or economy class rates when such was available and efforts will be made to use other cost-saving plans offered by carriers. In accordance with Ohio ethics commission advisory opinion No. 91-010, airline frequent flyer miles shall not be used for personal travel or benefit.
 - (b) In-state travel by personal automobile will be reimbursed at the reimbursable rate established by the system. Out-of-state personal automobile or other surface vehicle travel will be reimbursed at the lesser of "portal-to-portal" or "air travel cost".

- (i) "Portal-to-portal" reimbursable expenses include the actual cost of lodging, meals, parking at place of lodging and mileage at the reimbursable rate established by the retirement system or the actual cost of coach or economy class fare or the cost of a rental vehicle.
 - (ii) "Air travel cost" reimbursable expenses include the actual cost of coach or economy air fare, airport parking, transportation from the airport to destination lodging, and mileage between the board or staff member's home and the local airport at the reimbursable rate established by the retirement system.
- (c) The cost of a rental vehicle where it is a reasonable alternative means of transportation under the circumstances.
 - (d) The cost of parking for a personal or rental vehicle.
 - (e) The cost of taxi cabs or other public transportation where reasonable under the circumstances.
- (2) Lodging at the single occupancy rate.
 - (3) Meals and beverages, excluding alcohol, in reasonable amounts not to exceed limits as set by the retirement board.
 - (4) Tips as customary and reasonable.
 - (5) Telephone calls or other electronic transmissions for retirement system business; or personal telephone calls to home and/or family not to exceed limits set by the retirement board.
 - (6) Registration fees for appropriate meetings, sessions, seminars and conferences.
- (C) Reimbursable expenses do not include the following:
- (1) Expenditures of a personal nature except as provided in this rule.
 - (2) Expenditures for travel other than for retirement system business.
 - (3) Except in the case of an emergency, expenditures by a board member for out-of-state travel not approved by the retirement board.
- (D) Requests for approval of out-of-state travel by a board member shall be submitted by the board member to the executive director of the retirement system who shall present the request to the board at its next regular meeting.

- (E) Requests for reimbursement for authorized travel shall be submitted on the appropriate form attached as an appendix to this rule and in accordance with the retirement system's reimbursement procedures.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.041, 3309.10, 3309.14
Prior Effective Dates: 01/02/1996, 08/10/1998, 08/11/2005, 09/30/2013

3309-1-59

Cincinnati retirement system.

- (A) This rule amplifies sections 3309.74, 3309.75, and 3309.76 of the Revised Code.
- (B) As used in this rule:
- (1) "Eligible service credit" means service credit earned under this system or the Cincinnati retirement system or military service credit purchased or obtained in this system or the Cincinnati retirement system.
 - (2) "Eligible SERS member" means a member of this system who is eligible to obtain service credit in this system for service in the Cincinnati retirement system pursuant to section 3309.75 of the Revised Code.
 - (3) "Eligible CRS member" means a member or former member of this system who is eligible to obtain service credit in the Cincinnati retirement system pursuant to section 3309.76 of the Revised Code.
- (C) To obtain service credit in this system for eligible service credit with the Cincinnati retirement system, an eligible SERS member shall file a written request on a form provided by this system. Upon receipt of the properly completed form, this system shall notify the Cincinnati retirement system.
- (D) This system shall grant .083 per cent of a year of service credit in this system per month of eligible service credit with the Cincinnati retirement system upon payment of the following amounts:
- (1) Payment by the Cincinnati retirement system of the amounts required under division (B)(4) or division (C)(2)(4)(b) of section 3309.75 of the Revised Code.
 - (2) Payment by the eligible SERS member of the amounts required under division (C)(1)(4)(a) of section 3309.75 of the Revised Code with interest as provided by rule 3309-1-38 of the Administrative Code.
- (E) If the Cincinnati retirement system fails to pay any amounts required under division (B)(4) or division (C)(2)(4)(b) of section 3309.75 of the Revised Code, this system shall not grant any service credit for which payment was not received and shall:
- (1) Provide notice to the eligible SERS member; and
 - (2) Refund any amounts paid by the eligible SERS member under division (C)(1)(4)(a) of section 3309.75 and paragraph (D)(2) of this rule for which service credit is not granted.

- (F) An eligible SERS member may obtain service credit pursuant to section 3309.75 of the Revised Code in increments of one month. Service credit obtained in this system shall be deemed to be based first on the eligible SERS member's most recently acquired eligible service credit in the Cincinnati retirement system.
- (G) No service credit shall be granted in this system that would result in the eligible SERS member accruing more than one year of service credit for any twelve-month period.
- (H)
- (1) This system shall pay to the Cincinnati retirement system the amounts required under section 3309.76 of the Revised Code upon receiving written notice from the Cincinnati retirement system that the eligible CRS member has filed a request to obtain service credit in the Cincinnati retirement system and paid any amounts required.
 - (2) If less than the eligible CRS member's total eligible service credit in this system is obtained in the Cincinnati retirement system pursuant to division ~~(B)~~(A)(4) (a) of section 3309.76 of the Revised Code, any benefits or payments to which the eligible CRS member or beneficiaries may be entitled shall be based on the remaining service credit with this system.

Effective:

Five Year Review (FYR) Dates: 2/1/2022

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.74, 3309.75, 3309.76
Prior Effective Dates: 11/19/2001 (Emer.), 02/11/2002, 04/06/2017

3309-1-61

Reemployment covered by section 3309.345 of the Revised Code.

(A) Where a position is one that is customarily filled by vote of members of a board or commission and an employer proposes to:

(1) Continue the employment of a person as a reemployed retirant in the same position that the person held prior to retirement; or

(2) Rehire a person as a reemployed retirant in the same position that the person last held prior to retirement

The employer shall comply with the public notice and hearing requirements of section 3309.345 of the Revised Code and so certify to the retirement system on a form provided by the system.

(B) Where such reemployment is in the same position and continuous from year to year, no certification to the system shall be required for subsequent years.

(C) The person reemployed shall be subject to any other provisions applicable to reemployment.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.341, 3309.345
Prior Effective Dates: 10/17/2003 (Emer.), 01/04/2004

3309-1-64

Supplemental health care coverage.

(A) Definitions

- (1) "Benefit recipient," "Member," "Age and service retirant," "Disability benefit recipient," and "Dependent" shall have the meanings set forth in paragraph (A) of rule 3309-1-35 of the Administrative Code.
- (2) "Supplemental health care coverage" means any dental or vision plan offered by the school employees retirement system.
- (3) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment for the supplemental health care coverage for the recipient or the recipient's eligible dependents.

(B) Eligibility

- (1) A person is eligible for supplemental health care coverage under this rule so long as the person meets the eligibility requirements in section 3309.69 of the Revised Code and rule 3309-1-35 of the Administrative Code for the retirement system's health care coverage.
- (2) Eligibility for supplemental health care coverage shall terminate when the person ceases to qualify as one of the persons listed in paragraph (B)(1) of rule 3309-1-35 of the Administrative Code.

(C) Enrollment

- (1) An eligible benefit recipient may only enroll in one or more supplemental health care plans as follows:
 - (a) At the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefit pursuant to section 3309.45 of the Revised Code; or,
 - (b) During the retirement system's open enrollment period.
- (2) An eligible dependent of an age and service retirant or disability benefit recipient may only enroll in one or more supplemental health care plans as follows:
 - (a) At the time the age and service retirant or disability benefit recipient enrolls in the supplemental health care plan; or,

- (b) During the retirement system's open enrollment period so long as the age and service retiree or disability benefit recipient is also enrolled in the supplemental health care plan.

(D) A person's supplemental health care coverage shall be cancelled when:

- (1) The person's eligibility for health care coverage terminates as provided in paragraph (B)(2) of rule 3309-1-35 of the Administrative Code;
- (2) The supplemental health care coverage of a dependent is cancelled when the supplemental health care coverage of a benefit recipient is cancelled;
- (3) The person's supplemental health care coverage is cancelled for default as provided in paragraph (F) of this rule;
- (4) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45 of the Revised Code, division (F) of section 3309.39 of the Revised Code, or division (D) of section 3309.41 of the Revised Code; or
- (5) The benefit recipient elects to cancel the supplemental health care coverage for the following calendar year during the open enrollment period.

(E) Effective date of coverage

- (1) When a benefit recipient elects to enroll in supplemental health care coverage during an open enrollment period, the effective date of coverage shall be the first day of the calendar year following the open enrollment period.
- (2) When a benefit recipient elects to enroll in supplemental health care coverage upon receipt of a benefit, the effective date of coverage shall be as follows:
 - (a) For a disability benefit recipient or dependent of a disability benefit recipient, the supplemental health care coverage shall be effective on the first day of the month following approval of the benefit or the benefit effective date, whichever is later.
 - (b) For an age and service retiree or dependent of an age and service retiree, the supplemental health care coverage shall be effective on the first day of the month following the date that the retirement application is filed with the retirement system or the benefit effective date, whichever is later.
 - (c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retiree, the supplemental health

care coverage shall be effective on the effective date of the benefit if the appropriate application is received within three months of the date of the member's or retirant's death, or the first day of the month following the date that the appropriate application is received if not received within three months of the date of the member's or retirant's death.

(F) Premiums

- (1) Payment of premiums for supplemental health care coverage shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.
- (2) Premium payments billed to a benefit recipient shall be deemed in default after three consecutive months of nonpayment. A benefit recipient who is in default shall be sent notice by certified U.S. mail informing the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment is received. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage.

Five Year Review (FYR) Dates: 2/1/2018 and 02/01/2022

CERTIFIED ELECTRONICALLY

Certification

02/01/2018

Date

Promulgated Under:	111.15
Statutory Authority:	3309.04
Rule Amplifies:	3309.69
Prior Effective Dates:	01/01/2014

3309-1-68**Guardianship.**

(A)

(1) For purposes of this rule, "benefit" means a payment from the accumulated contributions of the member or employer, or both, under Chapter 3309, of the Revised Code and includes an account refund, pension, annuity, disability benefit, or survivor benefit.

(2) For purposes of this rule, "benefit recipient" means any person who is eligible to receive a payment or benefit under Chapter 3309, of the Revised Code.

(B) Except as otherwise provided in this rule, guardianship of the estate shall be required to do any of the following on behalf of a member or benefit recipient who has a legal disability as defined in section 2131.02 of the Revised Code:

(1) The guardian may designate a beneficiary, but if the designation is anyone other than the estate or the statutory order of succession identified in section 3309.44 or 3309.50 of the Revised Code, the beneficiary designation must be approved by court order.

(2) Direct payment of benefits on behalf of the member or benefit recipient. Payment shall be issued to the guardian of the estate or as otherwise specified by court order.

(C) Guardianship of the estate shall not be required in the following situations:

(1) A court of competent jurisdiction issued a limited order pursuant to section 2111.02, 2111.021, 2111.05, or 2111.131 of the Revised Code or comparable law of another state that directs SERS to issue a member or benefit recipient's payment to a specific person or entity, and identifies a specific account at a financial institution.

(2) If the benefit recipient is a minor, payment may be issued to the benefit recipient's biological or adoptive parent so long as the minor is in the care and custody of the parent, or to the benefit recipient's legal custodian.

(D) A guardian of the person may receive a benefit recipient's account information, but cannot make any changes to the account.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under:	111.15
Statutory Authority:	3309.04
Rule Amplifies:	3309.01, 3309.22, 3309.34, 3309.343, 3309.344, 3309.35, 3309.381, 3309.39, 3309.40, 3309.401, 3309.42, 3309.44, 3309.45, 3309.46, 3309.50