

Rules

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STRS

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3307:1-3-03

Determination of purchasable service credit under sections 3307.70 and 3307.74 of the Revised Code.

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

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

- (1) The service credit must be properly certified by the official employer or custodian of records on a form provided by the retirement system. This certification shall be taken from a legitimate source of documentation, such as payroll or retirement records of the state, municipality, institution, or public school. When records have been destroyed, an affidavit from the member may be used, but only in conjunction with other documented evidence establishing proof and amount of service. The determination of acceptable documentation shall reside solely with the retirement system and its decision shall be final.
- (2) To be eligible to purchase service credit under section 3307.74 of the Revised Code, the member must have been regularly employed. Part-time service may be purchased if the member was regularly employed.
- (3) Service credit to be purchased shall be determined as follows:
 - (a) The service credit earned with a school shall be determined by dividing the number of days of regular full-time service by one hundred eighty days, or dividing the number of full-time months of regular service by nine months. Should the actual number of days or partial days taught not be available from payroll records and the teacher is compensated for hourly service, service credit will be determined by dividing the number of hours for ~~which~~which compensation was paid by one thousand hours.
 - (b) The credit for all other types of eligible service shall be determined by dividing the number of days of regular service by two hundred forty days, or dividing the number of full-time months of regular service by twelve months. Should the actual number of days or partial days of employment not be available from payroll records and the individual is compensated for hourly service, service credit will be determined by dividing the number of hours for which compensation was paid by nineteen hundred fifty hours.
- (4) ~~Effective January 1, 2014, the~~The cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.74 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

(B) Factors to be used to determine the type of service that may be purchased under section 3307.74 of the Revised Code:

- (1) Public school, college or university teaching service - service in a public school located outside the state of Ohio. Type of service will qualify if such school had been located in Ohio and retirement contributions had been amenable to the state teachers retirement system.

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

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

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

- (a) Is not purchasable with the Ohio public employees retirement system; and,
- (b) Was performed prior to July 1, 1978, or after that date if performed after membership in the state teachers retirement system of Ohio was first established, or after that date if performed after membership was first established in the state retirement system of the state where the service was rendered and that retirement system covers such public service.

- (3) School or entity operated primarily for United States citizens - service in any school operated by the direct control of the United States government, or by contract of a third party but under control of the United States government, or primarily a school for employees of the United States government or their dependents. As used in this paragraph, primarily for United States citizens shall

be defined as a school where at least fifty per cent of the students are United States citizens.

(4) Private school, college or university - teaching service at the time performed in a private school, college or university must meet all of the following categories:

(a) The school, college or university must:

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

(b) The position:

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

- (b) was performed prior to July 1, 1978 or after that date if performed after membership in the state teachers retirement system of Ohio was first established.
- (C) Service credit may not be purchased for any service that was already used in the calculation or payment of a retirement benefit or that is used in the calculation of a retirement benefit that has been paid, is currently being paid or is payable in the future to such member under any other retirement program, except social security, provided:
- (1) If participation was in a defined benefit plan, otherwise qualifying service may be purchased upon certification by the plan administrator that there has been a total withdrawal and cancellation of all service credit for the member.
 - (2) If participation was in a defined contribution plan, otherwise qualifying service may be purchased upon certification by the plan administrator that the member received a total withdrawal of the account, including member contributions and any employer contributions to which the member was entitled.
 - ~~(a) . The member was not one hundred per cent vested in employer contributions and there has been a total withdrawal of the account.~~
 - ~~(b) . The member was one hundred per cent vested in employer contributions and the contributions were made to such plan during fewer than five separate fiscal years beginning July first and ending June thirtieth, and there has been a total withdrawal of the account.~~
 - (3) If the plan is a non-contributory plan where only employer contributions were paid to the retirement plan, the member is eligible to purchase the service only if the member is not vested in the plan and not entitled to any portion of the funds contributed to the plan on their behalf.
- (D) Service credit may not be purchased under section 3307.74 of the Revised Code for service in an amount that exceeds the sum of service credit the member has earned under section 3307.53 of the Revised Code, restored under section 3307.71 of the Revised Code, granted under section 3307.75 of the Revised Code or purchased under section 3307.72, 3307.751 or 3307.752 of the Revised Code.

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

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

(D) Service credit may be purchased by one of the following methods:

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

- (ii) If a member wishes to elect payment by payroll deduction, the member shall complete and sign the form so provided to indicate the amount to be deducted monthly and file it with the member's 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 rate specified in rule 3307:1-3-01 of the Administrative Code.
- (d) Monthly payments shall not be less than the amount specified to purchase service credit over the maximum period allowable under paragraph (D)(2)(a) of this rule, and shall not be less than fifty dollars. Deducted payments in an amount less than the applicable minimum will be returned to the employer and that payroll deduction plan will be cancelled.
- (e) Except for purchase under a tax-deferred plan as provided in paragraph (D)(2)(k) of this rule, the amount of deduction selected by a member may be changed by written notice given by the member to the employer; however, the monthly payment deducted shall not be less than the minimum specified in paragraph (D)(2)(d) of this rule.
- (f) Except for purchases under a tax-deferred plan as provided in paragraph (D)(2)(k) of this rule, a member may elect to terminate payroll deduction at any time by notice to the employer in such manner as the employer may specify. Termination of employment or the grant of a disability benefit under section 3307.63 or 3307.631 of the Revised Code shall terminate payroll deduction. In the event a member who has been purchasing service credit by payroll deduction terminates employment and becomes employed as a teacher by a different employer, a new application for payroll deduction will be required and it shall be the

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

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

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

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

- (n) If a member purchasing service credit through payroll deduction files for service retirement, the retirement system will notify the employer to stop the deductions the month before the member's benefit effective date and will send the member a cost statement for any remaining amount due to complete the purchase of service credit at a cost of one hundred per cent 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 has been completed and received by the retirement system.

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

(1) an application for disability benefits; and

(2) an attending physician's report based on an examination that was completed within the last two months and includes medical evidence; and

(3) an employer report including an official job description provided by the last employer. The requirement to submit a job description may be waived by the chair of the medical review board.

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

(1) for complete applications received by the retirement system on or after the most recent effective date of this rule, an applicant's medical specialist of choice, as defined in paragraph (J) of this rule, or

(2) for complete applications received by the retirement system prior to the most recent effective date of this rule, an applicant's physician of choice.

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

- (D) 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 retirement system as defined in section 3307.01 of the Revised Code.
 - (2) All teachers, tutors, substitute teachers, electronic classroom instructors, daycare teachers, community school instructors and private-lesson providers whether the service was performed through employment, contracted services, or volunteer work.
 - (3) All employment contracted services, or volunteer work that relates to the work of educators, such as, but not limited to, writing curriculum, leading workshops, providing training, instructing students of any age, or directing teachers, student teachers or students.
 - (4) Any other service determined by the retirement board to be performing teaching services.
- (E) For purposes of division (B)(2) of section 3307.62 of the Revised Code, "The date on which the member's most recent application for a disability benefit was received by the board" shall occur when an application as defined in this rule is received by the retirement system. In all cases of dispute, the retirement system shall determine when an application is received and its decision shall be final.
- (F) For purposes of division (C) of section 3307.62 of the Revised Code, "condition" shall mean a medically determinable physical or mental impairment that results from anatomical, physiological, or psychological abnormalities, which can be shown by standard objective and pertinent medical evidence as defined in this rule. A physical or mental impairment must be established by medical evidence, not only by the applicant's statement of symptoms, but also by symptoms, signs and laboratory findings reported by a physician.

- (G) "Independent medical examiner" shall mean a competent physician neither involved in a treatment relationship with an applicant or recipient nor otherwise employed by the retirement system, who shall be designated by the chair of the medical review board to conduct an impartial examination.
- (H) "Medical evidence" means current physician examinations, clinical findings, laboratory findings, diagnosis, treatment prescribed with response and prognosis, hospital discharge summaries and diagnostic testing relevant to the applicant's claimed disabling condition.
- (I) "Medical review board" shall mean the group of independent physicians designated by the retirement board under the direction of a chair appointed by the retirement board to assist in the evaluation of medical examinations and information. The members of the medical review board may be asked in panels of three or more to review any application and provide their conclusions as to whether an applicant will be mentally or physically incapacitated from the performance of duty for at least twelve months.
- (J) "Medical specialist" shall mean a non-primary care medical doctor or doctor of osteopathic medicine who has completed further education to specialize in the treatment of a condition, and who has established a therapeutic relationship and provided standard medical care to the applicant. The board or its designee shall have the authority to determine that an applicant's physician of choice may be used as attending physician in place of a medical specialist if the applicant shows good cause exists for such a determination. This determination shall be made at the sole discretion of the board or its designee, and shall be final and non-appealable.
- ~~(J)~~(K) 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.
- ~~(K)~~(L) "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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06/10/2016

3307:1-7-04

Disability benefits - treatment.

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

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

Effective:

Five Year Review (FYR) Dates: 6/10/2021

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.48, 3307.62, 3307.63, 3307.631
Prior Effective Dates: 12/23/1976, 12/26/1977, 02/26/1981, 07/03/1997,
10/29/1998 (Emer.), 01/17/1999, 07/01/2001 (Emer.),
09/27/2001, 07/01/2006, 06/06/2011, 01/07/2013
(Emer.), 03/24/2013, 06/10/2016, 06/01/2017

3307:1-7-07

Disability benefits - earnings and employment statements.

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

Effective:

Five Year Review (FYR) Dates: 6/10/2021

Certification

Date

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Statutory Authority: 3307.04
Rule Amplifies: 3307.48
Prior Effective Dates: 12/23/1976, 12/26/1977, 02/26/1981, 07/03/1997,
10/29/1998 (Emer.), 01/17/1999, 07/01/2001 (Emer.),
09/17/2001, 07/01/2006, 01/07/2013 (Emer.),
03/24/2013, 12/10/2015, 06/10/2016, 06/01/2017

3307:1-12-02

Maximum permissible benefits.

Applicability of the final 415 regulations effective beginning on the limitation year commencing on January 1, 2008.

- (A) In general. The final regulations for section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 401, as amended ("final regulations") were made applicable to distributions to members and beneficiaries as of January 1, 2008. As of the last effective date of this rule, the final regulations are incorporated by reference.
- (B) Pursuant to section 3307.58 of the Revised Code and section 415 of the Internal Revenue Code, the maximum annual benefit distributed to a member or beneficiary under the defined benefit plan and/or the combined plan shall be determined as of the date the benefit commences, except as otherwise set forth in section 3307.46 of the Revised Code, and shall be limited to the maximum amount permitted under section 415(b)(1)(A) of the Internal Revenue Code, as adjusted in accordance with section 415(d) of the Internal Revenue Code, for the limitation year.
- (C) Any adjustments applicable to governmental plans (as defined in section 414(d) of the Internal Revenue Code) that are required or permitted under section 415(b) of the Internal Revenue Code shall be applied in calculating the maximum annual benefit, except that the adjustment for commencement after age 65 under section 415(b)(2) (D) and the minimum benefit permitted by section 415(b)(4) of the Internal Revenue Code shall not apply.
- (D) The application of the provisions of this rule shall not cause the maximum annual benefit provided to a member under the defined benefit plan to be less than the member's accrued benefit as of December 31, 2007 under provisions of Chapter 3307. of the Revised Code and Chapter 3307:1 of the Administrative Code that were both adopted and in effect prior to April 5, 2007.
- (E) To the extent section 415(c) of the Internal Revenue Code applies to contributions made to the defined contribution plan or the combined plan, the annual contributions made to the member's account by the member or the member's employer shall be subject to the limits of section 415(c) of the Internal Revenue Code, which limits shall be adjusted in accordance with section 415(d) of the Internal Revenue Code. For this purpose, compensation shall mean compensation as defined in section 415(c)(3) of the Internal Revenue Code and section 1.415-2(d)(3) of the final regulations, and effective January 1, 2009, compensation shall include differential wage payments as defined in section 3401(h)(2) of the Internal Revenue Code.
- (F) The limitation year under this rule shall be the calendar year.

Replaces: 3307: 1-12-02

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.04
Rule Amplifies: 3307.46, 3307.58, 3307.63, 3307.67
Prior Effective Dates: 07/16/2009, 09/03/2012, 08/07/2014

3307:1-13-01

Reemployment restrictions applicable to retirants.

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

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

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

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

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

monthly allowance or benefit equal to the single lifetime benefit described in section 3307.58 of the Revised Code.

- (3) Notwithstanding paragraphs (B)(1) and (B)(2) of this rule, forfeiture of a retirement allowance shall not apply to a state teachers retirement system retirant who continues employment in a position covered by a uniformed Ohio retirement system if the retirant was continuously employed in the position for at least two months prior to the effective retirement benefit date in this system.

(C)

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(2)~~ (2) A member of this system who also is a member of a uniformed retirement system and who has applied for a retirement benefit in the uniformed retirement system may continue employment without forfeiture under section 3307.35 of the Revised Code in the position covered by this system, provided that contributions made to this system after the member's effective retirement benefit date in the uniformed retirement system shall accrue only a benefit as described in section 3307.352 of the Revised Code.

~~(3)~~ (3) If the member has been continuously employed in a position covered by this system for at least two months prior to the effective retirement benefit date in an alternative retirement plan, a uniformed or non-uniformed retirement system, other than this system, an irrevocable election may be made on a form provided

by this system to have contributions to this system made prior to the effective retirement benefit date in the other system or an alternative retirement plan also accrue the same benefit described in section 3307.352 of the Revised Code. In the event this election is made, allowable interest shall not begin until the first of the month after the effective retirement benefit date in the other system or an alternative retirement plan.

Effective:

Five Year Review (FYR) Dates: 3/23/2021

Certification

Date

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Prior Effective Dates: 06/22/1992 (Emer.), 09/10/1992, 07/01/2001 (Emer.),
09/17/2001, 07/18/2003, 05/24/2004, 05/14/2009,
01/07/2013 (Emer.), 03/24/2013, 06/12/2014,
06/05/2015

3307:2-1-01

Definitions.

Except where another definition is specified, for the purposes of sections 3307.80 to 3307.89 of the Revised Code and Chapters 3307:2-1 to ~~3307:2-7~~ 3307:2-6 of the Administrative Code: all definitions can be found in the plan document, which is the document or documents adopted by the retirement board to establish the defined contribution program or any of its constituent plans.

- (A) ~~"Covered employment" and "teaching service" shall mean employment as a teacher in Ohio as specified by section 3307.01 of the Revised Code and for which contributions are made pursuant to sections 3307.26 and 3307.28 of the Revised Code.~~
- (B) ~~"Combined plan" shall mean the plan of that title established by the retirement board pursuant to section 3307.81 of the Revised Code that includes both accumulations in an account in the defined contribution fund created by section 3307.14 of the Revised Code and determinable retirement, disability, and survivor benefits, the terms and conditions of which shall be as specified in the plan document. The combined plan shall also permit participation in the health care program created by the retirement board pursuant to section 3307.39 of the Revised Code, upon the terms and conditions specified in the plan document.~~
- (C) ~~"Defined benefit plan" shall mean the plan described in sections 3307.50 to 3307.79 of the Revised Code.~~
- (D) ~~"Defined contribution fund" shall be the fund created by division (G) of section 3307.14 of the Revised Code.~~
- (E) ~~"Defined contribution plan" shall mean the plan established under section 3307.81 of the Revised Code, the terms and conditions of which shall be as specified in the plan document.~~
- (F) ~~"Defined contribution program" or "program" shall refer collectively to the plans established by the retirement board pursuant to section 3307.81 of the Revised Code.~~
- (G) ~~"Defined contribution program participant" shall mean a member who made a timely election under section 3307.25 or 3307.251 of the Revised Code to participate in a plan established pursuant to section 3307.81 of the Revised Code~~
- (H) ~~"Member" shall be as defined by section 3307.01 of the Revised Code.~~
- (I) ~~"Ohio service" shall mean employment in an Ohio public position covered under Chapter 145., 742., 3307., 3309. or 5505. of the Revised Code.~~
- (J) ~~"Participant" shall mean a member of the state teachers retirement system who has elected pursuant to section 3307.25 or 3307.251 of the Revised Code to participate~~

~~in a plan established pursuant to section 3307.81 of the Revised Code or who elected to continue participating in a plan established under section 3307.81 of the Revised Code prior to January 7, 2013.~~

- (K) ~~"Participant in the defined benefit plan" shall mean a member who is participating in the defined benefit plan.~~
- (L) ~~"Permanent election" shall mean an election made under section 3307.251 or former section 3307.88 of the Revised Code or an election to continue participating in a plan established under section 3307.81 of the Revised Code prior to January 7, 2013.~~
- (M) ~~"Plan" shall mean a plan established by the retirement board pursuant to section 3307.81 of the Revised Code.~~
- (N) ~~"Plan document" or "document" shall be the document or documents adopted by retirement board to establish the defined contribution program or any of its constituent plans.~~
- (O) ~~"Retirement board" or "board" shall mean the state teachers retirement board.~~
- (P) ~~"Service credit" shall mean credit posted by the retirement system.~~
- (Q) ~~"Teacher" shall be a contributing member of the retirement system employed in a position that meets the requirements set forth in division (B) of section 3307.01 of the Revised Code.~~
- (R) ~~"Withdrawal" shall mean distribution as specified by the plan document, paragraph (A) of rule 3307:2-5-02 or paragraph (A) of rule 3307:2-5-03 of the Administrative Code.~~
- (S) ~~"Year" shall be the year beginning July first and ending the next following June thirtieth.~~
- (T) ~~"Years of qualifying service credit" shall have the same meaning as the term is defined by the plan document.~~

Effective:

Five Year Review (FYR) Dates: 3/22/2019

Certification

Date

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Statutory Authority: 3307.80
Rule Amplifies: 3307.25, 3307.251, 3307.81
Prior Effective Dates: 09/17/2001, 07/16/2004, 06/18/2009, 01/07/2013
(Emer.), 03/24/2013, 06/12/2014

3307:2-2-01**Establishment of defined contribution program, including a defined contribution plan and combined plan.**

(A) Defined contribution program. Pursuant to section 3307.81 of the Revised Code, the state teachers retirement board hereby establishes a defined contribution program effective July 1, 2001, consisting of such plans as the board may from time to time establish.

The terms and conditions of each such plan shall be as specified by a plan document adopted by the board. The plan document may be amended from time to time without prior notice as the retirement board deems necessary or appropriate. The plans established by the board may include plans in which the performance of investment choices specified by the board and selected by the member are used to determine the cash accumulation in each account and available to the participant upon retirement or withdrawal. The investment choices specified by the board may include a guaranteed return option. Such plans may provide definitely determinable benefits, or any combination of the foregoing.

Contributions made by participants and employers pursuant to sections 3307.26 and 3307.28 of the Revised Code shall be allocated in accordance with the applicable plan documents and as the board may from time to time specify. An account in the defined contribution fund created by division (G) of section 3307.14 of the Revised Code shall be maintained for each member who elects to participate in any such plan.

(B) Defined contribution plan. Pursuant to section 3307.81 of the Revised Code, the retirement board hereby establishes the defined contribution plan effective July 1, 2001. The terms and conditions of the defined contribution plan shall be as specified in a plan document adopted by the retirement board.

Contributions made by a participant pursuant to section 3307.26 of the Revised Code and a portion of employer contributions pursuant to section 3307.28 of the Revised Code specified by the retirement board shall be credited to the participant's account in the defined contribution fund. Contributions so credited shall be allocated by the participant among investment choices specified by the retirement board.

(C) Combined plan. Pursuant to section 3307.81 of the Revised Code, the retirement board hereby establishes the combined plan effective July 1, 2001. The terms and conditions of the combined plan shall be as specified in a plan document adopted by the retirement board.

A portion of the participant contributions made pursuant to section 3307.26 of the Revised Code as specified by the retirement board shall be credited to a participant's account in the defined contribution fund. Such contributions shall be allocated by the participant among investment choices specified by the retirement board.

A portion of the participant contributions made pursuant to section 3307.26 of the Revised Code and a portion of the employer contributions made pursuant to section 3307.28 of the Revised Code shall be applied as specified by the retirement board to provide retirement, disability and survivor benefits under the terms, conditions and schedules specified by the plan document. A portion of the employer contributions may be allocated to the health care fund under the terms, conditions and schedules specified by the retirement board.

Replaces: 3307:2-2-01, 3307:2-2-02, 3307:2-2-03

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.80
Rule Amplifies: 3307.81
Prior Effective Dates: 07/01/2001 (Emer.), 09/17/2001

TO BE RESCINDED

3307:2-2-02

Establishment of defined contribution plan.

Pursuant to section 3307.81 of the Revised Code, effective July 1, 2001 there is hereby established the defined contribution plan. The terms and conditions of the defined contribution plan shall be as specified in a plan document adopted by the retirement board. The plan document may be amended from time to time as the retirement board deems necessary or appropriate without the necessity of prior notice.

Contributions made by a participant pursuant to section 3307.26 of the Revised Code and a portion of employer contributions pursuant to section 3307.28 of the Revised Code specified by the retirement board shall be credited to the participant's account in the defined contribution fund. Contributions so credited shall be allocated by the participant among investment choices specified by the retirement board. The investment choices specified by the board may include a guaranteed return option and may also include choices the performance of which shall determine the cash accumulation available to the participant upon retirement or withdrawal.

Effective:

Five Year Review (FYR) Dates: 3/22/2019

Certification

Date

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Statutory Authority: 3307.80
Rule Amplifies: 3307.81
Prior Effective Dates: 07/01/2001 (Emer.), 09/17/2001, 07/16/2004

TO BE RESCINDED

3307:2-2-03

Establishment of combined plan.

- (A) Pursuant to section 3307.81 of the Revised Code, effective July 1, 2001 there is hereby established the combined plan. The terms and conditions of the combined plan shall be as specified in the plan document adopted by the retirement board. The plan document may be amended from time to time as the retirement board deems necessary or appropriate without the necessity of prior notice.
- (B) A portion of the participant contributions made pursuant to section 3307.26 of the Revised Code as specified by the retirement board shall be credited to a participant's account in the defined contribution fund. Such contributions shall be allocated by the participant among investment choices specified by the retirement board. The investment choices specified by the board may include a guaranteed return option and may also include choices the performance of which shall determine the cash accumulation available to the participant upon retirement or withdrawal.
- (C) A portion of the participant contributions made pursuant to section 3307.26 of the Revised Code and a portion of the employer contributions made pursuant to section 3307.28 of the Revised Code as specified by the retirement board shall be applied as specified by the retirement board to provide retirement, disability and survivor benefits under the terms, conditions and schedules specified by the plan document. A portion of the employer contributions may be allocated to the health care fund under the terms, conditions and schedules specified by the state teachers retirement board.

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Date

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Statutory Authority: 3307.80
Rule Amplifies: 3307.81
Prior Effective Dates: 07/01/2001 (Emer.), 09/17/2001, 06/18/2009,
07/01/2013 (Emer.), 09/09/2013, 06/12/2014

3307:2-3-01

Initial election ~~Election~~ by new members.

(A) For purposes of section 3307.25 of the Revised Code, ~~and~~ Chapter 3307:2-3 of the Administrative Code and the plan document:

(1) ~~"Employer" shall be an employer as defined by division (A) of section 3307.01 of the Revised Code.~~ "Teacher" shall be a contributing member of the retirement system employed in a position that meets the requirements set forth in division (B) of section 3307.01 of the Revised Code.

(2) ~~"Employment begins" shall mean the first date teaching services are rendered by a teacher for which a teacher is paid by an employer.~~

(3)(2) "New member" shall mean:

(a) An individual who is employed for the first time as a teacher and who has never previously been a member of the retirement system; or

(b) An individual who is not a member of the retirement system upon employment as a teacher, notwithstanding prior membership in the retirement system if:

(i) The individual terminated covered employment and withdrew contributions pursuant to section 3307.56 of the Revised Code before July 1, 2001; and

(ii) On June 30, 2001 the individual was not a member of the retirement system; and

(iii) The individual thereafter returned to teaching service; or

(c) An individual who is not a member of the retirement system upon employment as a teacher, notwithstanding prior membership in the retirement system, if:

(i) On June 30, 2001, the individual was a member of the retirement system with five or more years of service credit; and

(ii) The individual terminated covered employment and withdrew contributions pursuant to section 3307.56 of the Revised Code after July 1, 2001; and

(iii) The individual thereafter returns to teaching service; or

- (d) An individual who is not a member of the retirement system upon employment as a teacher, notwithstanding prior membership in the retirement system if:
- (i) The prior membership in the system was established on or after July 1, 2001; and
 - (ii) Upon such prior membership, the individual made an election pursuant to section 3307.25 of the Revised Code to participate in the defined contribution plan or the combined plan; and
 - (iii) The individual thereafter terminated covered employment and withdrew all contributions or had the account exhausted through fees under the terms of the plan in which he or she was participating prior to the first day of June immediately preceding the fourth anniversary of the June thirtieth of the entry year; and
 - (iv) The individual thereafter returns to teaching service.

~~(B)~~ Pursuant to section 3307.25 of the Revised Code, a new member shall within one hundred eighty days after employment begins elect on a form provided and received by the retirement system to participate in the defined benefit plan or one of the plans established pursuant to section 3307.81 of the Revised Code.

~~(C)~~(B) Except as otherwise specified by the Revised Code, the Administrative Code or the plan document, an election of the defined contribution or combined plans made pursuant to section 3307.25 of the Revised Code and paragraph (B) of this rule shall be effective on the date employment began, shall be irrevocable at the end of the one hundred eighty day election period and shall govern future participation in the retirement system, notwithstanding subsequent terminations of employment as a teacher, changes of employer, or new employment as a teacher, except as otherwise specifically provided by the Revised Code, the Administrative Code or the plan document.

~~(D)~~(C) An individual eligible to make an election under section 3307.25 of the Revised Code and this rule who fails to file an election form with the retirement system within the one hundred eighty day period shall be deemed to have elected participation in the defined benefit plan. Such an An election or an active election of the defined benefit plan made pursuant to section 3307.25 of the Revised Code shall be effective on the date employment began, shall be irrevocable at the end of the one hundred eighty day election period and shall govern future participation in the retirement system, notwithstanding subsequent terminations of employment as a teacher, changes of employer, withdrawal from membership or new employment as a teacher except as

otherwise specifically provided by the Revised Code, the Administrative Code or the plan document.

~~(E)~~(D) The retirement system shall establish an account in the defined contribution fund created by division (G) of section 3307.14 of the Revised Code for an individual who elects participation in a plan established under section 3307.81 of the Revised Code within fourteen days of receipt of a form with a valid plan election.

Effective:

Five Year Review (FYR) Dates: 3/22/2019

Certification

Date

Promulgated Under: 111.15
Statutory Authority: 3307.80
Rule Amplifies: 3307.25
Prior Effective Dates: 07/01/2001 (Emer.), 09/17/2001, 07/16/2004,
06/18/2009, 01/07/2013 (Emer.), 03/24/2013,
06/12/2014

TO BE RESCINDED

3307:2-3-02 **Election by certain current members.**

- (A) For the purposes of this rule and section 3307.251 of the Revised Code:
- (1) "Accumulated contributions" shall have the same meaning as that set forth in section 3307.50 of the Revised Code.
 - (2) "Total service credit" shall have the same meaning as that set forth in section 3307.50 of the Revised Code.
- (B) An individual who is a member on June 30, 2001, may elect participation in a plan established under section 3307.81 of the Revised Code in lieu of continued participation in the defined benefit plan established by sections 3307.50 to 3307.79 of the Revised Code retirement system, if:
- (1) On June 30, 2001 the member has accrued less than five years of total service credit; and
 - (2) Before December 28, 2001 the member files with the retirement system a written election, on a form provided by the retirement system.
- (C) An election of a plan established under section 3307.81 of the Revised Code pursuant to section 3307.251 of the Revised Code and paragraph (B) of this rule shall be effective July 1, 2001 and shall become irrevocable on December 28, 2001.
- (D) If a member eligible to make an election under the terms of section 3307.251 of the Revised Code and this rule does not do so by December 28, 2001, the member shall be deemed to have elected continued participation in the defined benefit plan established by sections 3307.50 to 3307.79 of the Revised Code.
- (E) Except as otherwise specified by the Revised Code, the Administrative Code or the plan document, elections under section 3307.251 of the Revised Code and this rule, whether deemed or actual, shall be irrevocable and shall govern future participation in the retirement system, notwithstanding any subsequent terminations of employment as a teacher, changes of employer, withdrawal from membership or new employment as a teacher.
- (F) The retirement system shall establish an account in the defined contribution fund created by division (G) of section 3307.14 of the Revised Code for a member who elects participation in a plan established under section 3307.81 of the Revised Code within fourteen days of receipt of a complete election form.

(G) The amount standing in the teachers' savings fund created by division (A) of section 3307.14 of the Revised Code to the credit of a member who makes an election under section 3307.251 of the Revised Code and this rule to participate in a plan established under section 3307.81 of the Revised Code shall be transferred to an account in the defined contribution fund created by division (G) of section 3307.14 of the Revised Code, plus interest compounded annually at the following rates:

- (1) If the member had total service credit as of June 30, 2001 of two and ninety-nine hundredth or less, four per cent.
- (2) If the member had total service credit as of June 30, 2001 of three years or more, six per cent for periods prior to January 1, 1999 and five per cent thereafter

Amounts so transferred shall be subject to the same investment allocation as the member directs for new contributions.

Effective:

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Statutory Authority: 3307.80
Rule Amplifies: 3307.251
Prior Effective Dates: 07/01/2001 (Emer.), 09/17/2001, 06/18/2009

TO BE RESCINDED

3307:2-3-03 **Permanent elections.**

- (A) For the purposes of section 3307.25 of the Revised Code and this rule, the entry year shall be based upon the first payroll report of an employer certifying teaching service, compensation and contributions for a member.
- (B) No later than the first day of June immediately preceding the fourth anniversary of the June thirtieth of the entry year, a participant in the defined contribution program may elect to cease participation in the original plan elected and participate in the defined benefit plan or another plan in the defined contribution program. The participant will remain in the original plan elected unless prior to that first day of June the retirement system receives a permanent election to change participation to the defined benefit plan or another plan in the defined contribution program on a form supplied by the retirement system.
- (C) Except as otherwise specified by the Revised Code, the Administrative Code or the plan document, participation in a plan as specified by paragraph (B) of this rule shall be irrevocable, shall be effective on that first day of July following the election and shall govern future participation in the retirement system, notwithstanding subsequent terminations of employment as a teacher, changes of employer, withdrawal from membership or new employment as a teacher.
- (D) The retirement system will notify a participant eligible to make the foregoing permanent election. The retirement system will provide an explanation of this rule and section 3307.25 of the Revised Code, information summarizing the defined benefit plan, information summarizing the plans that comprise the defined contributions program and instructions for making such an election.
- (E) If a defined contribution program participant elects participation in the defined benefit plan, funds shall be transferred in accordance with division (F) of section 3307.25 of the Revised Code from the defined contribution fund to the teachers' savings fund and employer's trust fund created by section 3307.14 of the Revised Code. The account in the defined contribution fund shall be closed. If a participant in the defined contribution program who becomes a participant in the defined benefit plan had purchased credit for military service while still participating in the defined contribution program, credit shall be posted to the account in the defined benefit plan and deemed to have been purchased pursuant to section 3307.752 of the Revised Code.
- (F) If a participant in the defined contribution plan elects participation in the combined plan, an amount calculated by using the performance of the investment choices made by the member to determine the sum accumulated by reason of member contributions

shall be applied to the defined contribution portion of the combined plan. The investment choices made by the member shall be applied to employer contributions to determine the accumulation resulting from employer contributions that shall be used to provide retirement, disability, and survivor benefits and health care program coverage, if eligible, in accordance with the terms of the combined plan. Service credit shall thereupon be established in the combined plan as if the member had begun participation therein when membership was first established.

- (G) If a participant in the combined plan elects participation in the defined contribution plan, the account withdrawal value for the defined benefit portion of the combined plan specified by the plan document as of the first day of July following the fourth anniversary of the June thirtieth of the year of entry shall be applied to an account in the defined contribution plan. A sum calculated by using performance of the investment choices made by a member to determine the accumulation by reason of member contributions to the combined plan shall also be applied to the account in the defined contribution plan. The account in the defined benefit portion of the combined plan fund shall be closed.

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TO BE RESCINDED

3307:2-4-01

Participants generally ineligible to purchase credit.

Except as otherwise specifically provided by the plan document, Chapters 3307:2-1 to 3307:2-7 of the Administrative Code, or the Revised Code, defined contribution program participants are not eligible to make contributions or purchase credit for periods of time when they were not actually employed in covered teaching service and contributing to this retirement system. To the extent there is a specific provision permitting such contribution or purchase:

- (A) The retirement system will issue a cost setting forth both the current cost of such purchase and the time period the cost statement remains valid.
- (B) The participant may purchase all or part of eligible credit, 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 participant shall pay the full cost if the amount of the full cost is less than either two hundred dollars or the amount needed to establish one per cent of a year of service credit.
- (C) Participants applying for service retirement must establish all service credit and contributions before the effective date of service retirement if credit or contributions for such service is to be included in the benefit calculation, except that:
 - (1) Payment to replace lost contributions from teaching service interrupted by military service or qualifying leaves of absences under rule 3307:2-4-03 of the Administrative Code will be accepted for three months after the effective date of retirement, and credit will be deemed to have been established and contributions posted prior to the effective date, provided:
 - (a) That prior to the effective date of retirement this retirement system approved an application to replace contributions from teaching service interrupted by military service or qualifying leaves of absence on forms provided by this system determining that the service qualifies for replacement of lost contributions; and
 - (b) That prior to the effective date of retirement this retirement system issued cost statements for the replacement of lost contributions, with costs calculated for the month in which payment is actually made; 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.

- (2) An estimated or partial benefit may be paid prior to the final benefit determination only if a participant qualifies for retirement without regard to such service for which payment in full has not been received.
- (3) 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 replace lost contributions shall be cancelled;
 - (b) The final benefit shall be calculated for a participant eligible for retirement without the service that could have been obtained had timely payment been received;
 - (c) The application for retirement shall be cancelled for any participant not eligible to retire without the service that could have been obtained had timely payment been received.

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3307:2-4-02

Military service.

- (A) Participants in the defined contribution plan and the combined plan may make contributions for periods when Ohio teaching service was interrupted by military service under the same terms and conditions as specified for participants in the defined benefit plan by section 3307.752 of the Revised Code. The interest rate used to calculate the cost of any such purchase shall be at the same rate established pursuant to rule 3307:1-3-01 of the Administrative Code for purchases of military service under section 3307.752 of the Revised Code.
- (B) The retirement board shall specify the portion of contributions that would have been paid by the participant pursuant to section 3307.26 of the Revised Code, and interest thereon as directed by section 3307.752 of the Revised Code, to be credited to the participant's account in the defined contribution fund created by division (G) of section 3307.14 of the Revised Code. The remaining contributions that would have been paid by the participant for Ohio teaching service interrupted by military service and all employer contributions that would have been paid by the employer pursuant to section 3307.28 of the Revised Code for the participant's period of interrupted military service shall be applied to provide retirement, disability, and survivor benefits under the terms, conditions, and schedules specified by the plan document. A portion of the employer contributions may be allocated to the health care fund under the terms, conditions and schedules specified by the ~~state teachers~~ retirement board.
- (C) No refund will be made of amounts paid by a participant to purchase credit as herein provided, except as a part of a total withdrawal of funds.

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3307:2-4-03

Combined plan participant leaves of absence.

Section 3307.77 of the Revised Code permits a teacher in the combined plan to complete contributions for a period during which the teacher was prevented by illness, injury, a leave granted pursuant to section 3319.13 or 3319.131 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) A participant in the combined plan may purchase credit for a period of leave or absence that would qualify for purchases by a defined benefit plan participant under the requirements set forth in section 3307.77 of the Revised Code and rule 3307:1-3-06 of the Administrative Code, provided: leave of absence purchases made pursuant to section 3307.77 of the Revised Code shall be made by a lump-sum payment.

~~(1) The participant shall pay an amount equal to the sum of teacher contributions on the amount certified by the employer as compensation that would have been payable but for the leave of absence, compounded by interest at the rate established pursuant to rule 3307:1-3-01 of the Administrative Code on both the teacher and employer contributions from July first following the last day of the year in which the leave ends through the month of payment.~~

~~(2) Leave of absence purchases made pursuant to section 3307.77 of the Revised Code shall be made by a lump-sum payment.~~

~~(B) Contributions may be submitted for purchases of credit for absences that result in limitation of compensation 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 purchases of credit for absences under section 3307.77 of the Revised Code, if the additional contributions will reduce or eliminate limitation of the compensation included in final average salary under section 3307.501 of the Revised Code.~~

~~(D)~~(B) A participant in the combined plan may complete retirement contributions and secure retirement credit for non-paid professional leaves by complying with the following requirements: in accordance with rule 3307:1-3-05 of the Administrative Code.

~~(1) Eligibility requirements:~~

- ~~(a) An annual contract for service covered by this system during the year within which the absence occurred.~~
- ~~(b) A leave granted by the employer for the purpose of accepting an assignment during such absence. Leaves will not be recognized for a period greater than an accumulated total of two school years.~~
- ~~(c) Assignments which will be considered for retirement credit under this rule are those related to professional duties and responsibilities of participants or activities which may be expected to improve the service rendered by a participant upon return to employment.~~
- ~~(d) Not later than twelve months following termination of the leave the participant must resume contributing service covered by this system, the public employees retirement system or the school employees retirement system.~~
- ~~(e) Approval of the employer for the payment of the employer cost without reimbursement from the participant.~~

~~(2) Procedural requirements:~~

- ~~(a) Subsequent to the termination of the leave the participant must file with the retirement board:~~
 - ~~(i) A statement showing the nature and purpose of the assignment during such absence.~~
 - ~~(ii) Certifications of participant's employer as follows:~~
 - ~~(a) Participant's annual contract salary in effect for each year or part of a year (July first through June thirtieth) in which there was such absence.~~
 - ~~(b) Official action of the employer granting the leave stating the beginning date and the termination date.~~
 - ~~(c) Official action of the employer approving the payment of the employer cost without reimbursement from the participant.~~

~~(3) Cost calculation:~~

~~(a) The participant shall pay to the system for each year of credit purchased under this rule an amount calculated as specified by paragraph (A)(1) of this rule.~~

~~(b) The employer shall pay to the system for each year of credit purchased under this rule an amount determined by multiplying the employer contribution rate in effect at the time the leave commenced by the compensation the participant would have received for the leave less salary payments made during the leave period, if any.~~

~~(E)~~(C) Upon payment by the participant, service will be posted to the defined benefit portion of the participant's account. The retirement board shall specify the portion of the amount paid by the participant equal to the teacher contributions under section 3307.26 of the Revised Code and interest thereon to be posted to the participant's account in the defined contribution fund. The remaining amount paid by the participant for a leave of absence and all employer contributions paid by the employer for the participant's leave of absence shall be applied to provide retirement, disability, and survivor benefits under the terms, conditions and schedules specified by the plan document. A portion of the employer contributions may be allocated to the health care fund under the terms, conditions and schedules specified by the state teachers retirement board.

~~(F)~~(D) No refund will be made of amounts paid by a participant to purchase credit as herein provided, except as a part of a total withdrawal of funds.

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3307:2-5-01

Distributions.

Application for a distribution from the defined contribution program shall be in accordance with the terms and conditions specified by the plan document. In no case shall a distribution be made prior to the termination of covered employment. Calculation and payment of a distribution shall be as specified by Chapter 3307:2-5 of the Administrative Code, the plan document, and the rates, factors and conditions established by the retirement board. Application shall be on a form provided by the retirement system and shall be deemed made as of the date a complete application is received by the retirement system. ~~A distribution made from the defined contribution plan and the combined plan's account in the defined contribution fund shall be deemed irrevocably made as of the date paid by the retirement system. Distributions from the defined benefit portion of the combined plan shall be deemed irrevocably made as outlined in paragraphs (G) and (H) of rule 3307-8-01 of the Administrative Code.~~

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3307:2-5-02

Distributions from the defined contribution plan.

Upon termination of teaching service, a participant in the defined contribution plan may apply for a distribution, as follows:

(A) Application may be made for withdrawal of the amount determined under the plan document and this rule.

- (1) The amount payable upon withdrawal shall be paid in a lump sum, except to the extent as otherwise provided by section 3307.87 of the Revised Code and rule 3307:2-5-08 of the Administrative Code.
- (2) Membership and participation in the retirement system shall terminate upon withdrawal. Any credit for periods of service paid out upon withdrawal shall be cancelled.
- (3) Participation in the defined contribution plan shall resume in the event the participant thereafter returns to teaching service, except to the extent that upon the return to teaching service the participant meets the requirements specified by rule 3307:2-3-01 of the Administrative Code to qualify as a new member.
- (4) Payment from an account in the defined contribution plan shall be based upon the closing net asset value as of the day an application for distribution is processed by using the investment choices made by the participant to determine the amount accumulated by reason of contributions.

(B) Application may be made for a ~~retirement~~monthly benefit by a participant who has attained at least fifty years of age, as follows:

- (1) ~~Retirement~~Benefits shall be effective on the first of the month following the later of termination of covered teaching service or the first application for a distribution received by the retirement system.
- (2) ~~Membership in the retirement system shall terminate as of the effective date of retirement. On and after that effective date, the participant shall be a superannuate as defined by section 3307.01 of the Revised Code as of that date. Subject to the requirements of section 3307.87 of the Revised Code and Chapter 3307:2-5 of the Administrative Code, the participant may elect a plan of payment pursuant to rule 3307:2-5-09 of the Administrative Code. The minimum monthly benefit amount shall be one hundred dollars.~~
- (3) ~~Subject to the requirements of section 3307.87 of the Revised Code and Chapter 3307:2-5 of the Administrative Code, the participant shall elect on the application to take all of the balance of the defined contribution account in a~~

lump sum payment, or to elect a plan of payment pursuant to rule 3307:2-5-09 of the Administrative Code. Membership in the retirement system shall terminate as of the effective benefit date. On and after that date, the participant shall be a superannuate as defined by section 3307.01 of the Revised Code.

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3307:2-5-03

Distributions from the combined plan.

Upon termination of teaching service, a participant in the combined plan may apply for a distribution, as follows:

- (A) Application may be made for withdrawal of the amounts determined under the plan document and this rule.
- (1) An application to withdraw the defined benefit portion of an account will not be accepted unless application is also made to withdraw the defined contribution portion.
 - (2) Prior to attainment of age fifty:
 - (a) A participant who has terminated covered employment may leave contributions on deposit in the plan or may apply for withdrawal, but is not eligible for retirement or retirement distributions.
 - (b) An application to withdraw the defined contribution portion of an account will not be accepted unless application is also made to withdraw the defined benefit portion;
 - (c) The amounts payable upon withdrawal shall be paid in a lump sum except as otherwise provided by section 3307.87 of the Revised Code and rule 3307:2-5-08 of the Administrative Code.
 - (3) After attainment of age fifty:
 - (a) A participant in the combined plan who has established at least five years of qualifying service credit may apply to withdraw the defined contribution portion but leave the defined benefit portion on deposit to provide benefits at a future date.
 - (b) If a participant has established less than five years of qualifying service credit, an application to withdraw the defined contribution portion of an account will not be accepted unless an application is also made to withdraw the defined benefit portion.
 - (4) Regardless of age or when the withdrawal payment was made, in the event a participant who has received a payment under paragraph (A) of this rule subsequently returns to teaching service:
 - (a) The member shall participate in the combined plan if the withdrawal payment was made under paragraph (A)(1), (A)(2) or (A)(3)(b) of this

rule, unless the participant meets the requirements specified by rule 3307:2-3-01 of the Administrative Code to qualify as a new member.

(b) The participant shall be a superannuate as defined by section 3307.01 of the Revised Code if the withdrawal payment was made under paragraph (A) (3)(a) of this rule.

(5) Payment from the defined contribution portion of an account in the combined plan shall be based upon the closing net asset value as of the day an application for distribution is processed by using the investment choices made by the participant to determine the amount accumulated by reason of contributions.

(B) A participant who has terminated covered employment and attained at least fifty years of age may apply for a ~~retirement payment~~ monthly benefit of the defined contribution portion of the account, whether or not the participant is eligible and applying for a benefit under the defined benefit portion of the account. If the participant has established less than five years of qualifying service credit, an application to receive a ~~retirement payment~~ monthly benefit of the defined contribution portion of an account will not be accepted unless application is also made to withdraw the defined benefit portion.

(1) Benefits shall commence the later of the first of the month following the termination of covered employment, the first of the month following receipt of an application for payment under paragraph (B) of this rule, or the retirement date, which shall be a first of a month, specified on the application received for payment under paragraph (B) of this rule. Active membership in the retirement system shall terminate as of that date and the participant shall on and after that date be a superannuate as defined by section 3307.01 of the Revised Code.

(2) Benefits are subject to the requirements of section 3307.87 of the Revised Code and Chapter 3307:2-5 of the Administrative Code. The participant shall elect on the application form to annuitize such balance.

(3) The minimum monthly benefit amount shall be one hundred dollars.

(C) Application for retirement under the defined benefit portion of an account may be made by a participant who has terminated covered employment and who meets the defined benefit age and service eligibility requirements specified by the plan document, whether or not the participant is applying for a distribution of the defined contribution portion of the account, provided:

- (1) Benefits shall commence as of the effective date specified by the application, which shall in no case be earlier than the first of the month following the last day of covered employment.
 - (2) Membership shall terminate as of the effective date of retirement and the participant shall thereafter be a superannuate as defined by section 3307.01 of the Revised Code.
 - (3) The minimum monthly benefit amount shall be one hundred dollars.
- (D) A participant who has attained age fifty, has at least five years of qualifying service credit and who has elected either to take a withdrawal of the defined contribution portion of the account pursuant to paragraph (A)(3)(a) of this rule or to receive a monthly retirement benefit from the defined contribution portion of the account pursuant to paragraph (B) of this rule may apply to withdraw the defined benefit portion of the account any time prior to receiving a monthly retirement benefit under the defined benefit portion of the account.
- (E) Retirement shall be effective on the earlier of the dates benefits or payments commence under paragraph (A)(3)(a), (B)(1) or (C)(1) of this rule.

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TO BE RESCINDED

3307:2-5-06

Annuitization of defined contribution amounts.

- (A) A defined contribution program participant who has terminated covered employment and applies for distribution after attainment of age fifty may choose to annuitize an account in the defined contribution plan or the defined contribution portion of the combined plan by applying for a monthly payment for the lifetime of the participant, provided:
- (1) The minimum monthly amount shall be one hundred dollars.
 - (2) Application for an annuity must be made on a form provided by and filed with the retirement system.
 - (3) The monthly amount granted shall be determined under annuity rates and factors adopted and periodically adjusted by the retirement board after review by an independent actuary appointed by the board and applied to the amount accumulated by a participant.
 - (4) A participant may elect to receive an annuity in the amount determined under paragraph (C) of this rule for life or may instead elect to receive an actuarially equivalent benefit in a lesser amount for the lifetime of the participant but continuing after the participant's death to a beneficiary under any plan of payment specified by rule 3307:2-5-09 of the Administrative Code.
 - (5) Funds to be annuitized shall be based upon the closing net asset value of the investment choices made by the participant as of the day an application for benefits is ready to be processed for payment. Payment will be made as soon as administratively practicable after receipt of a complete application.
- (B) Assuming a non-spouse beneficiary has not been designated as specified in the plan document and rule 3307:2-5-07 of the Administrative Code, the surviving spouse of a defined contribution plan participant, who dies after attaining eligibility for a monthly annuity but before monthly benefits begin, may elect, in lieu of a refund of the member account, to annuitize the participant's member account by making application for a lifetime monthly annuity on a form provided by the retirement system. The monthly annuity shall not be less than one hundred dollars when computed as a one hundred percent joint survivor annuity without reversion; otherwise, a refund of the member account shall be paid.

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3307:2-5-07

Beneficiaries.

- (A) Subject to section 3307.87 of the Revised Code and rule 3307:2-5-08 of the Administrative Code, a participant in the defined contribution program may designate a beneficiary as specified in the plan document. Such a designation shall be in writing on a form provided by and received by the retirement system before the participant's death and the form must be completed in a manner satisfactory to the retirement system in its sole discretion. The most recent designation filed with the retirement system revokes all previous designations. The participant's marriage, termination of marriage, legal separation, withdrawal or distribution of account, or the birth of the participant's child or the participant's adoption of a child shall constitute an automatic revocation of any previous designation. A permanent election by a participant in the combined plan or defined contribution plan that results in a change from the participant's original retirement plan selection shall also constitute an automatic revocation of any previous designation.
- (B) For beneficiary designations received pursuant to paragraph (A) of this rule where the participant named two or more beneficiaries and specified percentages for each of the beneficiaries, the state teachers retirement system shall pay the specified percentage of a lump-sum payment to each named beneficiary if all of these conditions are met:
- (1) Two or more beneficiaries were named in a valid designation.
 - (2) Percentages were provided for all named beneficiaries.
 - (3) The sum of the percentages is one hundred per cent.
- If any one of these conditions is not met, the lump-sum payment will be divided equally among the beneficiaries. Should a designated beneficiary predecease the participant, those funds shall be prorated based on the remaining percentages designated and paid to the other designated beneficiaries.
- (C) In the event a designation of beneficiary is not in effect upon the death of a participant prior to retirement, any beneficiaries may qualify in accordance with the terms of the plan document in the following order of precedence:
- (1) Surviving spouse;
 - (2) Children, share and share alike;
 - (3) Parents, share and share alike;
 - (4) Estate.

- (5) Person responsible for funeral expenses up to the full amount of the funeral expenses.
- (D) Prior to the effective date of an application for retirement by a participant in the combined plan, the same person must be designated as a beneficiary or determined to qualify as a beneficiary as set forth in paragraph (C) of this rule in the event of the participant's death. At retirement the participant may, however, designate different beneficiaries for the defined contribution and defined benefit portions of the combined plans.
- (E) If the death of a participant is caused by one of the following beneficiaries, no amount due under a plan established under section 3307.81 of the Revised Code or Chapters 3307:2-1 to 3307:2-7 of the Administrative Code shall be paid to the beneficiary in the absence of a court order to the contrary filed with the retirement system:
- (1) A beneficiary who is convicted of, pleads guilty to, or is found not guilty by reason of insanity of a violation or complicity in the violation of either of the following:
 - (a) Section 2903.01, 2903.02 or 2903.03 of the Revised Code;
 - (b) An existing or former law of any other state, the United States, or a foreign nation that is substantially equivalent to section 2903.01, 2903.02 or 2903.03 of the Revised Code;
 - (2) A beneficiary who is indicted for a violation of or complicity in the violation of the sections or laws described in this rule and is adjudicated incompetent to stand trial;
 - (3) A beneficiary who is a juvenile is found to be a delinquent child by reason of committing an act that, if committed by an adult, would be a violation of or complicity in the violation of the sections or laws described in this rule.
- (F) If a beneficiary cannot be located or fails to submit the appropriate application within ninety days of notification of available benefits, the rights of that beneficiary shall be deemed waived and the next beneficiary in succession shall be entitled to payment. Any payment made to a beneficiary as determined by the retirement system shall be a full discharge and release to the system from any future claims.

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3307:2-5-08 **Spousal consent.**

The following rule is adopted to implement section 3307.87 of the Revised Code:

- (A) If a defined contribution program participant who has terminated covered employment is married and is at least age fifty at the time of application for withdrawal of a balance of five thousand dollars or more, consent of the spouse shall be required under the circumstances and subject to the exceptions specified by section 3307.87 of the Revised Code.
- (B) If a defined contribution program participant is married at the time of the application for a retirement benefit as specified by these rules and the terms of the plan document, the consent of the spouse shall be required for the participant to select any form of payment, benefit or plan of payment that is not of a joint and survivor annuity with at least fifty per cent continuing for the lifetime of the spouse upon the death of the participant.
- (C) The designation of a beneficiary other than the spouse by a participant married at the time of designation shall be subject to the consent of the spouse.
- (D) The defined contribution portion of the combined plan and the defined benefit portion of that plan shall be subject to separate requirements of spousal consent.
- (E) The foregoing requirements shall not apply if a spouse cannot be located or for any other reason specified by rule 3307:1-5-02 or 3307:1-12-01 of the Administrative Code.

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3307:2-5-09

Plans of payment for monthly benefit.

- (A) A defined contribution program participant granted a ~~retirement~~monthly benefit from the member account upon attainment of a minimum age of fifty and termination of covered employment may elect ~~to accept in lieu of a lump-sum payment of the member account,~~ a monthly benefit in accordance with the terms and conditions of the plan document under any of the plans of payment available for defined benefit members under the terms of rule 3307:1-5-02 of the Administrative Code and section 3307.60 of the Revised Code, except for a lump-sum payment made under division (B) of section 3307.60 of the Revised Code. A plan of payment selected may be changed or reselected only as therein provided. If the participant elects to annuitize such payment, no change may be made in the plan of payment selected for such annuity after the fifteenth day of the month of the first regular benefit payment. Regular benefits begin once a final benefit, as defined by paragraph ~~(F)~~(H) of rule 3307:1-1-01 of the Administrative Code, is paid.
- (B) A combined plan participant granted a ~~retirement~~monthly benefit under the defined benefit portion of the account may elect ~~to accept in lieu of a lump-sum payment,~~ a monthly benefit in accordance with the terms and conditions of the plan document under any of the plans of payment available for defined benefit members under the terms of section 3307.60 of the Revised Code and rule 3307:1-5-02 of the Administrative Code. A plan of payment selected may be changed or reselected only as therein provided. ~~Selection of a plan of payment shall become final as set forth in paragraph (G) of rule 3307-8-01 of the Administrative Code. No change may be made in the plan of payment selected after the fifteenth day of the month of the first regular benefit payment.~~ Regular benefits begin once a final benefit, as defined by paragraph (H) of rule 3307:1-1-01 of the Administrative Code, is paid.

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Rollovers distributed.

Direct rollover distributions may be paid by the retirement system as specified by section 6.7 of the plan document and subject to the same procedures as specified by paragraph (A) of rule 3307:1-12-01 of the Administrative Code.

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3307:2-6-01

Combined plan disability benefits.

(A) A participant in the combined plan may apply for disability benefits specified by the plan document if the participant meets either of the following criteria and applies on a form provided by the retirement system.

~~(1) The participant had service credit on account on June 30, 2013 with the state teachers retirement system and did not withdraw the account on or after July 1, 2013, has established at least five years of service credit excluding leaves of absences, submits a completed application packet within two years of the last date of contributing service as defined in paragraph (A) of rule 3307:1-1-01 of the Administrative Code, has not taken a distribution from either the defined contribution or defined benefit portion of the account and has become incapacitated from the performance of regular duties in covered employment; or~~

~~(2) The participant had no service credit on account on June 30, 2013, with the state teachers retirement system or had service credit on account with the state teachers retirement system on June 30, 2013, but withdrew the account on or after July 1, 2013, has established at least ten years of service credit excluding leaves of absences, submits a completed application packet within one year of the last date of contributing service as defined in paragraph (A) of rule 3307:1-1-01 of the Administrative Code, has not taken a distribution from either the defined contribution or defined benefit portion of the account and has become incapacitated from the performance of regular duties in covered employment.~~

(B) An application for a disability benefit under the combined plan and continuing eligibility for such a benefit shall be evaluated, and reevaluated, and administered as specified by sections 3307.48, 3307.62, and 3307.631 of the Revised Code and Chapter 3307:1-7 of the Administrative Code. ~~Submission of an application, eligibility and continuing eligibility shall be submitted, reviewed, determined, and reevaluated in accordance with the same procedures, standards, and conditions therein specified. A combined plan participant granted disability benefits shall be subject to all of the requirements and provisions therein specified including, without limitation, requirements to submit medical information, earnings and other reports, requirements to obtain any treatment or examinations, and requirements to refrain from teaching service.~~

~~(C) In the event the participant is determined to be incapacitated from the performance of his or her regular duties in covered employment, a disability benefit calculated in the same manner specified by section 3307.631 of the Revised Code shall be granted, notwithstanding the date membership was established in the retirement system or any previous election of disability programs.~~

- ~~(D) Both the defined benefit and defined contribution portions of the participant's combined plan account shall be applied to fund a disability benefit. The defined contribution portion of the participant's account shall be closed upon the grant of a disability benefit. The participant shall thereafter be ineligible to participate in the defined contribution portion of the combined plan. However, in the event such a participant returns to covered employment, future contributions will be credited and allocated as though sections 3307.56, 3307.631, 3307.58 and 3307.66 of the Revised Code were applicable, with eligibility for subsequent payments of benefits as therein specified.~~
- ~~(E)~~(C) Neither service credit established under nor contributions to the public employees retirement system created by Chapter 145. of the Revised Code or the school employees retirement system created by Chapter 3309. of the Revised Code may be combined with credit or contributions to this retirement system for either determination of eligibility for disability benefits or calculation of any such benefits.
- ~~(F) Disability benefits under the combined plan shall terminate as specified by division (C) of section 3307.631 of the Revised Code upon the attainment of age sixty-five or the later date therein specified, with subsequent retirement benefits calculated as provided by section 3307.59 of the Revised Code.~~
- ~~(G) If a former recipient of disability benefits whose benefits were terminated returns to teaching service and subsequently completes two years of service credit, credit shall be granted under section 3307.48 of the Revised Code for the period as a disability benefit recipient.~~

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3307:2-6-02

Combined plan survivor benefits.

- (A) In the event of the death of a combined plan participant prior to payment to the participant ~~of any part of either of both~~ the defined benefit ~~or~~ defined contribution portions of the account, payment shall be made as permitted by ~~paragraph (B) or (C)~~ of this rule.
- (B) Dependent, service, or retirement based survivor benefits may be granted in accordance with ~~divisions (C)(1) and (C)(2) of section~~ sections 3307.501, 3307.66, and 3307.67 of the Revised Code and Chapter 3307:1-8 of the Administrative Code to the qualified survivors of the deceased participant in lieu of payment pursuant to Chapter 3307:2-5 of the Administrative Code, calculated, paid and terminated as though all requirements of section 3307.66 of the Revised Code were applicable, except those set forth in division (G) of section 3307.66 of the Revised Code ~~and that only contributing service as defined in paragraph (A) of rule 3307:1-1-01 of the Administrative Code with the state teachers retirement system and military service as permitted by the plan document shall be used to determine eligibility for benefits.~~
- (1) ~~For applications received pursuant to this rule later than one year from the date of death of the participant, benefits shall begin on the first day of the month immediately following receipt of the application by the retirement system. All other applications shall begin the first of the month after the date of death of the participant.~~
- (2) ~~The determination of both the final average salary calculation pursuant to section 3307.501 of the Revised Code and the payment of cost of living adjustments pursuant to section 3307.67 of the Revised Code shall be based on the date determined in paragraph (B)(1) of this rule, unless the participant was receiving disability benefits at the time of death, then the disability effective benefit date shall be used.~~
- (3) ~~If a surviving spouse or sole designated beneficiary is eligible for benefits pursuant to division (C)(1) of section 3307.66 of the Revised Code, the option rate and early retirement reduction factor used to calculate such benefit shall be based on the age of either the surviving spouse or sole designated beneficiary and the age the deceased participant would have been on the date determined in paragraph (B)(1) of this rule. The early retirement reduction factor shall be the greater of either the percentage calculated as specified in this paragraph or the highest percentage calculated for each July first immediately preceding the survivor benefit's effective benefit date, assuming the participant was eligible to retire each July first date.~~

- (4) ~~Both the defined contribution and defined benefit portions of the participant's account in the combined plan will be applied to fund survivor benefits paid pursuant to this rule.~~
- (C) A surviving spouse or sole ~~designated beneficiary~~survivor of a participant eligible at the time of the participant's death ~~to receive monthly service retirement benefits as outlined in rule 3307:2-5-03 of the Administrative Code may receive a monthly annuity benefit from both the defined contribution portion and the defined benefit portion of the participant's combined plan account; or, may receive a monthly annuity benefit from either the defined contribution portion or the defined benefit portion of the account and receive the same lump-sum payment the participant would have received from the other account as defined in the defined contribution program plan document; or, may receive a lump-sum payment of both the defined contribution and the defined benefit ~~portion~~portions of the account and receive the same lump-sum payments the participant would have received as defined in the ~~defined contribution program~~ plan document. To receive a monthly annuity, the following applies:~~
- (1) The surviving spouse or sole ~~designated beneficiary~~survivor may receive a monthly annuity from the defined contribution portion of the participant's combined plan account if the ~~participant at the time of death was eligible for a monthly annuity benefit of~~is not less than one hundred dollars monthly when computed as a one hundred per cent joint survivor annuity without reversion; otherwise, a lump-sum payment of the defined contribution portion of the account shall be paid. The effective date for the monthly annuity payment from the defined contribution portion shall be the first of the month following the participant's date of death.
 - (2) The surviving spouse or sole ~~designated beneficiary~~survivor may receive a monthly annuity from the defined benefit portion of the participant's combined plan account if the participant at the time of death was eligible, or would have been eligible the first of the month following the date the deceased participant would have attained the minimum age necessary to qualify for benefits, for a monthly annuity benefit of not less than one hundred dollars monthly when computed as a one hundred per cent joint survivor annuity without reversion; otherwise, a withdrawal of the defined benefit portion of the account shall be paid. The effective date for the monthly annuity payment from the defined benefit portion shall be the first of the month following the later of the participant's date of death or the date the deceased participant would have attained the minimum age necessary to qualify for benefits under the defined benefit portion, based upon service credit accrued as of the date of death. Such a benefit shall be computed under the terms of the combined plan and payable in the form of the one hundred per cent joint survivor annuity without reversion

the participant would have received had the participant been retired on that same first of the month and selected such a joint survivor annuity.

~~(3) The surviving spouse or sole designated beneficiary of the participant shall receive a one hundred per cent joint survivor annuity without reversion.~~

~~(4) The effective date for either monthly annuity payment shall be the first of the month following the participant's date of death or the first of the month following the date the deceased participant would have attained the minimum age necessary to qualify for benefits under the defined benefit portion, based upon service credit accrued as of the date of death. Such a benefit shall be computed under the terms of the combined plan and payable in the form of the one hundred per cent joint survivor annuity without reversion the participant would have received had the participant been retired on that same first of the month and selected such a joint survivor annuity.~~

(3) For purposes of this rule, "without reversion" refers to an annuity where neither the plan of payment nor the primary beneficiary may be changed after retirement.

(D) Neither service credit established under nor contributions to the public employees retirement system created by Chapter 145. of the Revised Code or the school employees retirement system created by Chapter 3309. of the Revised Code may be combined with this retirement system, either for the determination of eligibility for survivor benefits or the calculation of benefits.

~~(E) In the event a deceased combined plan participant is survived by a qualified spouse as defined by division (B)(1) of section 3307.66 of the Revised Code and there is no designated beneficiary other than the spouse, such spouse may select one of the benefit calculations specified by division (C)(1) or (C)(2) of that section, and such selection shall govern the calculation of any benefit, thereby payable to other qualified survivors, notwithstanding the respective ages or biological parent of any surviving children.~~

~~(F) In the event a deceased combined plan participant is not survived by a qualified spouse as defined by section 3307.66 of the Revised Code and there is no designated beneficiary, but the participant is survived by children qualified under the terms of section 3307.66 of the Revised Code, selection of one of the benefit calculations set forth in division (C)(1) or (C)(2) of that section may be made by the youngest qualified child. Such selection shall govern the calculation of any benefit thereby payable to other qualified survivors.~~

~~(G)~~(E) In the event of the death of a combined plan participant prior to payment of the defined benefit portion of the account but after payment was made of the defined

contribution portion as specified by paragraph (A)(3) or paragraph (B) of rule 3307:2-5-03 of the Administrative Code, a benefit may be granted to a surviving spouse or sole ~~designated beneficiary~~survivor. Such a benefit shall be effective as of the first of the month following the date the deceased participant would have attained the minimum age necessary to qualify for benefits under the defined benefit portion, based upon service credit accrued as of the date of death. Such a benefit shall be computed under the terms of the combined plan and payable in the form of the one hundred per cent joint survivor annuity without reversion the participant would have received had the participant been retired on that same first of the month and selected such a joint survivor annuity or, in lieu of a benefit computed as a one hundred per cent joint survivor annuity, the benefit is payable as a lump sum equal to the withdrawal value as defined in the ~~defined contribution program~~ plan document.

~~(H)~~(F) In the event of the death of a combined plan participant prior to payment of the defined contribution portion of the account but after payment was made of the defined benefit portion as specified by paragraph (C) of rule 3307:2-5-03 of the Administrative Code, the surviving spouse or sole ~~designated beneficiary~~survivor may withdraw or immediately annuitize the defined contribution portion of the account.

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Combined plan health benefits.

Participants, and their beneficiaries and survivors granted monthly benefits under the defined benefit portion of the combined plan may participate in the health care program established pursuant to section 3307.39 of the Revised Code under the same terms and conditions specified for defined benefit participants by that section and Chapter 3307:1-11 of the Administrative Code.

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Investments.

For the purposes of recording the account accumulated when payment becomes due to a participant in the defined contribution program, a unitized share value shall be assigned based on closing net asset value of the investment choices made by the participant as of the day contributions are credited to a participant's account.

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3307:2-7-02

Allocation of funds.

- (A) All funds credited to the account of a participant in the defined contribution program shall be allocated to the "STRS Target Choice Option" that falls immediately before the participant's sixtieth birthday until an allocation directing otherwise is received from the participant.
- (B) After the expiration of the one hundred-eighty-day election period provided by section 3307.25 of the Revised Code, the allocation of any contributions made retroactively to a defined contribution program account shall be credited as outlined in paragraphs (B)(1) and (B)(2) of this rule:
- (1) Contributions received in the first one hundred-eighty days of membership shall be credited as of the last day of the one hundred-eighty-day election period and all other contributions for past service shall be credited as of the first business day following the day the contributions were received by the state teachers retirement system.
 - (2) The sum accumulated on the retroactive contributions shall be calculated by the greater of the following two alternatives:
 - (a) All contributions allocated to the "STRS Money Market" choice at the net asset value of the money market choice at the close of business on the day outlined in paragraph (B)(1) of this rule; or
 - (b) All contributions allocated to the "STRS Target Choice Option" that falls immediately before the participant's sixtieth birthday, at the net asset value of the "STRS Target Choice Option" at the close of business on the day outlined in paragraph (B)(1) of this rule.

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3307:2-7-03

Rollovers received.

Direct rollover distributions of pretax amounts may be received by the retirement system as specified by the plan document, provided:

- (A) Application shall be on a form provided by the retirement system; and
- (B) Application shall be subject to determination by the retirement system that the transferring plan or account is eligible to rollover funds to the plan in which the member participates.
- (C) Rollover distributions are initially invested in the "STRS Target Choice Option" that falls immediately before the participant's sixtieth birthday at the time of deposit. Participants may reallocate the funds any time after the deposit is made.

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