

5505-3-04

**Reemployed retirees.**

- (A) A retiree whose reemployment, whether full-time or part-time, is covered by one of the other Ohio public retirement plans is subject to the following:
- (1) If reemployment occurs prior to the pension eligibility date, or before the end of thirty days following the pension eligibility date, two months' pension allowance shall be forfeited.
  - (2) If reemployment occurs after thirty days but before the end of sixty days following the pension eligibility date, one month's pension allowance shall be forfeited.
  - (3) A DROP participant's pension eligibility date is the day following the event terminating the member's participation in DROP as defined by sections 5505.55, 5505.56, and 5505.58 of the Revised Code.
  - (4) Notwithstanding the prior provisions, if reemployment occurs sixty days or more prior to the pension eligibility date, no pension allowance shall be forfeited.
- (B) If a pension allowance has been paid to a reemployed retiree who is not entitled to it because of paragraph (A) of this rule that amount shall be withheld from future payments due to the retiree. In the event that future payments due to the retiree are less than the amount to be forfeited, the retiree must immediately reimburse the system for the difference.
- (C) Health care coverage eligibility is not affected by this rule.

Five Year Review (FYR) Dates: 2/20/2018 and 02/20/2023

CERTIFIED ELECTRONICALLY

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Certification

02/20/2018

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Date

Promulgated Under: 111.15  
Statutory Authority: 5505.07  
Rule Amplifies: 5505.161  
Prior Effective Dates: 08/01/1992, 10/21/2005, 05/23/2007, 02/01/2013

5505-3-08

**Federal tax compliance provisions.**

- (A) The board shall distribute the funds established in Chapter 5505. of the Revised Code to members, retirants and their beneficiaries in accordance with the provisions of such chapter. No part of the corpus or income of these funds may be used for or diverted to any purpose other than the exclusive benefit of the members, retirants, and their beneficiaries.
- (B) If there is a termination of the plan described in Chapter 5505. of the Revised Code or a complete discontinuance of contributions to the plan, the rights of each affected member and retirant to the benefits accrued at the date of termination or discontinuance of contributions, to the extent then funded, are non-forfeitable.
- (C) Employer contribution forfeitures of a member arising from severance of employment, death, or for any other reason shall not be applied to increase the benefits any member would otherwise receive under Chapter 5505. of the Revised Code in accordance with section 401(a)(8) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(8).
- (D) Notwithstanding any provisions in highway patrol retirement system rules or Chapter 5505. of the Revised Code to the contrary, distributions to members, retirants, and beneficiaries shall be made in accordance with section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(9) and with the following rules:
- (1) The entire interest of a member or retirant shall be distributed to such member or retirant -
    - (a) No later than the required beginning date, or
    - (b) Beginning not later than the required beginning date, in accordance with applicable regulations, over the life of such member or retirant and a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(9).
  - (2) The required beginning date means April first of the calendar year following the later of:
    - (a) The calendar year in which the member or retirant attains age seventy and one-half years of age, or
    - (b) The calendar year in which the member retires.
  - (3) If distribution of a member's or retirant's benefit has begun pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(9) , and the member or retirant dies, any survivor benefits will be distributed as reasonably practicable under the plan of payment selected

under Chapter 5505. of the Revised Code and effective as of the date following the member's or retirant's death.

- (4) If a member dies before the distribution of the member's interest has begun pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(9) , any remaining interest of the member will be distributed within five years after the death of such member. Notwithstanding the foregoing, if any benefit is payable to or for the benefit of a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(9), the benefit may be distributed (in accordance with applicable regulations) over the life of such beneficiary (or over a period not extending beyond the life expectancy of such beneficiary), provided that such distribution begin not later than one year after the date of the member's death. If the beneficiary is the surviving spouse of the member, distributions shall not be required, pursuant to this rule, to begin until the end of the calendar year in which the member would have attained the age of seventy and one-half and, if the spouse dies before the distribution to the spouse commences, then the spouse shall be treated as the member for purposes of this rule.
- (5) Any death benefit amounts payable under Chapter 5505. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(9)(G).
- (E) Whenever the amount of the benefit is to be determined on the basis of actuarial assumptions, no employer discretion will be permitted.
- (F) A member who is entitled to a distribution which qualifies as an eligible rollover distribution pursuant to sections 401(a)(31) and 402(f)(2)(A) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(31) and 402(f)(2)(A) may request that the distribution be paid in a direct rollover to another eligible retirement plan to the extent permitted by sections 401(a)(31)(A) and 408(A) of the Internal Revenue Code of 1986, 26 U.S.C. A. 401(a)(31)A) and 408(A). A qualified nonspouse beneficiary of a deceased member may only rollover directly to an inherited individual retirement account or annuity to the extent permitted by section 402(c)(11) of the Internal Revenue Code of 1986, 26 U.S.C.A. 402(c)(11).
- (G) The annual compensation of each member taken into account in determining benefit accruals in any plan year beginning after December 31, 2001 shall not exceed two hundred thousand dollars. Annual compensation means "salary", as such term is defined in section 5505.01 of the Revised Code during the plan year or such other consecutive twelve month period over which salary is otherwise determined under the plan (hereinafter referred to as the "Determination Period"). In determining

benefit accruals in plan years beginning after December 31, 2001, the annual compensation limit for the determination period beginning before January 1, 2002 shall be two hundred thousand dollars. The two hundred thousand dollar limit on annual compensation in this paragraph shall be adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to annual "salary" for the determination period that begins with or within such calendar year.

- (H) For purposes of the limit established by section 415 of the Internal Revenue Code of 1986, 26 U.S.C.A. 415 (as used in section 5505.17, 5505.174, 5505.175, 5505.176, 5505.177, or 5505.18 of the Revised Code), effective January 1, 1998, compensation shall include amounts excludable from the employee's gross income under sections 125, 132(f), 402(e)(3), 402(h), 403(b), or 457 of the Internal Revenue Code of 1986, 26 U.S.C.A. 125, 132(f), 402(e)(3), 402(h), 403(b), or 457. Effective January 1, 2009, compensation shall include differential wage payments as defined in section 3401(h)(2) of the Internal Revenue Code of 1986, 26 U.S.C.A. 3401(h)(2).
- (I) The plan does not permit involuntary cashout distributions and therefore complies with the provisions of section 401(a)(31)(B) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401(a)(31)(B).
- (J)
- (1) Effective for the limitation year beginning on January 1, 2012, the final regulations promulgated April 5, 2007 with respect to section 415 of the Internal Revenue Code of 1986, 26 U.S.C.A. 415 are incorporated herein by reference, including any provisions of the pension funding equity act of 2004 that apply to governmental plans.
- (2) "Limitation year" is the year used in determining whether the limits set forth in section 415 of the Internal Revenue Code of 1986, 26 U.S.C.A. 415 (as used in section 5505.17, 5505.174, 5505.175, 5505.176, 5505.177, or 5505.18 of the Revised Code) have been exceeded with respect to a member or retirant in the plan described in Chapter 5505. of the Revised Code. The limitation year for the plan is the calendar year.
- (K) Effective January 1, 2007, notwithstanding any provision in Chapter 5505. of the Revised Code to the contrary, the survivor of a member on a leave of absence to perform military service with reemployment rights described in section 414(u) of the Internal Revenue Code of 1986, 26 U.S.C.A. 414(u), where the member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accrual relating to the period of qualified military service)

that would be provided under Chapter 5505. of the Revised Code had the member resumed employment and then terminated employment on account of death.

Five Year Review (FYR) Dates: 2/20/2018 and 02/20/2023

CERTIFIED ELECTRONICALLY

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Certification

02/20/2018

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Date

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Statutory Authority: 5505.04  
Rule Amplifies: 5505.17, 5505.175, 5505.177, 5505.19, 5505.21  
Prior Effective Dates: 08/08/2011, 12/31/2012 (Emer.), 03/28/2013

ACTION: No Change

DATE: 02/20/2018 3:43 PM

5505-5-04

**Interest rate.**

The annual compound interest rate to be used in computing service credit as defined in sections 5505.16, 5505.20, 5505.201, 5505.40, and 5505.25 of the Revised Code shall be the actuarial interest assumption rate adopted by the board.



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Date

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Rule Amplifies: 5505.16, 5505.20, 5505.201, 5505.40, 5505.25  
Prior Effective Dates: 12/01/1987, 10/21/2005, 02/01/2013

5505-7-05

**Cost of living benefit.**

(A) For the purpose of section 5505.174 of the Revised Code and this rule, “pension effective date” means:

- (1) For age and service retirement benefits, the date following the last working date as a member, with no duplication of salary and pension.
- (2) For reduced service retirement benefits and deferred service retirement benefits, the date following the last working date as a member and the date the member is eligible and elects to receive a retirement benefit, with no duplication of salary and pension.
- (3) For disability benefits, the date disability benefits commence, with no duplication of salary and pension.
- (4) For members participating in DROP, pursuant to section 5505.54 of the Revised Code, the effective date of a member’s election to participate in DROP.
- (5) For a beneficiary receiving benefits in accordance with section 5505.162 or division (A)(3), (A)(4), (A)(5), (A)(6), or (A)(7) of section 5505.17 of the Revised Code, the date the benefit commences.

(B) For a member or beneficiary with a pension effective date prior to January 7, 2013:

- (1) Prior to January 7, 2013, an annual three per cent cost of living benefit shall be added to the pension allowance of a benefit recipient.
- (2) On or after January 7, 2013, an annual three per cent cost of living benefit shall be added to the pension allowance of a benefit recipient until the cost of living benefit is changed as described in paragraph (B)(3) of this rule.
- (3) The annual cost of living benefit, not to exceed three per cent, shall be determined by the board at its October meeting and shall be based on the actuarial valuation required by section 5505.12 of the Revised Code and the determination shall become effective January first of the following year. Notwithstanding this paragraph, an initial cost of living benefit may be determined by the board at its February, 2013 meeting and shall be based on the actuarial valuation required by section 5505.12 of the Revised Code and the determination shall become effective as determined by the board.
- (4) Notwithstanding paragraph (B)(3) of this rule, an annual three per cent cost of living benefit shall be added to the pension allowance of a benefit recipient sixty-five years of age or older who is receiving a pension not greater than one

hundred eighty-five per cent of the federal poverty level for a family of two persons, as defined by section 5505.174 of the Revised Code.

- (5) A service retirant and DROP participant shall become eligible for a cost of living benefit the later of the first month following the retirant's or DROP participant's fifty-third birthday or the thirteenth month after the benefit commences.
  - (6) A disability retirant shall become eligible for a cost of living benefit the earlier of the first month following the retirant's fifty-third birthday or the sixty-first month following the effective date of retirement.
  - (7) A beneficiary receiving benefits in accordance with section 5505.162 or division (A)(3), (A)(4), (A)(5), (A)(6), or (A)(7) of section 5505.17 of the Revised Code shall become eligible for a cost of living benefit the thirteenth month after the benefit commences.
- (C) For a member or beneficiary with a pension effective date on or after January 7, 2013:
- (1) An annual cost of living benefit determined by the board shall be added to the pension allowance of a benefit recipient.
  - (2) The annual cost of living benefit, not to exceed three per cent, shall be determined by the board at its October meeting and shall be based on the actuarial valuation required by section 5505.12 of the Revised Code and the determination shall become effective January first of the following year.
  - (3) Notwithstanding paragraph (C)(2) of this rule, an annual three per cent cost of living benefit shall be added to the pension allowance of a benefit recipient sixty-five years or age or older who is receiving a pension not greater than one hundred eighty-five per cent of the federal poverty level for a family of two persons, as defined by section 5505.174 of the Revised Code.
  - (4) A service retirant and DROP participant shall become eligible for a cost of living benefit the later of the first month following the retirant's or DROP participant's sixtieth birthday or the thirteenth month after the benefit commences.
  - (5) A disability retirant shall become eligible for a cost of living benefit the later of the first month following the disability retirant's sixtieth birthday or the thirteenth month after the benefit commences.
  - (6) A beneficiary receiving benefits in accordance with section 5505.162 or division (A)(3), (A)(4), (A)(5), (A)(6), or (A)(7) of section 5505.17 of the Revised Code shall become eligible for a cost of living benefit the later of the first month

following the beneficiary's sixtieth birthday or the thirteenth month after the benefit commences.

- (D) The pension allowance that a benefit recipient is receiving upon cost of living benefit eligibility shall become the base pension upon which all future cost of living increases are calculated, unless a new base amount is established.
- (E) The date of the first cost of living increase shall be the anniversary date for any future cost of living increases.

Five Year Review (FYR) Dates: 2/20/2018 and 02/20/2023

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Certification

02/20/2018

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Date

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Statutory Authority: 5505.07  
Rule Amplifies: 5505.174  
Prior Effective Dates: 01/01/1986, 11/02/1989, 12/01/1994, 10/01/1996,  
03/27/2006, 02/19/2013

5505-9-02

**Travel expense and reimbursement.**

- (A) Retirement trustees who incur expenses as the result of any necessary travel and attendance for any approved training or meeting shall be reimbursed for any actual and necessary expenses.
- (1) Expenses as a result of out of state travel are not eligible for reimbursement unless the travel received prior approval by a majority of trustees at a board meeting.
  - (2) If attendance for any out of state training or meeting is deemed to be an emergency, the chair of the board may authorize reimbursement of any expenses incurred. Emergency attendance is considered to be any necessary out of state travel which was not known or identified prior to the most recent board meeting.
  - (3) The chair of the board of trustees shall approve travel expenses incurred as the result of attendance at any approved training or meeting within the state of Ohio.
  - (4) Reimbursement of expenses incurred attending scheduled meetings within the state of Ohio are authorized following review by the executive director, provided the meeting(s) were scheduled and received prior approval by the chair.
- (B) Administrative staff personnel who incur expenses as the result of any necessary travel and attendance for any approved training or meeting shall be reimbursed for any actual and necessary expenses.
- (1) Expenses as a result of out of state travel are not eligible for reimbursement unless the travel received prior approval by the executive director.
  - (2) The executive director shall approve travel expenses incurred as the result of attendance at any approved training or meeting within the state of Ohio.
- (C) Trustees and administrative staff personnel shall not accept payment or reimbursement of travel expenses, including lodging, food and beverages, from any source other than the system's expense fund.
- (D) All claims for reimbursement of expenses shall be submitted in a timely manner and on a prescribed form, and shall be actual, necessary and within the bounds of prudent judgment.
- (E) Reimbursable expenses include the following:
- (1) Lodging at the single occupancy rate.
  - (2) Meals within the bounds of prudent judgment.

- (3) Tips as customary and reasonable.
- (4) Telephone calls as necessary for regular employment and necessary calls to family when attendance requires an overnight stay.
- (5) Transportation within the following parameters;
  - (a) Air fare at the lowest rate with regard to attendee schedule and employment responsibilities.
  - (b) Personal vehicle mileage at the established rate, provided the total reimbursement does not exceed the allowable air fare when air transportation is applicable.
  - (c) Car rental is considered to be a reimbursable expense when necessary and reasonable for business use. Any personal use shall be pro-rated accordingly.
  - (d) Parking fees necessary for a rental or personal vehicle.
  - (e) Necessary public transportation.
- (F) Receipts are required for all expenses except tips, parking, and local transportation.

Five Year Review (FYR) Dates: 2/20/2018 and 02/20/2023

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Certification

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Date

Promulgated Under: 111.15  
Statutory Authority: 5505.07  
Rule Amplifies: 5505.05, 5505.07  
Prior Effective Dates: 01/01/1986, 12/01/1995, 10/21/2005, 02/01/2013



5505-9-07

**Audio visual recordings of meetings and hearings.**

- (A) No person shall broadcast, televise, record, or photograph any meeting of the board or a committee of the board, unless the person first receives written permission from the board's chair.
- (B) If the chair of the board or committee determines that broadcasting, televising, recording, or photographing during the meeting would not distract board members or participants or otherwise materially interfere with the achievement of the meeting, the broadcasting, television, recording, or photographing during the meetings that are open to the public may be permitted under the following conditions:
- (1) A request for permission for the broadcasting, televising, recording, or photographing in the meeting room shall be made in writing to the chair of the board or committee. The request shall be made part of the record of the meeting; and
  - (2) The chair of the board or committee grants written permission prior to commencement of the meeting. The written permission shall be made part of the record of the meeting.
    - (a) If permission is granted, the place or places in the meeting room where operators and equipment are to be positioned shall be specified by the chair of the board or committee.
    - (b) The filming, videotaping, recording, or photographing of any person who objects, shall not be permitted.
- (C) No executive session shall be broadcast, televised, recorded, or photographed.

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Rule Amplifies: 5505.04  
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5505-9-08

**Committees of the retirement board.**

(A) The following are standing committees of the retirement board:

- (1) Health, wellness, and disability;
- (2) Administration;
- (3) Investment;
- (4) Audit;
- (5) Health care funding.

(B) At the discretion of the chair:

- (1) Work may be assigned to a committee;
- (2) Special committees may be formed;
- (3) Committee members may be assigned and reassigned.

(C) The annual election of each committee chair and vice-chair shall occur at the first regular committee meeting after July thirty-first. In the event that a committee officer does not serve the entire term, the board chair will select a replacement.

(D) The minutes shall be the record of the proceedings of a committee. Draft copies of the written minutes shall be circulated to the committee for approval. After approval, the minutes shall be retained as a permanent record.

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