

# Rules

March 13, 2025

## OP&F

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742-7-03

**Issuance date of benefits and DPO payments.**

Except as otherwise required by law, all benefits and division of property order payments shall be issued by Ohio police and fire pension fund ("OP&F") as follows:

- (A) For benefit recipients and alternate payees who receive payment by direct deposit, OP&F shall transfer the funds to the financial institution on record on the first business day of each month. In the event the first business day of the month falls on a legal holiday, the funds will be transferred on the first business day following the legal holiday.
- (B) For benefit recipients and alternate payees who cannot receive payment by direct deposit, OP&F shall mail checks on the last business day of the month.

Five Year Review (FYR) Dates: 11/5/2024 and 11/05/2029

CERTIFIED ELECTRONICALLY

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Certification

11/05/2024

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Date

Promulgated Under: 111.15  
Statutory Authority: 742.10  
Rule Amplifies: 742.37, 742.40  
Prior Effective Dates: 05/04/2000, 09/28/2014, 01/12/2020

742-9-01

**Authorization to charge employer for requested detail on accrued liability.**

When a municipality specifically requests a further breakdown of its gross accrued liability, the executive director of the pension fund shall be authorized to ask the actuary to provide such information as the actuary deems appropriate, at the expense of the municipality making such request for information.

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Rule Amplifies: 742.30  
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742-9-02

**Payment dates for employer accrued liability.**

Payment of an employer's accrued liability shall be according to the payment schedule provided by section 742.30 of the Revised Code and the date of all payments shall be due and payable on the dates set forth in this rule:

- (A) Not less than one-half of the annual amount due shall be due and payable on May fifteenth; and
- (B) The other half or the remaining balance due for that year shall be due and payable on November fifteenth.

Five Year Review (FYR) Dates: 11/5/2024 and 11/05/2029

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Rule Amplifies: 742.30  
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742-9-03

**Delinquent accrued liability payments.**

For purposes of the certification required under section 742.301 of the Revised Code, the executive director and/or the administrative staff shall provide any certifications for any unpaid accrued liability that has not been paid in accordance with the terms of section 742.30 of the Revised Code and rule 742-9-02 of the Administrative Code and all penalties and interest provided for in section 742.301 of the Revised Code.

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

Unless another definition is provided, as used in sections 3307.50 to 3307.79 of the Revised Code and ~~divisions 3307:1 to 3307:10~~ Chapters 3307-1 to 3307-11, Chapters 3307:1-1 to 3307:1-13, and Chapters 3307:2-1 to 3307:2-6 of the Administrative Code:

- (A) "Contributing service" means periods of employment that fall within the definition of employment as a teacher, as defined by section 3307.01 of the Revised Code, and for which contributions were made to this retirement system.
- (B) "Contributing service credit" means the same service credit sections as listed in paragraphs (D)(1)(b)(i), (D)(1)(b)(ii), (D)(2)(a)(i) and (D)(2)(a)(ii) of section 3307.58 of the Revised Code.
- (C) "Covered employment" means periods of employment that fall within the definition of employment as a teacher, as defined by section 3307.01 of the Revised Code.
- (D) "Did not have any service credit on account on June 30, 2013" for purposes of division (A)(2) of section 3307.62 of the Revised Code and "did not have service credit on account on June 30, 2013" for purposes of division (C)(2)(i) of section 3307.66 of the Revised Code means the member had no service credit on account with the state teachers retirement system on June 30, 2013, or the member had service credit on account with the state teachers retirement system but withdrew the account on or after July 1, 2013.
- (E) "Effective date" or "effective benefit date" in the case of service retirement means the effective date specified by section 3307.58 of the Revised Code; in the case of a disability benefit shall mean the effective date determined in accordance with section 3307.62 of the Revised Code; and in the case of a survivor benefit shall mean the effective date determined in accordance with section 3307.66 of the Revised Code.
- (F) "Estimated benefit" or "partial benefit" means a payment, once eligibility for a benefit has been established, of a portion of the benefit not yet finally calculated or granted during the period between the effective date and the determination of the final benefit.
- (G) "Final benefit" means the benefit granted once a final determination has been made as to the actual monthly amount payable by the retirement system.
- (H) "Full time employment" means employment for the full normal workday of the employing agency.
- (I) "Full time service" means as defined by in rule 3307:1-2-01 of the Administrative Code.
- (J) "Had service credit on account on June 30, 2013" for purposes of both division (A)(1) of section 3307.62 of the Revised Code and division (C)(2)(i) of section 3307.66

of the Revised Code means the member had service credit on account with the state teachers retirement system on June 30, 2013 and did not withdraw the account on or after July 1, 2013.

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

Effective:

Five Year Review (FYR) Dates: 2/21/2025

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Certification

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Rule Amplifies: 3307.50  
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07/01/2013 (Emer.), 09/09/2013, 05/07/2015,  
05/07/2020

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

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

- (1) "Full-time service" means employment as a teacher under a contract that:
  - (a) Requires teaching service that begins and ends on either:
    - (i) The first and last day of a year consisting of three hundred sixty-five days; or
    - (ii) The first and last day of a school year of at least the minimum hours required by sections 3313.48 and 3314.03 of the Revised Code or two semesters; and
  - (b) Provides compensation in an amount equal to the rate paid under an employer's overall salary schedule for teachers of the same experience teaching the entire day for every day of the school year. College and university teachers must be employed under a contract that provides compensation equal to the rate paid to other teachers of the same experience teaching the designated full-time equivalent workload.
- (2) "Part-time service" means employment on any basis other than those identified in paragraph (A)(1) of this rule.

(B) Calculation of service credit for full-time service:

- (1) One hundred twenty or more days or two semesters of contributing service as a teacher for a single employer constitutes one year of service credit to be used in determining total credit for retirement purposes.
- (2) If less than one hundred twenty days of teaching, the annual service credit will be determined in accordance with paragraph (C) of this rule.

(C) Calculation of service credit for part-time service:

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

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

- (D) Calculation of service credit for full-time or part-time service does not include days when the teacher was on-call and no teaching service was performed.
- (E) Non-teaching periods: Service credit granted for contribution paid during non-teaching periods authorized in sections 3307.77 and 3345.28 of the Revised Code shall be determined by the amount of contribution actually paid divided by the amount of contribution the member would have paid for full-time employment if the non-teaching period had not occurred.
- (F) Credit for teaching service in and after September 1971 previously reported for all active members on the date of this amendment of this rule may be recalculated in accordance with this rule. Credit for part-time salaried service earned prior to September 1971 may be evaluated and recalculated in accordance with the versions of this rule in effect between December 23, 1976 and the effective date of this amendment.



Five Year Review (FYR) Dates: 2/21/2025 and 02/21/2030

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Certification

02/21/2025

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Date

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(Emer.), 09/17/2001, 06/11/2010, 05/07/2015,  
07/01/2019, 05/07/2020, 05/05/2022

3307:1-3-01

**Interest rate and cost calculation for restoration and purchased service.**

Except to the extent otherwise specified by the Revised Code or the Administrative Code, in any calculation of cost for the restoration or purchase of service credit under sections 3307.50 to 3307.79 of the Revised Code in which interest is to be compounded, the rate used shall be eight per cent compounded annually regardless of whether the restoration or purchase is paid in a single payment or through a payroll deduction plan.

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02/21/2025

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Rule Amplifies: 3307.70, 3307.71, 3307.712, 3307.72, 3307.73,  
3307.74, 3307.751, 3307.752, 3307.76, 3307.761,  
3307.763, 3307.77, 3307.771  
Prior Effective Dates: 12/23/1976, 11/28/1977, 01/01/1980, 07/01/1980,  
12/26/1981, 11/04/1982, 04/27/1985, 10/01/1986,  
09/15/1989 (Emer.), 11/30/1989, 01/01/1995,  
10/29/1998 (Emer.), 01/17/1999, 07/01/2000,  
07/01/2001 (Emer.), 09/17/2001, 05/24/2004,  
03/30/2007 (Emer.), 06/28/2007, 05/14/2009,  
01/07/2013 (Emer.), 03/24/2013, 01/01/2014 (Emer.),  
02/10/2014, 05/07/2015, 05/07/2020

3307:1-3-02

**Purchase of service credit.**

- (A) Members may purchase service credit under sections 3307.71, 3307.72, 3307.752, 3307.761, 3307.763 and 3307.77 of the Revised Code in increments and the cost for purchasing partial service credit shall be calculated as a proportionate part of the total cost at time of purchase.
- (B) Members may not purchase service credit that results in more than one year of total service credit as defined by section 3307.50 of the Revised Code for any year.
- (C) Members applying for service retirement must establish all service credit before the effective date of service retirement if credit for such service is to be included in the benefit calculation, except that:
- (1) Service credit shall be deemed to have been established prior to the effective date of retirement in the event that after the effective date of retirement but prior to the final benefit determination service credit is granted by the public employees retirement system pursuant to section 145.483 of the Revised Code or by this retirement system pursuant to section 3307.75 of the Revised Code.
  - (2) Payment for other purchases or restoration of service credit will be accepted for three months after the effective date of retirement and service credit will be deemed to have been established prior to the effective date, provided:
    - (a) That prior to the effective date of retirement this retirement system approved an application for purchase of service credit on forms provided by this system determining that the service credit qualifies for purchase;
    - (b) That prior to the effective date of retirement this retirement system issued cost statements for each such purchase of service credit; and
    - (c) That payment in full is received by the retirement system no later than the earlier of the last day of the third month after the effective date of service retirement wherein the first month of the three months is the month of retirement, or the day the retirement has become final pursuant to paragraph (G) of rule 3307-8-01 of the Administrative Code.
  - (3) An estimated or partial benefit may be paid prior to the final determination only if a member qualifies for retirement without regard to a purchase or restoration of service credit for which payment in full has not been received.
  - (4) ~~That if~~ If payment in full is not received by the last day of the third month after the effective date of service retirement;
    - (a) The application to purchase service credit shall be cancelled;

- (b) The final benefit shall be calculated for a member eligible for retirement without the service credit that could have been obtained had timely payment been made;
  - (c) The application for retirement shall be cancelled for any member not eligible to retire without the service credit that could have been obtained had timely payment been made.
- (D) Members applying for disability benefits must complete all purchases of service credit before the first benefit payment if the service credit is to be included in the disability benefit calculation.
- (E) Except for purchases of service credit by payroll deduction, a member may purchase all or part of eligible service credit under sections 3307.71, 3307.72, 3307.752, 3307.761, 3307.763 and 3307.77 of the Revised Code, provided that the minimum payment shall be the greater of the amount needed to establish one per cent of a year of service credit or two hundred dollars. But in all cases the member shall pay the full cost if less than either two hundred dollars or the amount needed to establish one percent of a year of service credit.
- (F) For purposes of sections 3307.72 and 3307.74 of the Revised Code, qualifying service for a full-year as a graduate teaching assistant or other graduate assistant work may be purchased up to a maximum of fifty per cent of a year if the employer at the time provides evidence of the teaching work load assigned. In the absence of such evidence, a maximum of thirty-four per cent of a year may be purchased.
- (G) Payments for purchased or restored service credit may be refunded upon the request of the member and such service credit will be cancelled,
  - (1) If the service credit established under all Ohio public retirement systems for the year in which the service purchased was performed totals one year without credit for the period purchased; or
  - (2) If a benefit calculated without credit for the period purchased is equal to or greater than one hundred per cent of final average salary; or
  - (3) For any reason upon application for retirement.
- (H) If disability benefits were paid pursuant to section 3307.63 or 3307.631 of the Revised Code, a member shall not receive a refund of any payments for a purchase of service credit included in the calculation of benefits paid pursuant to section 3307.63 or 3307.631 of the Revised Code.

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

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Certification

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Date

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3307.77, 3307.771  
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05/27/1995, 05/08/1998, 07/01/2001 (Emer.),  
09/17/2001, 09/17/2002, 08/01/2005, 06/11/2010,  
06/14/2012, 01/07/2013 (Emer.), 03/24/2013,  
01/01/2014 (Emer.), 02/10/2014, 05/07/2015,  
05/07/2020

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 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) 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) On the private university or college level when the member was also a student at the private university or college, 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.
  - (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 the member's 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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07/09/2012, 01/07/2013 (Emer.), 03/24/2013,  
01/01/2014 (Emer.), 02/10/2014, 05/07/2015,  
06/07/2019, 05/07/2020

3307:1-3-04

**Military service credit.**

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

- (1) Effective July 1, 2011, a member shall be granted one-twelfth of a year of service credit for each month purchased.
- (2) A full month of service credit shall be granted for the month of entry and the month of discharge for only one period of service.
- (3) Except for purchases under section 3307.752 of the Revised Code, military service must be certified on an application provided by the retirement system and accompanied by a DD214 military separation form or an NA form 13038.

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

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

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

(D) To qualify for a grant of or purchase of service credit under sections 3307.75 and 3307.752 of the Revised Code, a member must have entered uniformed services within five months of leaving employment covered by this retirement system.

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

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

- (1) A member who entered military service within five months of leaving employment covered by this retirement system and who subsequently withdrew contributions made prior to the military service must restore at least the lesser of one year of service credit or the total amount of service credit cancelled upon the withdrawal.
  - (2) A member must return to service as a teacher as defined in section 3307.01 of the Revised Code or to a position covered by the public employees retirement system or the school employees retirement system within two years of the effective date of military discharge and must thereupon establish at least one year of service credit. If the member thereafter withdrew Ohio public service that meets this requirement, at least one full year of withdrawn service credit must be restored to qualify as a return to service.
- (G) Effective January 1, 2014, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.751 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code. Service credit may not be purchased under section 3307.751 of the Revised Code for service credit in an amount that exceeds the sum of service credit the member has earned under section 3307.53 of the Revised Code, restored under section 3307.71 of the Revised Code or purchased under section 3307.72 of the Revised Code.
- (H) For purchases of service credit for service in the uniformed services under section 3307.752 of the Revised Code:
- (1) The cost shall be equal to the sum of the member and employer contributions that would have been made pursuant to sections 3307.26 and 3307.28 of the Revised Code if the member had not been out of active service as a teacher by reason of service in the uniformed services.
  - (2) The cost shall be without interest for a period which is the lesser of five years or three times the member's period of service beginning from the later of the member's date of reemployment or October 29, 1996. If interest is applied, it is applicable to the member contributions only.
  - (3) The member must have returned to covered employment as a teacher by the same employer within three calendar months after honorable discharge or release from the uniformed service.

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3307:1-3-05

**Non-paid professional leaves approved by the retirement board.**

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

**(A) Eligibility requirements:**

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

**(B) Procedural requirements:**

- (1) Subsequent to the termination of the leave the member must submit to the retirement board:
  - (a) A statement showing the nature and purpose of the assignment during such absence.
  - (b) A written request to the retirement board for approval of payment by the member of member contributions.
  - (c) Certifications of member's employer as follows:
    - (i) Member's annual contract salary in effect for each year or part of year (first of July to thirtieth of June) in which there was such absence.



- (ii) Official action of the employer granting the leave stating the beginning date and the termination date.
- (iii) Official action of the employer approving the payment of the employer cost without reimbursement from the member.

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

(C) Cost calculation:

(1) Member costs:

- (a) If payment is received by the retirement system by June thirtieth of the year in which the leave occurred, the member shall pay the difference between the contributions deducted from salary payments during the leave period, if any, and the contributions due based on the contract salary.
- (b) If payment is received by the retirement system after June thirtieth of the year in which the leave occurred, the member shall pay the sum of the following for each year of credit purchased:
  - (i) An amount determined by multiplying the employee rate of contribution in effect at the time the leave commenced by the contract salary the member would have received for the leave less salary payments made during the leave period, if any.
  - (ii) Interest compounded annually, at a board determined rate, on the amount determined under paragraph (C)(1)(b)(i) of this rule from the day following the last day of the year in which the leave terminated and ending through the month of payment.
  - (iii) Interest compounded annually, at a board determined rate, on the employer contribution determined under paragraph (C)(2) of this rule from the day following the last day of the year in which the leave terminated and ending through the month of payment.

(2) Employer contribution: the employer shall pay to the system for each year of credit purchased under this rule an amount determined by multiplying the employer contribution rate in effect at the time the leave commenced by the contract

salary the member would have received for the leave less salary payments made during the leave period, if any.

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3307:1-3-06

**Contributions during non-teaching periods.**

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

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

- (A) In the event of absences for non-teaching periods caused by illness, injury, or leave pursuant to section 3319.13, 3319.131 or 3345.28 of the Revised Code; absences caused by school closings for weather conditions or other emergency conditions that alter the regular school year and which are beyond the control of the member; or leave pursuant to the Family and Medical Leave Act of 1993, Pub. L. 103-3, 107 Stat. 6, 29 U.S.C. 2601:
- (1) Employee contributions shall be made at the member's option.
  - (2) The employer may make such deductions from other payrolls during the year in which the absence occurred as authorized in division (C) of section 3307.77 of the Revised Code.
  - (3) Nothing herein shall be construed as authorizing the employer to make additional deductions from payrolls during a year other than the year in which the absence occurred.
  - (4) Employer contributions from the member's employer at such time as the leave commenced shall be due based upon the date the member has contributions deducted or pays contributions to the employer.
  - (5) As authorized in division (D) of section 3307.77 of the Revised Code, if a member has changed employment, the employer responsible for accepting and forwarding contributions for the leave period shall be the member's employer at such time as the absence or leave commenced.
  - (6) "Date of payment," as used under divisions (D)(2) and (D)(3) of section 3307.77 of the Revised Code, means the end of the month in which payment is made.
  - (7) "Last day of the year in which the absence or leave terminated," as used under divisions (D)(2) and (D)(3) of section 3307.77 of the Revised Code, means the last day of the fiscal year in which there is service credit certified with the retirement system as eligible for purchase.

- (B) Contributions may be submitted for purchases of service credit for absences, subject to approval by the executive director or the director's designee.
- (C) Contributions may be submitted after the effective date of retirement for purposes of service credit for absences under section 3307.77 of the Revised Code, if the additional contributions will reduce or eliminate limitation of the compensation that may be included in final average salary under section 3307.501 of the Revised Code.
- (D) Members purchasing leaves of absence pursuant to section 3307.77 of the Revised Code to meet the two year or one year disability eligibility application requirement pursuant to division (D) of section 3307.62 of the Revised Code shall purchase at a minimum, the time period extending from the date the leave began through the date required to meet eligibility.
- (E) Members shall not be permitted to purchase leaves of absence pursuant to section 3307.77 of the Revised Code for:
  - (1) Leave periods granted retroactively, that if purchased, would qualify the member to apply for disability benefits with the retirement system; or
  - (2) Leave periods during which the member received disability benefits from the retirement system.

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(Emer.), 03/24/2013, 01/01/2014 (Emer.), 02/10/2014,  
05/07/2015, 05/07/2020, 07/01/2021

3307:1-3-07

**Other Ohio public service.**

- (A) To be eligible for purchase of service credit under sections 3307.70 and 3307.76 of the Revised Code, service credit must:
- (1) Be non-teaching service with an Ohio public school, college or university or be service with the state of Ohio or its agencies, instrumentalities or subdivisions; and
  - (2) Be properly certified by the ~~official~~ employer or custodian of records on a form approved by the retirement system. This certification shall be based upon a legitimate source of documentation such as payroll or retirement records of the state, municipality, public institution, or public school. When records have been destroyed, an affidavit from the member may be used, but only in conjunction with other documented evidence establishing proof and amount of service. The determination of acceptable documentation shall reside solely with the retirement system and its decision shall be final.
- (B) Effective January 1, 2014, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.76 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.
- (C) A member is ineligible to purchase credit under section 3307.76 of the Revised Code if credit for the service may be obtained from the public employees retirement system or the school employees retirement system or if the credit is for service that is used in the calculation of any retirement benefit that has been paid, is currently being paid, or is payable in the future to the member.

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06/11/2010, 01/07/2013 (Emer.), 03/24/2013,  
01/01/2014 (Emer.), 02/10/2014, 05/07/2015,  
05/07/2020



3307:1-3-08

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

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

**(A) Eligibility requirements:**

- (1) A member must have resigned from a teaching position covered under Chapter 3307. of the Revised Code before July 1, 1982 due to pregnancy or adoption of a child or prior to that date, must have been granted an official leave of absence from such a position due to pregnancy or adoption.
- (2) A member may not purchase service credit under section 3307.771 of the Revised Code if service credit for the absence has already been purchased or established under any other section of Chapter 3307. of the Revised Code.
- (3) A resignation or leave shall qualify as an absence due to the adoption of a child for the purposes of section 3307.771 of the Revised Code if:
  - (a) A child was placed in the member's home within twelve months of the effective date of the resignation or leave; and
  - (b) A final court order granting adoption to the member has been entered for the same child.

**(B) Procedural requirements:**

- (1) An employer that granted a leave must provide the retirement system with a certification stating the period and purpose of the leave.
- (2) An employer that accepted a resignation must provide the retirement system with a certification indicating the date of and the reason for the resignation.
- (3) If the employer is not able to certify the reason for the leave or resignation was due to pregnancy, the member must provide one of the following:
  - (a) A photocopy of the child's birth certificate if the member's pregnancy resulted in birth; or
  - (b) A statement based on medical records if the member's pregnancy did not result in birth.

- (4) If the employer is not able to certify that the reasons for the leave or resignation was due to adoption, documentation establishing that the child was placed in the member's home within twelve months after the effective date of the leave or resignation shall be provided by the member.
- (5) Certifications and applications for the purchase of service credit must be completed on forms approved by the retirement system.
- (6) Effective January 1, 2014, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.771 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

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3307:1-3-09

**Purchase of credit for service as a school board or governing board member.**

- (A) Application for the purchase of service credit pursuant to section 3307.78 of the Revised Code shall be made on a form approved by the retirement system and shall include certification of the service.
- (B) A member may purchase credit for service as a school board or governing board member prior to July 1, 1991 if the member meets the requirements set forth in section 3307.78 of the Revised Code. A member may purchase credit for concurrent service as a member of more than one school board or governing board, provided that the total of all service credit earned or purchased for any school year shall not exceed one year.
- (C) Effective January 1, 2014, the cost pursuant to section 3307.70 of the Revised Code for the purchase of service credit under section 3307.78 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

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3307:1-3-10

**Purchase of credit for waived service.**

- (A) A member may make application for the purchase of service credit under section 3307.73 of the Revised Code if a total of at least one and one-half years of contributing service under this system or eighteen months of contributing service credit under the public employees retirement system or the school employees retirement system has been established. A member who is also a member of the public employees retirement system or the school employees retirement system is ineligible to purchase service credit under this system if the unadjusted service credit established under either one of those systems exceeds the service credit established under this system.
- (B) The member shall request that the employer for whom the service was performed certify such service to this system. Once certification is received from the employer, the amount of service credit otherwise qualifying for purchase shall be determined as follows:
- (1) If the service credit to be purchased is for service waived or exempted under Chapter 3307. of the Revised Code or denied pursuant to rule 3307-4-01 of the Administrative Code, upon receipt of the certification of the employer, the system shall determine the amount of service credit that would have been earned had the service not been waived, exempted or denied.
  - (2) If the service credit to be purchased is for service that would have been covered under Chapter 145. or Chapter 3309. of the Revised Code, the system shall contact the applicable retirement system and shall request certification from that retirement system that the service was exempt.
  - (3) Service credit may not be purchased for any service:
    - (a) Which is concurrent with any other service credit that will be used in calculating a benefit under Chapter 145., Chapter 3307., or Chapter 3309. of the Revised Code; or
    - (b) If the purchase would result in the establishment of total service credit under Chapter 145., Chapter 3307., and Chapter 3309. of the Revised Code which exceeds a year of service credit in any year.
- (C) Once service qualifying for purchase has been certified and determined pursuant to paragraph (B) of this rule, the cost for the purchase of service credit under section 3307.70 of the Revised Code shall be determined as specified in rule 3307:1-3-13 of the Administrative Code.

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3307:1-3-11

**Payroll deductions for purchase and restoration of service credit.**

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

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

- (1) Effective January 1, 2014, a member who has applied for restoration of service credit pursuant to section 3307.71 or division (C) of section 3307.761 of the Revised Code or purchase of service credit pursuant to section 3307.72 of the Revised Code may elect to make payment for all or a portion of such restoration or purchase by payroll deduction over a period of up to five 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.
- (2) Where eligible service has been certified, the retirement system will provide to the member:
  - (a) A statement setting forth the total cost of such restoration or purchase; and
  - (b) A statement setting forth the cost of such restoration or purchase on a cost per year basis.
- (3) Upon request, the retirement system will provide a form for the member's use in initiating restoration or purchase by payroll deduction, which shall include a statement of the monthly deductions necessary to spread payment over periods ranging from one to five years.

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

- (4) If a member wishes to elect payment by payroll deduction, the member shall complete and sign the form so provided to indicate the amount to be deducted monthly and file it with the member's employer.
- (B) A form so filed with an employer shall be completed by the employer to indicate the date deductions will begin, which date shall be agreed upon by the member and the employer but in no case shall it be later than three months after the form is filed with



the employer, and the monthly amount to be deducted. The employer shall transmit the form to the retirement system no later than the last day of the month preceding the month in which deductions will begin, except that the form may be transmitted with the first month's payroll deduction if the monthly deduction equals or exceeds the minimum payment specified in paragraph (D) of this rule.

- (C) Amounts deducted by an employer shall be transmitted monthly to the retirement system no later than the fifteenth day of the month following deduction. Employers will be charged interest on amounts not received by such time at the rate specified in rule 3307:1-3-01 of the Administrative Code.
- (D) Monthly payments shall not be less than the minimum amount specified to restore or purchase service credit over the maximum period allowable under paragraph (A) of this rule, and shall not be less than fifty dollars. Deducted payments in an amount less than the applicable minimum will be returned to the employer and that payroll deduction plan will be cancelled.
- (E) Except for purchase under a tax-deferred plan as provided in paragraph (L) of this rule, the amount of deduction selected by a member may be changed by written notice given by the member to the employer; however, the monthly amount deducted shall not be less than the minimum monthly payment specified in paragraph (D) of this rule.
- (F) Except for purchases under a tax-deferred plan as provided in paragraph (L) of this rule, a member may elect to terminate payroll deduction at any time by notice to the employer in such manner as the employer may specify. Termination of employment or the grant of a disability benefit under section 3307.63 or 3307.631 of the Revised Code shall terminate deduction. In the event a member who has been restoring or purchasing service credit by payroll deduction terminates employment and becomes employed as a teacher by a different employer, a new application for payroll deduction will be required and it shall be the member's responsibility to file such application with the new employer to complete the restoration or purchase during the time period specified under the original payment schedule. The new cost calculation shall be based on the applicable cost criteria and interest rate in effect at the time of such application under rule 3307:1-3-01 of the Administrative Code.
- (G) A member will be eligible for payroll deduction by any employer for restoration or purchase under only one cost statement at any given time. If employed by more than one employer, a member may not simultaneously participate in more than one payroll deduction plan. No portion of qualifying service credit being purchased pursuant to this rule under a tax-deferred plan as provided in paragraph (L) of this rule shall be purchasable under provisions of rule 3307:1-3-02 of the Administrative Code unless payroll deductions under this rule are first terminated.

- (H) Changes in the interest rate applicable under rule 3307:1-3-01 of the Administrative Code will result in the recalculation of a new payroll deduction schedule for the remaining balance of service credit as of the effective date of the change in interest rate. A member participating in payroll deduction will be sent a recalculation in the event of such a change and may then either reselect the amount to be deducted in order to maintain the original payment schedule or alter the period of time involved, up to a maximum of five years for each full or partial year of qualifying service credit. In all cases, the member must pay at least the minimum monthly payment as specified in paragraph (D) of this rule.
- (I) A new application is required for restoration or purchase of additional service credit. The employer will be billed annually by fiscal year for employer contributions required for member purchases under sections 3307.72 and 3307.77 of the Revised Code. If the payroll deduction payments are terminated or paid-off within the year, the employer will be billed after the final payroll deduction payment. Any amounts unpaid by the first day of October of any year may be certified for payment under section 3307.31 of the Revised Code. The Ohio police and fire pension fund or state highway patrol retirement system will be notified annually by fiscal year of the amount purchased from the state teachers retirement system under section 3307.761 of the Revised Code. If the payroll deduction payments are terminated or paid-off within the year, the other retirement system will be notified of the amount of purchase after the final payroll deduction payment.
- (J) The retirement system will prepare a monthly listing of participating employees based upon the payroll deduction forms and designated changes thereto previously submitted by an employer. Such listing shall be sent to the employer monthly and shall set forth 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.
- (1) If the actual deduction is less than the minimum deduction, the payroll deduction plan will be terminated and the service credit purchased to date will be credited to the member's account. Purchase of additional service credit by payroll deduction will require a new application.
  - (2) Participating members may be added by an employer if accompanied by the application form and the actual deduction equals or exceeds the minimum deduction as of the month the deduction begins.
- (K) Accumulated deductions for the purchase or restoration of service credit shall be refundable only upon termination of covered employment and withdrawal of accumulated contributions pursuant to section 3307.56 of the Revised Code, except that upon the request of the member, the cost of service credit purchased by payroll

deduction may be refunded for the reasons set forth in paragraph (G) of rule 3307:1-3-02 of the Administrative Code.

- (L) An employer may adopt a plan in compliance with section 414(H)(2) of the Internal Revenue Code for the purchase of service credit by payroll deduction with payments designated as picked-up by the employer. An employer shall notify the retirement system of its adoption of any such plan at least sixty days before it goes into effect on a form provided by the retirement system. A member who has chosen to participate in such a plan may not terminate or alter payroll deduction until the service credit is fully purchased or employment is terminated.
- (M) In lieu of payroll deduction, the retirement system will accept from the employer lump-sum payments for certified purchasable service credit for a member. The employer must submit a document indicating if the payment is from after-tax or tax-deferred funds. Tax-deferred funds will only be accepted by the retirement system if the employer has adopted a plan in compliance with section 414(H)(2) of the Internal Revenue Code as specified in paragraph (L) of this rule.
- (N) If there is a refund of only the purchased service credit within two years of receipt, the funds will be returned to the employer unless the employer requests distribution to the member; upon such request by the employer, the funds will be returned to the member and federal taxes will be withheld as required under federal law and regulations, if the money was tax-deferred.
- (O) If a member purchasing service through payroll deduction applies for service retirement, the retirement system will notify the employer to stop the deductions the month before the member's benefit effective date and will send the member a cost statement for any remaining service credit eligible for purchase.

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3307:1-3-13

**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 as described in paragraphs (B)(3)(a), (B)(3)(b), and (B)(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) 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, final average salary or the most recent year in which the member had compensation upon which contributions were made, adjusted to full-time equivalence if less than full-time.
  - (c) The salary base shall also include all compensation with the public employee's retirement system and school employee's retirement system for the same year in which the member had compensation as described in paragraphs (B)(3)(a) and (B)(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 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; upon such request by the employer, 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 applies 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.

Five Year Review (FYR) Dates: 2/21/2025 and 02/21/2030

CERTIFIED ELECTRONICALLY

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Certification

02/21/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3307.04  
Rule Amplifies: 3307.70, 3307.701, 3307.71, 3307.72, 3307.73,  
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Prior Effective Dates: 01/01/2014 (Emer.), 02/10/2014, 05/07/2015,  
06/07/2019, 05/07/2020

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

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

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

- (1) It is paid by a school board or governing board, school district, or governing authority of a community school or a science, technology, engineering, and mathematics school pursuant to a teacher salary schedule with the same employer including performance based payments that are paid in accordance with uniform criteria applicable to all members covered under the teacher salary schedule and employed by the employer without regard to supplemental or extended pay contracts; or
- (2) It is paid by a school board or governing board, school district, or governing authority of a community school or a science, technology, engineering, and mathematics school to an employee not paid under the teacher salary schedule up to the amount payable under the teacher salary schedule including performance based payments that are paid in accordance with uniform criteria applicable to all members covered under the teacher salary schedule and employed by the employer to teachers with equivalent service and education without regard to supplemental or extended pay contracts; or
- (3) It is paid by a university or college as an average salary increase attributable to academic services as certified by an authorized representative of the university or college; or
- (4) It is paid by a school board or governing board, school district, or governing authority of a community school or a science, technology, engineering, and mathematics school that does not use a teacher salary schedule as an average salary increase as certified by an authorized representative of the employer.

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

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

- (2) The percentage increase considered generally applicable to members employed by the employer.
- (C) Where the two highest years of compensation certified for an applicant for service retirement include a percentage increase otherwise excluded by division (B) of section 3307.501 of the Revised Code, the executive director of the retirement system or his or her designee may include all or part of such percentage increase in the calculation of final average salary, up to a maximum of seventy-five hundred dollars, if:
- (1) The increase is related to a diminution of compensation as the result of illness or incapacitation, provided that completion of contributions is not authorized under the terms of section 3307.77 of the Revised Code; or
  - (2) The executive director of the retirement system or his or her designee determines that other good cause exists for inclusion.
- (D) Where a percentage increase is excluded from compensation used to determine final average salary under the provisions of division (B) of section 3307.501 of the Revised Code and paragraph (A) or (B) of this rule, the applicant shall be given written notice of the right to an appeal pursuant to this paragraph, provided:
- (1) Requests for an appeal shall be made by the applicant in writing within thirty days of such notice.
  - (2) The applicant shall be afforded the opportunity to provide written information explaining the arguments for making an exception to the statutory limitation. The applicant shall be informed of the date the retirement system will review and consider the appeal.
  - (3) All information supporting an applicant's assertion that good cause exists for making an exception to the statutory limitation must be received by the retirement system at least two weeks before the scheduled review.
- (E) In determining final average salary under division (C) of section 3307.501 of the Revised Code if disability benefits to a member began before August 1, 2015, the benefits beginning date shall be the effective date disability benefits were granted, provided that monthly benefits continue without any interruption in the monthly stream of benefits to the member pursuant to section 3307.57, 3307.58 or 3307.59 of the Revised Code or to a survivor of the member pursuant to section 3307.66 of the Revised Code.

Effective:

Five Year Review (FYR) Dates: 2/21/2025

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Certification

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Date

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09/17/2002, 08/19/2004, 08/01/2005, 09/12/2009,  
02/15/2013 (Emer.), 05/02/2013, 05/07/2015,  
05/07/2020, 07/07/2022, 06/13/2024

3307:1-5-01

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

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

- (A) The provisions for reselection of a plan of payment set forth in this paragraph shall be applicable to all service retirants granted retirement effective on or before September 1, 1989, except a retirant who elected recalculation of benefits pursuant to section three of Am. H.B. 293 of the 118th General Assembly or a retirant whose application is made on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter, who meet the requirements set forth in division (F) or (G) of section 3307.60 of the Revised Code.
- (1) Application for a change of plan of payment must be ~~submitted to~~ received by the retirement system on or before the retiree's date of death on a form approved by the retirement board. Payment under a reselected plan of payment shall be effective as follows:
- (a) Death of a beneficiary -first of the month following death of beneficiary regardless of when the application is received, provided such beneficiary was designated at the time of retirement. The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule.
  - (b) Divorce, annulment or marriage dissolution – the later of the first of the month following date application is received by the retirement system or the first of the month after the divorce, annulment or marriage dissolution, provided:
    - (i) The spouse was designated as beneficiary under the plan of payment selected at retirement; and
    - (ii) A spousal consent form approved by the retirement system or court order specifically authorizing the reselection of plan of payment on the basis of the marriage termination is received by the retirement system; and
    - (iii) The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule.



- (c) Marriage or remarriage – the later of either the first of the month following the date a completed application on a form approved by the retirement system is received by the retirement system or the first of the month after the marriage or remarriage, except if the marriage or remarriage occurs on or after June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage. The spouse must be selected as beneficiary as set forth in division (H) of section 3307.60 of the Revised Code and the benefit must be calculated as stipulated in paragraph (A)(3) of this rule.
- (2) The single lifetime benefit equivalent to which a retirant may elect to return shall be the gross benefit that the retirant would currently be receiving had the retirant selected a single lifetime benefit at retirement.
- (3) Option plans shall be based on the single lifetime benefit actuarially reduced based on the ages in effect when such plan is selected and the option factors in effect on the later of January 1, 1983, or the effective date of retirement. All previously granted cost of living adjustments and ad hoc increases shall also be reduced by such option factor.

Effective:

Five Year Review (FYR) Dates: 2/21/2025

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Certification

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Date

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07/01/2001 (Emer.), 09/17/2001, 08/01/2005,  
06/11/2010, 01/07/2013 (Emer.), 03/24/2013,  
05/07/2020

3307:1-5-02

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

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

- (A) The provisions for reselection of a plan of payment set forth in this paragraph shall be applicable to all service retirants granted retirement effective on or after October 1, 1989, or a retirant who elects recalculation of benefits pursuant to section three of Am. H.B. 293 of the 118th General Assembly, or a retirant whose application is made on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter, and who meet the requirements set forth in section 3307.60 of the Revised Code.
- (1) Application for a change of plan of payment must be ~~submitted to~~ received by the retirement system on or before the retiree's date of death on a form approved by the retirement board. Payment under a reselected plan of payment shall be effective as follows:
- (a) Death of a beneficiary – first of the month following death of beneficiary regardless of when the application is received, provided such beneficiary was designated at the time of retirement. The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule or as specified in division (A)(4) of section 3307.60 of the Revised Code if a joint and survivor plan of payment with multiple primary beneficiaries was elected.
  - (b) Divorce, annulment or marriage dissolution – the later of the first of the month following date application is received by the retirement system or the first of the month after the divorce, annulment or marriage dissolution, provided:
    - (i) The spouse was designated as beneficiary under the plan of payment selected at retirement; and
    - (ii) A spousal consent form approved by the retirement system or court order specifically authorizing the reselection of plan of payment on the basis of the marriage termination is received by the retirement system; and
    - (iii) The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A) (2) of this rule or as specified in division (A)(4) of section 3307.60

of the Revised Code if a joint and survivor plan of payment with multiple primary beneficiaries was elected.

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

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

- (1) The applicant elects a plan of payment which provides more than fifty per cent of the benefit payable during the lifetime of the retirant will continue after the retirant's death to the spouse.
- (2) The spouse consents on a form approved by the retirement system to the retirant's election of a single life annuity or payment pursuant to an optional plan under which, after the death of the retirant, the spouse will receive less than fifty per cent of the benefit payable during the lifetime of the retirant.
- (3) The retirement board waives the deemed election of option 3 after receipt of one of the following:
  - (a) If the retirement system receives the written statement of a physician certifying that the spouse is medically incapable of acknowledging the plan of payment elected by the applicant, and receives consent by and through a duly appointed guardian, as specified by rule 3307-7-01 of the Administrative Code, or
  - (b) If the affidavits of the applicant and at least two other persons, one of whom must be unrelated to the applicant, are received by the retirement system attesting that the whereabouts of the spouse is unknown.

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

- (1) The member is required to elect a plan of payment pursuant to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property and the member designates the member's current spouse to receive a survivor annuity of at least fifty per cent or the remaining available survivor benefits, if less, under that plan, or
- (2) The amount specified pursuant to a court order or orders under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division

of marital property is the maximum amount payable to a joint and survivor beneficiary or beneficiaries.

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

- (3) If all beneficiaries die before the expiration of the certain period, the present value of the benefits remaining in the certain period may be paid to the estate of the beneficiary last receiving benefits.
- (4) The present value of the benefits remaining in the certain period shall be calculated at the assumed rate of return in effect at the time of payment.

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Certification

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03/24/2013, 05/07/2015, 05/07/2020



3307:1-5-03

**Court orders.**

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

Five Year Review (FYR) Dates: 2/21/2025 and 02/21/2030

CERTIFIED ELECTRONICALLY

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Certification

02/21/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3307.04  
Rule Amplifies: 3307.60  
Prior Effective Dates: 10/27/2006, 06/11/2010, 05/07/2020, 06/13/2024

3307:1-5-04

**Amounts due and unpaid at death of benefit recipient.**

- (A) Amounts due to a retirant receiving retirement benefits under a plan described in division (A) of section 3307.60 of the Revised Code and unpaid at death shall be paid to the retirant's surviving beneficiary or beneficiaries under the plan on a prorated basis. The amount payable to each surviving beneficiary shall be determined by multiplying the amount due the retirant by a fraction whose numerator is the gross monthly amount the beneficiary will be paid and whose denominator is the total gross monthly amount all beneficiaries will be paid.
- (B) In the event that a deceased retirant's named beneficiary dies after the necessary paperwork has been received by the retirement system, the system will make payment directly to the beneficiary (or beneficiaries) of the retirant's beneficiary in the following order of precedence: (1) surviving spouse, (2) children, share and share alike, (3) parents, share and share alike, (4) estate.
- (C) In the event that a deceased retirant's named beneficiary has died and no paperwork has been received by the retirement system, the system will make equal payments to any surviving named beneficiaries of the deceased retirant. If there are no surviving named beneficiaries, the system will make payments in the following order of precedence to the deceased retirant: (1) surviving spouse, (2) children, share and share alike, (3) parents, share and share alike, (4) estate.

Five Year Review (FYR) Dates: 2/21/2025 and 02/21/2030

CERTIFIED ELECTRONICALLY

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Certification

02/21/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3307.04  
Rule Amplifies: 3307.562, 3307.60  
Prior Effective Dates: 10/27/2006, 05/07/2015, 05/07/2020

3307:1-5-05

**Early retirement reduction factors.**

- (A) For purposes of division (E)(2) of section 3307.58 of the Revised Code, the percentage for reducing the annual single lifetime benefit of a member described in division (B) (2) of section 3307.58 of the Revised Code shall be the percentage that provides the member the greatest benefit when using:
- (1) Any of the percentages calculated as of each July first occurring on or after July 1, 2016, ~~through July 1, 2026~~, that immediately precedes the member's effective benefit dates, assuming the member was eligible to retire on that July first; or,
  - (2) The percentage calculated on the member's effective benefit date.
- (B) For purposes of determining eligibility for retirement benefits pursuant to section 3307.58 of the Revised Code, a member shall be considered to continually maintain retirement eligibility upon first meeting age and service eligibility.

Effective:

Five Year Review (FYR) Dates: 2/21/2025

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Certification

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Date

Promulgated Under: 111.15  
Statutory Authority: 3307.04  
Rule Amplifies: 3307.58  
Prior Effective Dates: 07/01/2013 (Emer.), 09/14/2013, 05/07/2015,  
05/07/2020

3307:1-6-01

**Determination of temporary supplementary benefit fund.**

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

- (A) A temporary supplementary benefit will be paid to a person granted and paid a benefit by this system upon meeting the eligibility requirements of section 3307.57, 3307.58, 3307.59, 3307.60, 3307.63, 3307.631, or 3307.66 of the Revised Code, if during the year in which a payment is awarded the person received twelve monthly benefit payments including that paid for December.
- (B) If more than one person is receiving a benefit under section 3307.66 of the Revised Code from the account of a deceased member the temporary supplementary benefit payable to the account shall be divided into proportionate payments based on the ratio the benefit paid to each benefit recipient who is sharing in the account at the time of payment bears to the total benefit paid on the account. If such division of the temporary supplementary benefit results in a payment of less than twenty-five dollars, the amount shall be increased to twenty-five dollars to each affected recipient.
- (C) If more than one person is receiving a joint and survivor annuitant benefit under division (A)(4) of section 3307.60 of the Revised Code, the temporary supplementary benefit payable to the account shall be divided into proportionate payments based on the ratio the benefit paid to each beneficiary bears to the total benefit paid on the account. If such division of the temporary supplementary benefit results in a payment of less than twenty-five dollars, the amount shall be increased to twenty-five dollars to each affected recipient.
- (D) If the system has retained a division of property order as provided under sections 3105.88 and 3307.371 of the Revised Code and rule 3307-9-01 of the Administrative Code, the temporary supplementary benefit shall be divided as provided in the division of property order.
- (E) A retirant who has been re-employed in violation of the restrictions of section 3307.35 of the Revised Code during a calendar year is ineligible to receive a temporary supplementary benefit for that year. If a determination of violation of section 3307.35 of the Revised Code is made after the payment of a temporary supplementary benefit is paid for the year in which the violation occurred, such benefit shall be repaid or collected along with any other benefits overpaid.
- (F) The amount of the temporary supplementary benefit will be determined according to the number of units accumulated by each account, as follows:

- (1) One unit is accumulated for each full calendar year that the benefit has been paid from the account.
    - (a) Except as described in paragraph (F)(1)(c) of this rule, the service retirement benefit effective date shall be used to determine the years the benefit has been received when calculating units for benefits paid under section 3307.60 of the Revised Code to a survivor annuitant of a service retirement benefit.
    - (b) Except as described in paragraph (F)(1)(c) of this rule, the survivor benefit effective date shall be used to determine the years the benefit has been received when calculating units for benefits paid under section 3307.66 of the Revised Code.
    - (c) The disability benefit effective date shall be used to determine the years the benefit has been received when calculating units for a recipient who moves from a disability benefit under section 3307.63 or 3307.631 of the Revised Code to either a benefit paid under section 3307.60 of the Revised Code or a benefit paid under section 3307.66 of the Revised Code without a break in benefits.
  - (2) One unit is accumulated for each year of total service credit as defined by section 3307.50 of the Revised Code and rule 3307:1-1-01 of the Administrative Code. Partial units are accumulated for partial years of such Ohio credit.
  - (3) Units shall not be accumulated by recipients of disability benefits under section 3307.63 of the Revised Code for years of projected credit used in the calculation of a benefit.
  - (4) Units shall not include service credit applied to the account of a former disability allowance recipient under section 3307.631 of the Revised Code for the last continuous period during which the recipient received a disability benefit as described in division (B)(1)(b) of section 3307.59 of the Revised Code and is now receiving a service retirement benefit under section 3307.59 of the Revised Code.
- (G) For each year in which a temporary supplementary benefit is paid, the state teachers retirement board shall assign a monetary value to each unit, based upon the total amount allocated within the limits established in section 3307.671 of the Revised Code.
- (H) The total value of all units actually paid will establish the amount of the temporary supplementary benefit fund for that year.



- (I) Any temporary supplemental benefit calculated under this rule shall be reduced by any amounts due to be repaid to the retirement system on an account, without regard to the individual primarily responsible for such repayment.

Five Year Review (FYR) Dates: 2/21/2025 and 02/21/2030

CERTIFIED ELECTRONICALLY

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Certification

02/21/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3307.04  
Rule Amplifies: 3307.671  
Prior Effective Dates: 12/27/1980, 04/04/1987, 05/25/2000, 07/01/2001  
(Emer.), 09/17/2001, 05/05/2022

3307-2-01

**Nomination and election of members of the retirement board.**

- (A) The retirement system shall forward notices for the nomination of candidates for "contributing member" and/or "retired teacher member" of the retirement board to all school superintendents, university presidents and other employers for publication, and furnish notice to retired teacher members through appropriate means. Such notice shall be issued no later than the first of December preceding the election.
- (B) Nomination of candidates shall be made as set forth in section 3307.07 of the Revised Code and shall be on petition forms prepared and distributed by the retirement system. Petition forms shall clearly state the term of office. Petitions filed on forms other than those indicated herein will not be accepted.
- (C) Nominating petitions containing original signatures written in ink must be received by the retirement system on or before four-thirty p.m. on the last Friday in February.
- (D) At the board's directive the executive director may contract with an independent firm to administer the elections.
- (E) Except where the only nominated candidate takes office pursuant to section 3307.071 of the Revised Code, the retirement system shall list the names of all properly qualified candidates on a ballot, arranging for the orderly rotation of names on the ballot. On or before the fifth of April, ballots and return envelopes shall be sent to all eligible members and retirants of the retirement system at the eligible member's or retirant's last known complete address.
- (F) Voting shall be permitted by paper, telephone and/or internet ballots.
- (G) All ballots must be received in the retirement system or independent firm office not later than four-thirty p.m., on the first Monday in May.
- (H) ~~The retirement system or its designee shall deliver the ballot results to a board of tellers, appointed by the retirement system. The tellers shall meet in person, remotely or a combination of the two on the first Saturday after the first Monday in May to certify the results of the election.~~ Election results shall be announced once certified by the entity administering the election.
- (I) Pursuant to section 3307.071 of the Revised Code, when only one candidate has been nominated for the position, the secretary of state shall certify the candidate for office as if elected.
- (J) If after the first Monday in May no qualified candidate has been nominated for a position on the retirement board, the retirement board shall elect a new member in accordance with section 3307.06 of the Revised Code and rule 3307-2-02 of the Administrative

Code at the last regularly scheduled board meeting before the new member's term begins.

Effective:

Five Year Review (FYR) Dates: 5/5/2027

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Certification

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Date

Promulgated Under: 119.03  
Statutory Authority: 3307.04, 3307.075  
Rule Amplifies: 3307.06, 3307.07, 3307.071, 3307.075  
Prior Effective Dates: 12/23/1976, 11/28/1977, 12/26/1981, 07/01/2001  
(Emer.), 09/17/2001, 07/18/2003, 12/02/2004,  
06/02/2013, 06/04/2017, 08/06/2020, 05/05/2022

3307-11-01

**Cybersecurity incident notification responsibilities.****(A) For the purposes of this rule:**

**(1) "Cybersecurity incident" means a cybersecurity event that has been determined to have an impact on the employer prompting the need for response and recovery. This may include ransomware that may place a retirement system member's personal data at risk or an employer business email compromise that may place a retirement system member's personal data at risk.**

**(2) "Personal data" means full legal name, date of birth, home address, email address, social security number, driver's license number, state identification card number, retirement system account username, retirement system account password, record of contributions or financial account numbers.**

**(B) Within seventy-two hours of discovery of a cybersecurity incident, an employer shall provide notification of the cybersecurity incident to the retirement system by telephone or email. Notification shall be sent to employer reporting personnel at 888-535-4050 or report@strsoh.org. The employer shall also provide the following information within seventy-two hours of discovery of a cybersecurity incident:**

**(1) The date and time of the discovery of the cybersecurity incident.**

**(2) The name of the employer cybersecurity incident representative and contact information.**

**(C) The employer shall provide the following information to employer reporting regarding a cybersecurity incident within a reasonable period of time:**

**(1) Date and time of the cybersecurity incident.**

**(2) Nature of the cybersecurity incident, including any potential impact on retirement system member's personal data or email communications from employer.**

**(3) Description of personal data involved in the cybersecurity incident.**

**(4) Employer action taken to mitigate the cybersecurity incident and secure compromised systems.**

Effective:

Five Year Review (FYR) Dates:

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Certification

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Date

Promulgated Under:	111.15
Statutory Authority:	3307.04
Rule Amplifies:	3307.213

3309-1-07

**Application for payment ~~upon termination of employment of~~ accumulated contributions.**

- (A) For purposes of this rule, "retirant" means a "SERS retirant" or "other system retirant" as defined in section 3309.341 of the Revised Code, or a member who retired under section 3309.343 of the Revised Code.
- (B) An application for payment of the accumulated contributions in a member's individual account pursuant to section 3309.42 of the Revised Code shall be signed by the member. If the account balance exceeds five thousand dollars, the member's signature must be notarized or witnessed by a SERS counselor.
- (C) An application for a lump sum annuity payment or a return of contributions pursuant to section 3309.344 of the Revised Code shall be signed by the retirant. If the account balance exceeds five thousand dollars, the retirant's signature must be notarized or witnessed by a SERS counselor.
- (D) If the member or retirant was employed in a SERS-covered position during the six month period preceding the application, the application shall not be approved until the employer certifies to the retirement system the member or retirant's last date of service.
- (E) For purposes of division (A)(2) of section 3309.42 of the Revised Code, "eligible for age and service retirement" means a member is eligible for retirement under section 3309.34, 3309.36, or 3309.381 of the Revised Code on or before the first of the month following the date the application for a refund is received by the retirement system.
- (F) The retirement board waives the requirement of spousal consent in division (A)(2) of section 3309.42 of the Revised Code upon receipt of one of the following:
- (1) The written statement of the spouse's physician certifying that the spouse is medically incapable of consent;
  - (2) A certified copy of a probate court order appointing a guardian for the spouse due to a finding of incompetence; or
  - (3) The affidavits of the member and at least two other persons, one of whom must be unrelated to the member, attesting that the whereabouts of the spouse is unknown.
- (G) A member or retirant may withdraw an application by delivering to the retirement system a signed written request over the applicant's signature to withdraw the application and as follows:



- (1) If the payment was made by check, by returning to the retirement system the warrant uncashed no later than thirty days from the date the check was issued.
  - (2) If the payment was transmitted by direct deposit to the member or retirant's financial institution, by remitting to the retirement system a personal check or money order repaying the amount transmitted no later than thirty days after the institution's receipt of the payment.
  - (3) If any portion of the payment was distributed as a direct rollover pursuant to rule 3309-1-53 of the Administrative Code, the retirement plan that received the distribution must return to the retirement system the amount transferred no later than sixty days after the transfer.
  - (4) If any portion of the payment was paid to satisfy a court order or was otherwise deducted as required by law, the application may not be withdrawn as provided in this rule.
- (H) An application for payment of a benefit pursuant to Chapter 3309. of the Revised Code due to the death of a member or a retirant shall be signed by the beneficiary. When a benefit payable pursuant to division (C) of section 3309.344 of the Revised Code, section 3309.44 of the Revised Code, division (E) of section 3309.45 of the Revised Code, or division (D) of section 3309.46 of the Revised Code exceeds five thousand dollars, the beneficiary's signature must be notarized or witnessed by a SERS counselor.

Effective:

Five Year Review (FYR) Dates: 2/1/2029

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Certification

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.42, 3309.344  
Prior Effective Dates: 12/24/1976, 01/02/1993, 02/11/2000, 05/14/2005,  
04/02/2010, 03/30/2015, 08/13/2015, 05/15/2017,  
05/03/2019, 04/01/2024

3309-1-09

**Federal taxation.**

- (A) For purposes of this rule, “benefit” refers to a payment from the accumulated contributions of the member or the employer, or both, under Chapter 3309. of the Revised Code and includes an account refund, pension, annuity, disability benefit, or survivor benefit.
- (B) Notwithstanding any provision in rules of school employees retirement system ("SERS") or Chapter 3309. of the Revised Code to the contrary, distributions to members and beneficiaries shall be made in accordance with a good faith interpretation of the requirements of section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C. 401(a)(9), as applicable to a governmental plan within the meaning of section 414(d) of the Internal Revenue Code, 26 U.S.C. 414(d), and the following:
- (1) The entire interest of a member shall be distributed to the member:
- (a) Not later than the required beginning date; or
  - (b) Beginning not later than the required beginning date over the life of the member and a designated beneficiary (or over a period not extending beyond the life expectancy of such member or the life expectancy of such member and designated beneficiary) within the meaning of section 401(a)(9) of the Internal Revenue Code.
- (2)
- (a) The required beginning date means April first of the calendar year following the later of:
    - (i) The calendar year in which the member attains the applicable age; or
    - (ii) The calendar year in which the member retires.
  - (b) For purposes of compliance with section 401(a)(9) of the Internal Revenue Code, “applicable age” means:
    - (i) Age seventy and one-half (if the member was born before July 1, 1949);
    - (ii) Age seventy-two (if the member was born after June 30, 1949, but before January 1, 1951); or
    - (iii) Age seventy-three, ~~or the otherwise applicable age under section 401(a)(9)(C)(v) of the Internal Revenue Code,~~ (if the member was

born ~~on or after January 1, 1951~~ December 31, 1950, but before January 1, 1960; or

(iv) Age seventy-five (if member was born on or after January 1, 1960).

- (3) If distribution of a member's benefit has begun in accordance with section 401(a)(9) of the Internal Revenue Code, and the member dies, any survivor benefits will be distributed at least as rapidly as under the plan of payment selected and effective as of the date of the member's death.
- (4) If a member dies before the distribution of the member's interest has begun in accordance with section 401(a)(9) of the Internal Revenue Code, the entire interest of the member will be distributed within five years after the death of such member. However, if a benefit is payable to or for the benefit of a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed, over the life of such beneficiary, or over a period not extending beyond the life expectancy of the beneficiary, provided that such distributions begin not later than one year after the date of the member's death. If the beneficiary is the surviving spouse of the member, distributions shall not be required to begin, pursuant to that section, until the end of the calendar year in which the member would have attained ~~age seventy-two, in the case of a member who would have attained~~ the applicable age . When the beneficiary is the surviving spouse and the surviving spouse dies before distributions commence, then the surviving spouse shall be treated as the member for purposes of this rule. Effective for calendar years beginning after December 31, 2023, a surviving spouse who is the member's sole designated beneficiary may elect to be treated as if the surviving spouse were the member as provided under section 401(a)(9)(B)(iv) of the Internal Revenue Code.
- (5) Any death benefit amount payable under Chapter 3309. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code.
- (C) When the retirement system is required to make a distribution in accordance with section 401(a)(9) of the Internal Revenue Code, and has confirmed that it has accurate contact information for the member or retirant, but the a member or retirant does not respond after notification of the requirement to begin distributions ~~such event~~, the following shall apply notwithstanding any provision in SERS rules or Chapter 3309. of the Revised Code to the contrary.
- (1) If the member is not eligible for a retirement allowance pursuant to section 3309.34 or 3309.35 of the Revised Code, the retirement system shall refund the member's account as authorized in section 3309.42 of the Revised Code.

- (2) If the member is eligible for a retirement allowance pursuant to section 3309.34 or 3309.35 of the Revised Code, the retirement system shall calculate and pay a benefit as authorized in section 3309.36 or 3309.343 of the Revised Code, as a plan B, effective on the required beginning date as provided in paragraph (B)(2) of this rule.
- (a) The member cannot purchase or receive any service credit after the effective date of the retirement allowance.
- (b) A member who commences receipt of a retirement allowance under this rule, and who is married, may, not later than one year after the payment commenced, elect a plan of payment under division (B)(1), (B)(3)(b), or (B)(3)(c) of section 3309.46 of the Revised Code provided the spouse is named as the beneficiary. The election shall be made on a form provided by the retirement system and shall be effective on the later of the effective date of the retirement allowance or the marriage. Any overpayment may be recovered as provided in section 3309.70 of the Revised Code.
- (c) If the member also was eligible for health care coverage pursuant to SERS rules and Chapter 3309. of the Revised Code, the member may, not later than sixty days after the commencement of payment of the retirement allowance, enroll for such health care coverage on a form provided by the retirement system. The effective date shall be no earlier than the first of the month after the retirement system receives the member's enrollment form.
- (3) If the retirant is eligible for a benefit pursuant to section 3309.344 of the Revised Code, the retirement system shall calculate and pay a single lump sum benefit as authorized in section 3309.344 of the Revised Code. If such retirant also is eligible for an annuity, the retirant may return the lump sum payment within sixty days of the receipt of the payment and request an annuity on a form provided by the retirement system.
- (4) If the benefit payment of a deceased member's spouse is subject to section 401(a)(9) of the Internal Revenue Code, then the retirement system shall treat the spouse as if the spouse was the member as described in Treas. Reg. 1.401(a)(9)-3(b)(3),(d) for the purposes of this rule, ~~to the extent provided under section 401(a)(9) of the Internal Revenue Code.~~
- (D)
- (1) Effective for the limitation year beginning on January 1, 2012, the final regulations promulgated April 5, 2007 with respect to section 415 of the Internal Revenue

Code, 26 U.S.C. 415 are incorporated herein by reference. The 5.5 per cent interest rate assumption established by the Pension Funding Equity Act of 2004, which is applicable to any actuarial adjustments required because the member or retirant elects a form of payment to which section 415(b)(2)(E) of the Internal Revenue Code and section 417(e)(3) of the Internal Revenue Code, 26 U.S.C. 417(e)(3) apply based on the form of benefit and not the status of the plan, shall be effective as of that same date.

- (2) "Limitation year" is the year used in determining whether the limits set forth in section 415 of the Internal Revenue Code have been exceeded with respect to a member or retirant in the plan describe in sections 3309.18 to 3309.70 of the Revised Code. The limitation year for the plan is the calendar year.
- (E) Effective January 1, 2007, to the extent required by section 401(a)(37) of the Internal Revenue Code, 26 U.S.C. 401(a)(37) and notwithstanding any provision in Chapter 3309. of the Revised Code to the contrary, the survivor of a member on a leave of absence to perform military service with reemployment rights described in section 414(u) of the Internal Revenue Code, 26 U.S.C. 414(u), where the member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under Chapter 3309. of the Revised Code had the member resumed employment and then terminated employment on account of death.
- (F) If there is a termination of the plan described in Chapter 3309. of the Revised Code or a complete discontinuance of contributions to the plan, the rights of each affected member, retirant, and beneficiary to the pension, annuity, or benefits accrued at the date of termination or discontinuance of contributions, to the extent then funded, are non-forfeitable.
- (G) For purposes of the limit established by section 415 of the Internal Revenue Code, 26 U.S.C. 415, effective January 1, 2009, compensation shall include differential wage payments as defined in section 3401(h)(2) of the Internal Revenue Code, 26 U.S.C. 3401(h)(2).

Effective:

Five Year Review (FYR) Dates: 2/1/2028

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Certification

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.03, 3309.34, 3309.344, 3309.36, 3309.44,  
3309.45, 3309.46, 3309.50  
Prior Effective Dates: 01/06/2009 (Emer.), 04/03/2009, 09/26/2010,  
04/01/2013, 04/10/2014, 05/01/2018, 06/05/2020,  
06/01/2023, 04/01/2024

3309-1-11

**Membership determinations.**

- (A) A request for a determination as to whether an individual or a group of individuals are required to be members of the school employees retirement system may be initiated by an employer, an affected individual, or the retirement system.
- (1) An employer or individual who has a question as to membership requirements shall request in writing a determination by the retirement system. Such determination shall be made as provided in rule 3309-1-03 of the Administrative Code.
  - (2) When a membership determination has been initiated, the employer and any affected individual or individuals shall furnish such documents and information requested by the retirement system.
- (B) If contributions have not been remitted and the retirement system determines the individual is covered by this system, the employer shall be liable for employee and employer compulsory contributions pursuant to rule 3309-1-13 of the Administrative Code. If no membership record and/or contributions are received by the system within thirty days of the determination, a charge, based on an estimated salary for such individual's position, against the employer shall be made for collection through the state school foundation program if available or by direct billing.
- (C) If contributions have been remitted and the retirement system determines the individual is not covered by this system, any contributions received shall be unauthorized and shall be refunded.
- (D)
- (1) The definition of "employee" in division (B)(2) of section 3309.01 of the Revised Code does not include a person who holds a position for which the person is required to have a certificate or license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code.
  - (2) The retirement board has determined that the phrase "service common to the normal daily operation of an educational unit" as used in division (B)(2) of section 3309.01 of the Revised Code means:
    - (a) Any service that an educational unit is required, by law, statute, or rule, to be provided ~~provide~~ on a regular continuous basis ~~by an educational unit or the provision of which is governed by law, statute, or rule;~~ or
    - (b) Any service necessary on a regular continuous basis to the efficient operation of an educational unit; or



- (c) Any service which, through custom and usage, has become a service commonly provided or procured by an educational unit on a regular continuous basis.

Effective:

Five Year Review (FYR) Dates: 2/1/2029

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Certification

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.01, 3309.23  
Prior Effective Dates: 09/27/2004, 04/03/2009, 12/04/2020, 04/01/2024

3309-1-20

**Validity of marriage.**

- (A) For purposes of this rule, "age and service retiree" and "disability benefit recipient" have the same meaning as defined in rule 3309-1-35 of the Administrative Code, and "retiree" has the same meaning as defined in division (G) of section 3309.01 of the Revised Code.
- (B) For the purpose of qualifying for, or receiving, any benefit as a spouse under Chapter 3309. of the Revised Code, the member's or retiree's marriage must be recognized by the state of Ohio. The school employees retirement board shall accept the following as proof of marriage:
- (1) A certified marriage certificate or abstract of marriage; or
  - (2) In the absence of a certified marriage certificate or abstract of marriage, a decision rendered by a court, having jurisdiction in the state in which the member or retiree was domiciled at the time of death, that the relationship constituted a valid marriage at time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing in the distribution of the member's or retiree's intestate personal property if not otherwise prohibited by section 3105.12 of the Revised Code.
- ~~(C) For any retiree or disability benefit recipient legally married in another state before June 26, 2015 whose marriage became recognized in the state of Ohio beginning on that date, the following rules apply:~~
- ~~(1) If a retiree makes an election under division (E)(3) of section 3309.46 of the Revised Code, the election must be made before June 26, 2016;~~
  - ~~(2) An eligible age and service retiree or disability benefit recipient may enroll themselves and may enroll a spouse in the system's health care plan at any time between August 1, 2015 and November 30, 2015.~~
  - ~~(3) The surviving spouse of a deceased age and service retiree who is receiving a benefit pursuant to section 3309.46 of the Revised Code may enroll in the system's health care plan at any time between August 1, 2015 and November 30, 2015.~~

Effective:

Five Year Review (FYR) Dates: 1/6/2025

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Certification

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.44, 3309.45  
Prior Effective Dates: 12/24/1976, 05/08/2004, 08/14/2004, 04/03/2009,  
04/10/2014, 10/04/2015

3309-1-24

**Ohio service credit and calculation of final average salary.**

Service credit that is purchased or obtained under section 3309.022, 3309.474, 3309.73, 3309.731, or 3309.75 of the Revised Code, shall be used in determining eligibility for a retirement allowance or a benefit as provided in Chapter 3309. of the Revised Code, including the calculation of the member's final average salary and total service credit in the school employees retirement system.

Five Year Review (FYR) Dates: 1/31/2025 and 01/31/2030

CERTIFIED ELECTRONICALLY

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Certification

01/31/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.022, 3309.474, 3309.73, 3309.731, 3309.75  
Prior Effective Dates: 04/01/2016

3309-1-37

**Surviving spouse or dependent may purchase credit.**

- (A) For purposes of section 3309.451 of the Revised Code and this rule, “dependent” means a “qualified child” or “qualified parent” as those terms are defined in division (B)(2) of section 3309.45 of the Revised Code.
- (B)
- (1) A spouse or dependent of a deceased member who wants to purchase service credit pursuant to section 3309.451 of the Revised Code must deliver a written request to purchase service to the school employees retirement system before they receive payment of a benefit under section 3309.44 or 3309.45 of the Revised Code.
  - (2) Eligibility shall be determined upon receipt of a written request.
  - (3) Service credit shall be purchased in accordance with the laws and policies of the retirement system in effect at the time of purchase.
  - (4) Benefit payments shall commence on the first of the month following the date the purchase of service credit is completed.
- (C) Service credit purchased under section 3309.451 of the Revised Code shall be included in the member’s total service credit as of the member’s date of death.
- (D) The commencement of benefit payments to a spouse or dependent not subject to paragraph (B) of this rule shall not be delayed due to a request to purchase service.

Five Year Review (FYR) Dates: 1/31/2025 and 01/31/2030

CERTIFIED ELECTRONICALLY

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Certification

01/31/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.451  
Prior Effective Dates: 12/24/1976, 01/02/1993, 04/01/2016, 05/31/2020



3309-1-43

**Service credit established under retirement incentive plan.**

(A) Upon adoption of a "Retirement Incentive Plan" in accordance with section 3309.33 of the Revised Code, the employer shall notify the school employees retirement system on an official form approved by the school employees retirement board and attached as an appendix to this rule.

(B) The cost to the employer for each year of credit purchased will be determined by factors recommended by the school employees retirement system actuary which yield an amount equal to the additional liability of the amount purchased. Actuarial cost will be revised no more than once annually and shall apply only to new credit established after such revision is approved by the school employees retirement board.

(C)

(1) Employers may make equal payments to the retirement system for the cost of the year or years of credit purchased over the number of years equal to the number of years purchased under the employer adopted plan.

After the thirtieth of June of the year in which the service is purchased, interest, compounded annually, shall be calculated on the remaining payments at the rate established for other purchased credit.

(2) Purchase of partial years is not permitted.

(3) Notwithstanding paragraph (C)(1) of this rule, governing authorities of community schools shall pay the cost of the service credit purchased in one payment made within thirty days of receipt from the retirement system of the calculated cost.

(D)

(1) An employee may initiate action to retire under the locally adopted retirement incentive plan in accordance with section 3309.33 of the Revised Code by completing the employee section of the form adopted by the school employees retirement board, attached as an appendix to this rule, and filing such form with the employer.

(2) Upon receipt of the form, the employer must complete the employer section of the form and file it with the retirement system. In no event shall the employer file the form later than the earlier of the last day of the month preceding the employee's date of retirement or the expiration date of the plan. The employer's completion of the employer portion of the form constitutes the employer's acceptance of liability for the cost of the additional service credit. The effective

date of the purchase of service under a retirement incentive plan shall be the date the retirement system receives the completed form.

- (3) Upon receipt of the completed form, the retirement system shall notify the employee by letter that service credit has been purchased for the employee under the retirement incentive plan. The date of this letter shall constitute the date the employee received notice that service credit has been purchased for the employee.
- (4) The retirement system must receive the employee's valid retirement application within ninety days of the employee's receipt of notice.
- (5) The employee's effective date of retirement must be within ninety days of the employee's receipt of notice.
- (6) If an employee does not retire within ninety days of receiving notice, withdraws their application for retirement, or dies before their effective date of retirement and/or before the retirement system received a valid application, the purchase of service credit on behalf of the employee under section 3309.33 of the Revised Code shall be cancelled and any amounts received from the employer refunded.

Five Year Review (FYR) Dates: 1/31/2025 and 01/31/2030

CERTIFIED ELECTRONICALLY

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Certification

01/31/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.33  
Prior Effective Dates: 09/06/1983, 04/01/2016, 05/31/2020

3309-1-53

**Rollover distributions and trustee-to-trustee transfers.**

(A) For purpose of SERS rules, "eligible rollover distribution," or "rollover distribution," means all or any portion of an amount that qualifies as an eligible rollover distribution under section 402(c)(4) of the Internal Revenue Code of 1986, as amended, 26 U.S.C. 402(c)(4), and is paid to a member or the surviving spouse of the member from either:

- (1) Another employer plan qualified under section 401(a) of the Internal Revenue Code, 26 U.S.C. 401(a);
- (2) An individual retirement account, or annuity other than an endowment contract, under section 408 of the Internal Revenue Code, 26 U.S.C. 408, to the extent that the amount would be a taxable event;
- (3) A tax-sheltered annuity under section 403(b) of the Internal Revenue Code, 26 U.S.C. 403(b);
- (4) A governmental deferred compensation plan under section 457 of the Internal Revenue Code, 26 U.S.C. 457; or
- (5) An annuity plan under section 403(a) of the Internal Revenue Code, 26 U.S.C. 403(a).

(B)

- (1) The school employees retirement system may accept direct trustee-to-trustee transfers from a 26 U.S.C. 457 deferred compensation plan, a 26 U.S.C. 403(b) tax-sheltered annuity plan, or a plan qualified under 26 U.S.C. 401(k) and eligible rollover distributions only for the purchase of service credit pursuant to section 3309.021, 3309.022, 3309.26, 3309.301, 3309.31, 3309.311, 3309.41, 3309.451, 3309.473, 3309.474, 3309.73, 3309.731 or 3309.75 of the Revised Code, for the payment of back contributions under rule 3309-1-13 of the Administrative Code, or for the payment of additional liability pursuant to division (A)(1)(c) of section 3309.34 of the Revised Code.
- (2) A member or surviving spouse of a member must be otherwise eligible to purchase the service credit or pay the back contributions pursuant to Chapter 3309. of the Revised Code and SERS rules.
- (3) The amount of the rollover distribution accepted by the retirement system shall not exceed the amount necessary to fund the benefit attributable to the service credit.

(C) A member, alternate payee, or otherwise qualified beneficiary of a deceased member who is entitled to a distribution from the retirement system that qualifies as an

eligible rollover distribution pursuant to sections 401(a)(31) and 402(f)(2)(A) of the Internal Revenue Code, 26 U.S.C. 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) or 408A of the Internal Revenue Code, 26 U.S.C. 401(a)(31) or 26 U.S.C. 408A. 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, 26 U.S.C. 402(c)(11).

Five Year Review (FYR) Dates: 1/31/2025 and 01/31/2030

CERTIFIED ELECTRONICALLY

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Certification

01/31/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.021, 3309.022, 3309.26, 3309.301, 3309.31,  
3309.311, 3309.41, 3309.451, 3309.46, 3309.473,  
3309.474, 3309.73, 3309.731, 3309.75  
Prior Effective Dates: 03/07/1997, 05/02/2001, 04/05/2002, 05/11/2006,  
06/01/2007, 12/24/2007, 04/30/2009, 01/07/2013  
(Emer.), 03/08/2013, 10/18/2013 (Emer.), 01/06/2014,  
04/01/2016

3309-1-55

**Responsibility for health care coverage.**

(A) This rule amplifies division (F) of section 3309.69 of the Revised Code.

(B) For the purpose of this rule:

- (1) "Age and service retirant" means a former member who is receiving a retirement allowance pursuant to section 3309.34, 3309.35, 3309.36 or 3309.381 of the Revised Code.
- (2) "Available coverage" means any of the following provided by another Ohio retirement system: a group plan, or a payment, stipend, or reimbursement provided for the purpose of obtaining medical or prescription drug coverage. Coverage shall be considered available if the individual is eligible for the coverage, regardless of whether the individual waived or declined to accept or enroll in the coverage. Coverage shall not be considered available if only provided as a dependent of another person.
- (3) "Disability benefit recipient" means a member who is receiving a benefit or allowance pursuant to section 3309.35, 3309.39, 3309.40 or 3309.401 of the Revised Code.
- (4) "Survivor benefit recipient" means a beneficiary receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code.

(C) Except as otherwise provided in this rule, this retirement system shall be the system responsible for health care coverage for its eligible benefit recipients.

(D) An individual otherwise eligible for health care coverage from this system may not enroll in this system's coverage if the individual also has available coverage in the following circumstances:

- (1) The individual is only eligible for health care coverage from this system as a dependent of an eligible benefit recipient; or
- (2) The individual is an age and service retirant or disability benefit recipient in both this system and another Ohio retirement system and the benefit recipient has less service credit in this system than in the other system. Where the service credit is the same in each system, the individual may not enroll in this system's health care coverage if the employee contributions in the account upon which the benefit in this system is based are less than the employee contributions in the account upon which the benefit in the other system is based; or

- (3) The individual is a survivor benefit recipient in this system and receiving an age and service retirement or disability benefit from another Ohio retirement system; or
  - (4) The individual is a survivor benefit recipient in both this system and another Ohio retirement system and the benefit effective date in this system is later than the benefit effective date in the other system.
- (E) Each individual enrolled in health care coverage provided by this system shall notify the system of other available coverage at the time of enrollment in this system's coverage, and whenever the individual becomes eligible for any available coverage.



Five Year Review (FYR) Dates: 1/31/2025 and 01/31/2030

CERTIFIED ELECTRONICALLY

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Certification

01/31/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.375, 3309.69  
Prior Effective Dates: 08/10/1998, 05/02/2001, 03/01/2007, 12/10/2009,  
01/07/2013, 07/12/2014, 04/01/2016, 05/31/2020

## TO BE RESCINDED

3309-1-61

**Reemployment covered by section 3309.345 of the Revised Code.**

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

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

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

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

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

Effective:

Five Year Review (FYR) Dates: 1/6/2025

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Certification

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Date

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

3309-1-62

**Retirement plan required by court order.**

The specified amount that a member is required to elect pursuant to a court order in division (B)(1)(b)(ii) of section 3309.46 of the Revised Code shall be expressed only as a specified percentage of the member's retirement allowance.

Five Year Review (FYR) Dates: 1/31/2025 and 01/31/2030

CERTIFIED ELECTRONICALLY

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Certification

01/31/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.46  
Prior Effective Dates: 10/27/2006, 04/01/2016

3309-1-65

**Medicare part B reimbursement account.**

- (A) As used in this rule, “eligible benefit recipient” has the same meaning as in paragraph (J)(2)(b) of rule 3309-1-35 of the Administrative Code.
- (B) The school employees retirement board has previously established a separate account within the funds described in section 3309.60 of the Revised Code for the purpose of reimbursing eligible benefit recipients for a portion of the cost of medicare part B coverage paid by the eligible benefit recipient, as authorized under section 3309.69 of the Revised Code, and in accordance with rule 3309-1-35 of the Administrative Code. The medicare part B reimbursement account shall be a separate account established pursuant to section 401(h) of the Internal Revenue Code, 26 U.S.C. 401(h). The assets in the medicare part B reimbursement account shall be accounted for separately from the other assets of the school employees retirement system, but may be commingled with the other assets of the system for investment purposes. Investment earnings and expenses shall be allocated on a reasonable basis.
- (C) Each year the board designates the amount of contributions that are to be allocated to the medicare part B reimbursement account for any year. The contributions are funded by employer contributions under section 3309.49 of the Revised Code and are subordinate to the contributions for payment of retirement allowance and other benefits provided under Chapter 3309. of the Revised Code. At no time shall contributions to the medicare part B reimbursement account, when added to contributions for any life insurance benefits provided on behalf of eligible benefit recipients, be in excess of twenty-five per cent of the total aggregate actual contributions made to the school employees retirement system, excluding contributions to fund past service credit. In any event, all contributions to the medicare part B reimbursement account shall be reasonable and ascertainable.
- (D) The assets of the medicare part B reimbursement account are only used to pay reimbursement of medicare part B premiums paid by eligible benefit recipients and authorized under section 3309.69 of the Revised Code and in accordance with rule 3309-1-35 of the Administrative Code.
- (E) If any rights of an individual who is eligible to receive medicare part B reimbursement authorized under section 3309.69 of the Revised Code and paid from the medicare part B reimbursement account are forfeited as provided in rule 3309-1-35 of the Revised Code, an amount equal to the amount of such forfeiture shall be applied as soon as administratively possible to reduce employer contributions allocated to the medicare part B reimbursement account.
- (F) At no time prior to the satisfaction of all liabilities under this rule shall any assets in the medicare part B reimbursement account be used for, or diverted to, any purpose other than as provided in paragraph (D) of this rule and for the payment

of administrative expenses relating to the medicare part B reimbursement account. Assets in the medicare part B reimbursement account may not be used for retirement, disability, or survivor benefits, or for any other purpose for which the other funds of the system are used.

- (G) If the school employees retirement board discontinues medicare part B reimbursement authorized under section 3309.69 of the Revised Code, or upon satisfaction of all liabilities under this rule, any assets in the medicare part B reimbursement account, if any, that are not used as provided in this rule shall be returned to the employers, as required by 26 U.S.C. 401(h)(5).
- (H) It is the intent of the school employees retirement board in adopting this rule to reflect its continuing compliance in all respects with sections 401(a) and 401(h) of the Internal Revenue Code, 26 U.S.C. 401, and regulations interpreting those sections. In applying this rule, the board will apply the interpretation that achieves compliance with those sections and preserves the qualified status of the system as a governmental plan under sections 401(a) and 414(d) of the Internal Revenue Code, 26 U.S.C. 401 and 414.
- (I) This rule is intended to reflect past and current policies, practices and procedures of the system with respect to the funding and payment of medicare part B reimbursements and does not confer any new rights to or create any vested interest in receiving medicare part B reimbursement for members, retirees, survivors, beneficiaries, or their dependents.

Five Year Review (FYR) Dates: 1/31/2025 and 01/31/2030

CERTIFIED ELECTRONICALLY

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Certification

01/31/2025

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.03, 3309.60, 3309.69  
Prior Effective Dates: 10/30/2015 (Emer.), 01/15/2016



3309-1-70

**Contribution based benefit cap.**

(A) As used in this rule:

- (1) "Retirement allowance" has the same meaning as defined in division (A) of section 3309.363 of the Revised Code.
- (2) "CBBC" has the same meaning as defined in division (A) of section 3309.363 of the Revised Code.

(B) The calculations required by section 3309.363 of the Revised Code shall be made when calculating retirement allowances with effective dates of August 1, 2024, or later.

(C) A retirement allowance with an effective date of August 1, 2024 or later shall not be finalized and granted until after the member's CBBC has been calculated.

(D) When a member's employer has purchased service credit under section 3309.33 of the Revised Code, an amount equal to ten per cent of the member's highest year of compensation multiplied by the years of service credit purchased shall be credited to the member's accumulated contributions.

(E) When a member retires under section 3309.35 of the Revised Code and school employees retirement system is the paying system, contributions used to fund a disability benefit under sections 145.36 or 3307.63 of the Revised Code shall be included in the value of the member's accumulated contributions for purposes of division (C) of section 3309.363 of the Revised Code.

Effective:

Five Year Review (FYR) Dates: 2/1/2029

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Certification

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Date

Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.36, 3309.363, 3309.381, 3309.45  
Prior Effective Dates: 08/04/2024