Ohio Administrative Code

Rule 123:1-72-02 Administration of the fund.

Effective: July 31, 2022

(A) Approved claims for disability leave benefits for a particular appointing authority may be deducted by the director from the payroll contributions made by the appointing authority. The director establishes an administrative special account into which net payroll contributions and all other income will be credited and from which administrative costs, fees, premiums, subscription charges, amounts available for investment or claims for benefits may be paid. An investment trust account will be maintained by the treasurer of state in the manner provided in paragraph (E) of this rule.

(B) The state employee disability leave benefit fund will be available without fiscal year limitation for the payment of benefits, premiums, subscription charges, and administrative costs as specified in sections 124.83 and 124.87 of the Revised Code. The fund exists under the custody and supervision of the director, who will be responsible, under approved bonds, for all monies coming into and paid out of the fund in accordance with sections 124.83 and 124.87 of the Revised Code, and ensure that the fund is actuarially sound.

(C) The director transfers monies among the various accounts and instructs the treasurer of state to make investments in the manner provided for in paragraph (E) of this rule.

(D) Contributions will be credited to and constitute the state employee disability leave benefit fund. Any amounts remaining in the state employee disability leave benefit fund after all premiums, subscription charges, and other expenses have been paid will be retained in the fund as a special reserve for adverse claim fluctuation.

(E) Any amounts held by the state employee disability leave benefit fund that are available for investment will be invested by the treasurer of the state. The amount in the investment trust account will be invested for a period not to exceed one year, for credit only to the state employee disability leave benefit fund. Investments will be subject to the terms, conditions, limitations, and restrictions imposed under Chapter 3907. of the Revised Code upon domestic life insurance companies in the investment of their capital, surplus, and accumulations.

(F) All income derived from investments accrues to the fund. When monies are paid to the treasurer of state, the director submits an estimate of the date such monies are no longer available for investment. When the director wishes to withdraw monies from the trust account, the director submits a request for the withdrawal in writing to the treasurer of state, and such funds will be available to the director within thirty days after the treasurer's receipt of the director's request.

(G) Any necessary and reasonable costs incurred by the treasurer of state or the department of administrative services in administering these rules will be charged against the administrative special account established under paragraph (A) of this rule.

(H) The director, in consultation with the superintendent of insurance, may, in accordance with the competitive bidding procedures under sections 125.07 to 125.11 of the Revised Code, periodically contract with an insurance company for the issuance of a policy of short term disability and income protection, covering all state employees who are eligible pursuant to section 124.385 of the Revised Code.

(I) The director may enter into a contract with an administrator to administer the portion of the fund set aside to provide benefits specified in section 124.385 of the Revised Code. Determination as to the qualifications of the administrator will be made by the director in consultation with the superintendent of insurance, and in consideration of the following factors:

(1) Cost of providing required administrative service;

(2) Claim service capability, including location of claim office, nature of claim processing system, claim payment turn-around time, and productivity of claim processors;

(3) Evidence of the effective exercise of claim control and cost containment capability;

(4) Experience with other large groups;

(5) Financial strength;

(6) Non-claim service provided; and

(7) The availability and cost of stop-loss coverage for the state.