



Ohio Administrative Code

Rule 145-1-21 Federal tax compliance provisions.

Effective: January 1, 2021

(A) This rule is applicable to Chapter 145. of the Revised Code excluding sections 145.80 to 145.98 of the Revised Code.

(B) The board shall distribute the funds established in Chapter 145. of the Revised Code to participants and their beneficiaries in accordance with the provisions of such chapter. No part of the corpus or income of these funds may be used for or diverted to any purpose other than the exclusive benefit of the participants and their beneficiaries.

(C) A member who satisfies the eligibility requirements of section 145.32 or 145.332 of the Revised Code shall have a non-forfeitable right to receive the benefit payable as allowed by Chapter 145. of the Revised Code. If there is a termination of the plan described in sections 145.201 to 145.79 of the Revised Code, the rights of each affected member to the benefits accrued at the date of termination, to the extent then funded, are non-forfeitable.

(D) Employer contribution forfeitures arising from severance of employment, death, or for any other reason of the member may not be applied to increase the benefits any participant would otherwise receive under Chapter 145. of the Revised Code in accordance with section 401(a)(8) of the Internal Revenue Code and applicable regulations thereunder.

(E) Notwithstanding any provision in Chapter 145. of the Revised Code or Chapters 145-1 to 145-4 of the Administrative Code to the contrary, distributions to members and beneficiaries shall be made in accordance with section 401(a)(9) of the Internal Revenue Code and applicable regulations thereunder and with the following rules.

(1) The entire interest of a member shall be distributed to such member:

(a) Not later than the required beginning date; or



(b) Beginning not later than the required beginning date, in accordance with applicable regulations, over the life of such member and a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code.

(2) The required beginning date means April first of the calendar year following the later of:

(a) The calendar year in which the member attains the required minimum distribution age; or

(b) The calendar year in which the member retires.

(3) If distribution of a member's benefit has begun in accordance with section 401(a)(9) of the Internal Revenue Code and the accompanying regulations, 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 and the accompanying regulations, 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 beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed (in accordance with applicable regulations) over the life of such beneficiary (or over a period not extending beyond the life expectancy of such 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, pursuant to this section, to begin until the end of the calendar year in which the member would have attained the required minimum distribution age.

(5) Any death benefit amounts payable under Chapter 145. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code and regulations thereunder.

(6) A reasonable and good faith interpretation of section 401(a)(9) of the Internal Revenue Code and the final regulations issued December 29, 2004 shall apply to all plan years commencing on and after January 1, 2006.



(7) A retiree or beneficiary who would have been required to receive required minimum distributions for 2009 from an additional annuity or money purchase account but for the enactment of Section 401(a)(9)(H) of the Internal Revenue Code ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (a) equal to the 2009 RMDs or (b) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the retiree, the joint lives of the retiree and retiree's designated beneficiary, or for a period of at least ten years ("Extended 2009 RMDs"), will not receive those distributions for 2009 unless the retiree or beneficiary chooses to receive such distributions. Retirees and beneficiaries described in this paragraph shall be given the opportunity to elect to receive the distributions described in this paragraph.

(F) Whenever the amount of any benefit is to be determined on the basis of actuarial assumptions, the assumptions shall be specified by resolution of the board in a way that precludes employer discretion.

(G) The term "spouse" shall mean:

(1) A member's legal spouse at the applicable time.

(2) For purposes of meeting any requirements under the code, an individual who is legally married to a member, including a marriage of same-sex individuals that is validly entered into in a state whose laws authorize the marriage of two individuals of the same sex, even if the individuals are domiciled in a state that does not recognize the validity of same-sex marriages.

(3) As and when required by law, for all purposes under the plan, an individual who is legally married to a member, including a marriage of same-sex individuals that is validly entered into in any state.

Further, the terms married and marriage shall have a meaning consistent with the definition of spouse at the applicable time. Individuals (whether part of an opposite-sex or same-sex couple) who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under state law that is not denominated as a marriage under the laws of that state are not



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legally married. For this purpose, the term state means any domestic or foreign jurisdiction having the legal authority to sanction marriages.