



Ohio Administrative Code

Rule 145-1-37 Purchases made with a rollover distribution.

Effective: January 1, 2021

(A) For purposes of this chapter, "eligible rollover distribution" or "rollover distribution" means any amount that qualifies as an eligible rollover distribution under section 402(c)(4) of the Internal Revenue Code of 1986, 26 U.S.C.A. 415, and paid to a member or the surviving spouse of the member from:

(1) Another employer plan qualified under section 401(a) of the Internal Revenue Code;

(2) An individual retirement account, or annuity other than an endowment contract, under section 408 of the Internal Revenue Code;

(3) A governmental deferred compensation plan under section 457 of the Internal Revenue Code;

(4) An annuity plan under section 403(a) of the Internal Revenue Code; or

(5) A tax-sheltered annuity qualified under section 403(b) of the Internal Revenue Code.

(6) A governmental plan under section 414(d) of the Internal Revenue Code.

(7) A keogh plan under section 410 of the Internal Revenue Code of 1986, 26 U.S.C.A. 410.

(1) The public employees retirement system may accept eligible rollover distributions for the purchase of service credit pursuant to section 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.295, 145.299, 145.2911, 145.2913, 145.301, 145.302, 145.31, or 145.47 of the Revised Code, section 3.11 or 3.12 of the combined plan document, or the deposit to an additional annuity account pursuant to section 145.62 of the Revised Code.

(a) A member or surviving spouse must be otherwise eligible to purchase the service credit or deposit to an additional annuity account pursuant to Chapter 145. of the Revised Code and Chapters 145-1 to



145-4 of the Administrative Code.

(b) A retirant reemployed under section 145.38, 145.382, or 145.383 of the Revised Code may only use a rollover distribution to deposit into an additional annuity account.

(3) The retirement system shall accept rollover distributions for a purchase of service that is made only by post-tax payroll deduction, partial, or one-time lump-sum payment as defined in rule 145-1-35 of the Administrative Code.

(a) If the amount of the rollover distribution received by the retirement system exceeds the cost of the service to be purchased, the amount in excess shall be returned to the financial institution that transmitted the rollover.

(b) If the financial institution will not accept the excess rollover amount, the retirement system shall pay the amount in excess to the member. Any amount that the retirement system cannot return to the financial institution or member shall be deposited in an additional annuity account or the member's rollover account, as appropriate based on the member's retirement plan.

(C) An eligible rollover distribution of a member participating in the member-directed plan shall be credited to the member's rollover account, as defined in section 1.31 of the member-directed plan document.

(D) An eligible rollover distribution of a member participating in the combined plan may be:

(1) Credited to the member in the member's rollover account, as defined in section 1.35 of the combined plan document; or,

(2) If used to purchase any service credit available under the combined plan, as described in rule 145-3-21 of the Administrative Code, credited to the member in the employee's savings fund or any other appropriate fund under section 145.23 of the Revised Code.

(E) Any non-taxable portion of an eligible rollover distribution to a member of the combined plan or member-directed plan shall be treated in accordance with section 5.01 of the member-directed or



combined plan document.

(F) A member who is entitled to a distribution from this 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 may request that the distribution be paid in a direct rollover to another eligible retirement plan to the extent permitted by section 401(a)(31) of the Internal Revenue Code.