



Ohio Administrative Code

Rule 145-2-18 Service credit in the traditional pension plan for participation in combined plan or member-directed plan.

Effective: January 1, 2022

(A) This rule amplifies section 145.814 of the Revised Code and sections 2.03, 2.04, and 6.01 of the combined and member-directed plan documents.

(B) For each member participating in the traditional pension plan who elects under division (D) of section 145.814 of the Revised Code, the public employees retirement system shall prepare a statement of cost for service credit to be purchased in the traditional pension plan based on participation in the combined plan or member-directed plan, as appropriate, at the request of an eligible member. An actuary employed by the public employees retirement board shall determine the additional liability, as defined in section 145.814 of the Revised Code, as described in rule 145-2-02 of the Administrative Code.

(C) An eligible member shall purchase the service credit only by a lump-sum payment of the amount on deposit, as defined in rule 145-1-35 of the Administrative Code, except that a member described in division (D)(1) of section 145.814 of the Revised Code may pay any additional liability that exceeds the amount on deposit by initiating payroll deduction under rule 145-1-38 of the Administrative Code or by direct partial payment. For plan elections effective on or before July 1, 2015, the payroll deduction must be initiated or direct partial payment shall be made not later than one hundred eighty days after the effective date of an election to participate in the traditional pension plan under section 2.03 of the combined plan document. Service credit purchased under this rule shall be included in the member's total service credit in the traditional pension plan but shall not be used in the calculation of a benefit under section 145.332 of the Revised Code. If the member elects to receive pro-rated service credit, the period of service upon which contributing service is based shall be the member's earliest service credit available to purchase under this rule.

(D) Any funds remaining in an eligible member's accounts, as defined in section 1.01 of the combined or member-directed plan document, after the purchase of service credit under this rule shall be deposited in an additional annuity account in accordance with rule 145-2-43 of the Administrative Code. A member may also elect, at the time of service purchase, to leave any



remaining funds on deposit in the prior plan; any funds remaining in the prior plan shall be credited to the member's rollover account, as defined in section 1.35 of the combined plan document and section 1.31 of the member-directed plan document, and treated as a rollover.

(E)

(1) Service credit purchased under this rule cancels the corresponding years of service credit in the combined plan or years of participation in the member-directed plan, as applicable.

(2) For plan elections effective on or before July 1, 2015, service credit that is not purchased under this rule shall be cancelled immediately upon the expiration of the one hundred eighty day period following the effective date of an election to participate in the traditional pension plan under section 2.03 of the combined or member-directed plan document.

(F) For each member described in paragraph (B) of this rule who transferred the member's accumulated contributions under section 145.191 of the Revised Code, the statement of cost shall include the cost to restore in the traditional pension plan the accumulated contributions and service credit cancelled under that section. The cost shall consist of the amount transferred, with interest on such amount, compounded annually at a rate to be determined by the public employees retirement board from the first day of the month of transfer to and including the month of redeposit. The amount redeposited shall be considered the accumulated contributions of the member and shall be credited in the same manner as a redeposit under section 145.31 of the Revised Code.

(G) For each member described in paragraph (B) of this rule who purchased service credit under rule 145-3-21 or rule 145-3-40 of the Administrative Code, the statement of cost shall include, if applicable, the difference between the amount paid in the combined plan to purchase the service credit and the cost to purchase the service credit in the traditional pension plan as determined at the time the statement of cost is issued under this rule. Pursuant to section 6.01 of the combined plan document, if the amount paid in the combined plan to purchase the service credit was less than the cost to purchase the service credit in the traditional pension plan, the member may elect to receive a pro-rated amount of service credit in the traditional pension plan or may make an additional payment equal to the difference in order to receive the full amount of service credit.



(H) This paragraph applies to former member of the combined plan who terminated service and received a refund under Article VIII of the combined plan prior to January 1, 2022. If such former member returns to public employment on or after January 1, 2022, and elects to participate in the traditional pension plan, the member may purchase plan change service credit for the amount of service credit that was refunded from the combined plan after participating in the traditional pension plan for at least twelve contributing months. Such former member shall be treated as if the former member was a participant in the combined plan and elected to plan change to the traditional pension plan.

The public employees retirement system shall prepare a statement of cost for service credit to be purchased in the traditional pension plan based on participation in the combined plan at the request of an eligible member. An actuary employed by the public employees retirement board shall determine the additional liability, as defined in section 145.814 of the Revised Code, as described in rule 145-2-02 of the Administrative Code. Paragraphs (C), (D), (E), (F), and (G) of this rule shall apply to the purchase described in this paragraph.