



Ohio Administrative Code

Rule 3307:1-11-02 Health care services - health care fund.

Effective: June 10, 2016

(A) The retirement board shall designate the amount of contributions, if any, that are to be allocated to the health care fund described in division (H) of section 3307.14 of the Revised Code for any year. Any contributions shall be funded by employer contributions to the employer's trust fund and shall include any employer contributions previously allocated by the retirement board for health care coverage described in section 3307.39 of the Revised Code, together with any earnings credited thereon, with respect to individuals participating in the plan described in either the STRS defined benefit plan or the defined contribution plan in which an individual may receive definitely determinable benefits. Contributions to the health care fund are subordinate to the contributions to the employer's trust fund for retirement benefits under the plans described in the STRS defined benefit plan and the defined contribution plan in which an individual may receive definitely determinable benefits. At no time shall contributions to the health care fund, 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 retirement system since the inception of the health care fund, excluding contributions to fund past service credit. In any event, all contributions to the health care fund shall be reasonable and ascertainable.

(B) If any rights of an individual who is eligible to receive coverage authorized under section 3307.39 of the Revised Code and paid from the health care fund are forfeited as provided in the applicable provisions of the medical plans and ancillary plans offered by the retirement system, an amount equal to the amount of such forfeiture shall be applied as soon as administratively possible to reduce employer contributions allocated to the health care fund.

(C) The assets of the health care fund shall be used only for the payment of health care coverage, qualified medical expenses, dental and vision coverage, and to partially reimburse medicare part B monthly premiums paid by eligible benefit recipients, if applicable.

(D) At no time prior to the satisfaction of all liabilities under this rule and section 3307.39 of the Revised Code shall any assets in the health care fund be used for, or diverted to, any purpose other



than as provided in paragraph (C) of this rule and for the payment of administrative expenses relating to the health care fund. Assets in the health care fund 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.

(E) Upon satisfaction of all liabilities under this rule, any assets in the health care fund that are not used as provided in paragraph (D) of this rule shall be returned to the employers, as required by section 401(h)(5) of the Internal Revenue Code.

(F) It is the intent of the retirement board in adopting this rule to codify its compliance in all respects with sections 401(a) and 401(h) of the Internal Revenue Code and regulations interpreting those sections. In applying this rule, the retirement 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.

(G) This rule is intended to codify past and current practices and procedures of the system with respect to the funding and payment of health care coverage and does not confer any new rights to or create any vested interest in receiving health care coverage for members, benefit recipients, or their dependents.