



## Ohio Administrative Code

### Rule 3307:1-5-02 Selection and reselection of plan of payment for retirees on or after October 1, 1989.

Effective: May 7, 2020

---

By authority of sections 3307.04 and 3307.60 of the Revised Code, the following rule shall apply to the plans of payment provided in sections 3307.58, 3307.59 and 3307.60 of the Revised Code:

(A) The provisions for reselection of a plan of payment set forth in this paragraph shall be applicable to all service retirants granted retirement effective on or after October 1, 1989, or a retirant who elects recalculation of benefits pursuant to section three of Am. H.B. 293 of the 118th General Assembly, or a retirant whose application is made on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter, and who meet the requirements set forth in section 3307.60 of the Revised Code.

(1) Application for a change of plan of payment must be submitted to the retirement system on a form approved by the retirement board. Payment under a reselected plan of payment shall be effective as follows:

(a) Death of a beneficiary first of the month following death of beneficiary regardless of when the application is received, provided such beneficiary was designated at the time of retirement. The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule or as specified in division (A)(4) of section 3307.60 of the Revised Code if a joint and survivor plan of payment with multiple primary beneficiaries was elected.

(b) Divorce, annulment or marriage dissolution the later of the first of the month following date application is received by the retirement system or the first of the month after the divorce, annulment or marriage dissolution, provided:

(i) The spouse was designated as beneficiary under the plan of payment selected at retirement; and

(ii) A spousal consent form approved by the retirement system or court order specifically authorizing the reselection of plan of payment on the basis of the marriage termination is received



by the retirement system; and

(iii) The reselection of a plan of payment shall be limited to the single lifetime benefit equivalent option, as stipulated in paragraph (A)(2) of this rule or as specified in division (A)(4) of section 3307.60 of the Revised Code if a joint and survivor plan of payment with multiple primary beneficiaries was elected.

(c) Marriage or remarriage the later of either the first of the month following the date a completed application on a form approved by the retirement system is received by the retirement system or the first of the month after the marriage or remarriage, except if the marriage or remarriage occurs on or after June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage. The spouse must be selected as beneficiary under division (A)(1), (A)(2), (A)(3), (A)(4) or (A)(6) of section 3307.60 of the Revised Code and the benefit must be calculated as stipulated in paragraph (A)(3) of this rule.

(d) For those retirants whose benefit is commenced under a single lifetime benefit in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder, not later than one year after the date that the benefit described in this paragraph commences, a retirant who was married on the effective date of the benefit may elect a plan of payment under division (A)(1), (A)(2), (A)(3), or (A)(6) of section 3307.60 of the Revised Code and calculated as stipulated in paragraph (A)(3) of this rule provided the spouse is named as the beneficiary. The election shall be made on a form approved by the retirement system and shall be effective on the effective date of the benefit paid under a single life annuity. Any benefit overpayment may be recovered as provided in section 3307.47 of the Revised Code.

(2) The single lifetime benefit equivalent to which a retirant who elected a plan of payment under division (A)(3) of section 3307.60 of the Revised Code or a plan of payment consisting of both a lump sum payment under division (B)(1) of section 3307.60 of the Revised Code and a benefit payable to a beneficiary under division (A)(3) of section 3307.60 of the Revised Code may elect to return shall be the gross benefit that the retirant would currently be receiving had the retirant selected a single lifetime benefit at retirement less any reductions, if applicable, for a lump-sum payment made under division (B)(1) of section 3307.60 of the Revised Code.



(3) Optional plans of payment shall be based on the single lifetime benefit less any reductions, if applicable, for a lump-sum payment made under division (B)(1) of section 3307.60 of the Revised Code actuarially reduced based on the ages in effect as of the effective benefit date when each beneficiary is added as a joint survivor and the option factors in effect on the effective date of retirement. All previously granted cost of living adjustments and ad hoc increases shall also be reduced by such option factor.

(B) Pursuant to division (H)(1) of section 3307.60 of the Revised Code, a retirant married on the effective date of service retirement effective on or after October 1, 1989, a retirant married at the time of an election for recalculation of benefits pursuant to section three of Amended House Bill No. 293 of the 118th General Assembly, or a retirant who applies on or after September 15, 1989 for retirement effective July 1, 1989 or thereafter who is married at the time of such application, shall be deemed to have elected the plan of payment under option 3 as provided under division (A)(3) of section 3307.60 of the Revised Code with half of the retirants benefit continuing for the lifetime of the spouse, unless:

(1) The applicant elects a plan of payment which provides more than fifty per cent of the benefit payable during the lifetime of the retirant will continue after the retirant's death to the spouse.

(2) The spouse consents on a form approved by the retirement system to the retirants election of a single life annuity or payment pursuant to an optional plan under which, after the death of the retirant, the spouse will receive less than fifty per cent of the benefit payable during the lifetime of the retirant.

(3) The retirement board waives the deemed election of option 3 after receipt of one of the following:

(a) If the retirement system receives the written statement of a physician certifying that the spouse is medically incapable of acknowledging the plan of payment elected by the applicant, and receives consent by and through a duly appointed guardian, as specified by rule 3307-7-01 of the Administrative Code, or

(b) If the affidavits of the applicant and at least two other persons, one of whom must be unrelated to the applicant, are received by the retirement system attesting that the whereabouts of the spouse is



unknown.

(C) Spousal consent to a member's plan of payment shall not be required if:

(1) The member is required to elect a plan of payment pursuant to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property and the member designates the member's current spouse to receive a survivor annuity of at least fifty per cent or the remaining available survivor benefits, if less, under that plan, or

(2) The amount specified pursuant to a court order or orders under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property is the maximum amount payable to a joint and survivor beneficiary or beneficiaries.

(3) The retirement system is required to commence a benefit in accordance with section 401(a)(9) of the Internal Revenue Code and the regulations thereunder.

(D) A member's current spouse must consent to the election of a plan of payment described in division (A)(4) of section 3307.60 of the Revised Code if either of the following apply:

(1) The member selects a plan of payment described in division (A)(4) of section 3307.60 of the Revised Code, but the member is not subject to a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that requires the member to make such election;

(2) The member is ordered to designate a former spouse as beneficiary of a specified portion of the benefit, but also designates a beneficiary or beneficiaries other than the member's current spouse under that plan of payment.

(E) A member may elect a plan of payment pursuant to division (A)(6) of section 3307.60 of the Revised Code that is equivalent to a single lifetime benefit in a lesser amount, payable for life, with the following provisions:



(1) The plan of payment shall include:

(a) Continuing monthly benefits of either one hundred per cent or fifty per cent of the benefit payable during the lifetime of the retirant are paid after the retirant's death to a sole primary beneficiary named at retirement; and

(b) Continuing benefits for any months remaining in a certain period that begins on the effective date of retirement and continues for a specific number of years chosen at retirement to a secondary beneficiary or beneficiaries; where

(i) The certain period may be a minimum number of years; or

(ii) The certain period is an extended number of years elected by the member with an additional reduction in the benefit amount as determined by the actuary employed by the retirement board.

(2) Monthly benefits shall not be paid to joint secondary beneficiaries, but joint secondary beneficiaries may receive a lump-sum amount equal to the present value of the benefits remaining in the certain period.

(3) If all beneficiaries die before the expiration of the certain period, the present value of the benefits remaining in the certain period may be paid to the estate of the beneficiary last receiving benefits.

(4) The present value of the benefits remaining in the certain period shall be calculated at the assumed rate of return in effect at the time of payment.