



## Ohio Administrative Code

### Rule 5505-3-07 Deferred retirement option plan.

Effective: August 8, 2022

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(A) As provided for in section 5505.50 of the Revised Code, the date of the initial implementation of the deferred retirement option plan (DROP) shall be June 15, 2006.

(B) A member's election to participate in DROP is effective the later of:

(1) The first day of the employers payroll immediately following the boards receipt of the notice of election;

(2) The first day of the employers payroll designated by the member in the notice of election as long as the designated payroll is within thirty days of the boards receipt of the notice of election; or

(3) The first day of the employers payroll immediately following the members eligibility to participate in DROP.

(C) A DROP participant may rescind his or her election to participate in DROP, only if HPRS receives a written notice from the DROP participant that directs HPRS to rescind such election and this written notice is received by HPRS within thirty days after HPRS received the DROP participant's election, as determined by HPRS.

(D) A DROP participant may apply for disability retirement pursuant to sections 5505.18 and 5505.58 of the Revised Code and rule 5505-3-02 of the Administrative Code.

(1) HPRS shall void an application for disability retirement upon an event that terminates the member's DROP participation as defined by section 5505.55 of the Revised Code.

(2) A DROP participant who qualifies for disability retirement and elects to receive benefits pursuant to division (A)(1) or (B) of section 5505.58 of the Revised Code shall be age and service retired and not subject to the requirements of section 5505.18 of the Revised Code or rule 5505-3-03 of the



Administrative Code.

(3) A DROP participant who qualifies for disability retirement and elects to receive benefits pursuant to division (A)(2) of section 5505.58 of the Revised Code shall be disability retired and subject to the requirements of section 5505.18 of the Revised Code and rule 5505-3-03 of the Administrative Code.

(4) A member that is receiving disability retirement benefits pursuant to division (A)(2) of section 5505.58 of the Revised Code that returns to active service will be considered an active member and must submit a new application for DROP. Amounts previously forfeited pursuant to section 5505.58 of the Revised Code shall not be accrued to the members benefit.

(5) A member whose participation in DROP terminates as a result of qualifying for disability pursuant to section 5505.58 of the Revised Code shall not forfeit the interest credited under division (C) of section 5505.54 of the Revised Code except as provided in division (A)(2) of section 5505.58 of the Revised Code.

(E) Interest shall continue to accrue pursuant to division (C) of section 5505.54 of the Revised Code after a member's participation in DROP ceases.

(F)

(1) As described in division (B)(1) of section 5505.56 of the Revised Code, "on or after the first day of the fourth year" and "earlier than four years" shall mean after three years have elapsed since the DROP effective date as described in paragraph (B) of this rule.

(2) As described in division (B)(2) of section 5505.56 of the Revised Code, "on or after the first day of the third year" and "earlier than three years" shall mean after two years have elapsed since the DROP effective date as described in paragraph (B) of this rule.

(G)

(1) Provided that the other candidacy eligibility criteria are met, a member participating in DROP



shall be eligible to be elected as an employee member of the retirement board, but shall not be eligible to be elected as a retirant member of the retirement board.

(2) A retirement board trustee who ceases participation in DROP shall no longer be eligible to be an employee member of the board of trustees. The trustees position on the board of trustees shall be vacant upon the effective date of the DROP termination.

(H) Surviving spouses and beneficiaries

(1) Pursuant to section 5505.59 of the Revised Code, a member may not name a spouse as a beneficiary.

(2) A surviving spouse or beneficiary shall select a method of distribution of any amount due to such person pursuant to section 5505.59 of the Revised Code within sixty days of notification from HPRS. If a method of distribution is not made within sixty days, the amounts due will be distributed as a lump sum payment.

(I) DROP termination

(1) Active service in the state highway patrol is terminated upon separation pursuant to section 124.32 of the Revised Code.

(2) Subject to paragraph (H)(1) of this rule, a member shall be considered in the active service of the state highway patrol while receiving benefits pursuant to section 124.385 of the Revised Code.

(J) Pursuant to section 5505.54 of the Revised Code, interest on DROP account balances shall be calculated at the Barclays U.S. government/credit intermediate. The interest rate shall be established at June thirtieth and December thirty-first for the following six-month period. Effective October 1, 2021, the rate of interest shall not exceed five per cent or be lower than two per cent.

(K) Effective October 1, 2021, the state highway patrol retirement system shall calculate interest on the DROP participant's DROP balance on the last day of each month.