



## Ohio Administrative Code

### Rule 5505-5-06 Service credit purchases by payroll deduction.

Effective: [March 23, 2015](#)

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(A) A member of the state highway patrol retirement system (HPRS) may purchase service credit pursuant to this rule, rule 5505-5-02 of the Administrative Code, rule 5505-5-03 of the Administrative Code, and sections 5505.16, 5505.17, 5505.20, 5505.201, 5505.25, and 5505.40 of the Revised Code through:

(1) Post-tax payroll deduction, lump sum payment, partial payment, or any combination thereof.

(2) Pre-tax payroll deductions designated by the state highway patrol as picked-up contributions in compliance with Internal Revenue Code section 414(h)(2). HPRS will accept new elections to purchase service credit through pre-tax payroll deduction only if the election is received by December 31, 2014.

(B) Upon a member's request to HPRS to purchase service credit by payroll deduction for service credit, HPRS will prepare an application form which states the following:

(1) The service to be purchased, including the total years of service and the type of service;

(2) The total cost of the service credit to be purchased through payroll deduction;

(3) The total number of payroll deductions in the stated amount, starting with the proposed start date and ending on the proposed completion date; provided, however, that the payroll deduction cannot exceed the member's net compensation after all deductions and withholdings required by law.

(C) The payroll deduction plan shall not be effective until it is signed by the member and filed with HPRS.

(D) Upon receipt of a signed payroll deduction application, HPRS shall report to the state highway patrol the amount of the payroll deduction and when the deductions shall begin.



(E) HPRS will grant the service credit to the member only upon receipt of the applicable payroll deduction or lump sum payment.

(F) All payroll deduction plans may last no longer than five years for each year of service that is to be purchased.

(G) No member may participate in more than one payroll deduction plan to purchase service credit provided for in section 5505.203 of the Revised Code and this rule.

(H) Pre-tax payroll deduction plans (i.e. pick-up plans) shall be irrevocable and may only be terminated upon the member's termination of employment with the employer who is implementing the member's payroll deduction plan.

(I) Except for pre-tax payroll deduction plans (i.e. pick-up plans), a member can increase or decrease the member's payroll deduction by written notice to the state highway patrol and HPRS, except that in no event shall a deduction be decreased to less than fifty dollars per pay period.

(J) Except for pre-tax payroll deduction plans (i.e. a pick-up plan), a payroll deduction plan may be terminated or suspended upon any of the following events:

(1) The failure of the state highway patrol to forward to HPRS the payroll deduction for four consecutive pay periods;

(2) Upon the member's termination of employment with the state highway patrol;

(3) In cases where a payroll deduction exceed the member's net pay after all deductions and withholdings required by law; or

(4) When the payroll deductions received by HPRS equal the total cost of the eligible service credit, as originally outlined in HPRS application form duly signed by the member.