



Ohio Administrative Code

Rule 742-3-09 Subsequent public employment of individuals retired under one of the Ohio public retirement systems.

Effective: March 22, 2018

(A) The requirement under section 742.26 of the Revised Code that benefits be forfeited if employment occurs under another Ohio public retirement system shall apply only to retirants from the Ohio police and fire pension fund ("OP&F") with effective benefit dates on or after August 30, 1991.

(B) For the purposes of section 742.26 of the Revised Code, the effective retirement benefit date for an individual granted "deferred" retirement under Chapter 742. of the Revised Code shall be the date upon which the retirement allowance commences.

(C) Individuals who are receiving benefits under OP&F will forfeit benefits for any month in which employment under another Ohio public retirement system occurs before the lapse of sixty days from the effective retirement benefit date (the "forfeiture period"). Forfeiture will not occur if the individual was employed in any position under another Ohio public retirement system on the effective retirement benefit date and had been continuously employed for sixty days before the effective retirement benefit date.

For purposes of determining whether a member has been continuously employed, OP&F shall consider a member to be "continuously employed" if one of the following criteria is met:

(1) OP&F receives documentation that shows that the member received regular earnings during the forfeiture period from an employer who is a contributing employer with another Ohio retirement system; or

(2) If there is a break in regular earnings during the forfeiture period, OP&F receives documentation that evidences the continuation of the member's employment relationship in the form of a contract that governs the forfeiture period and includes the member's job description or the member's employer provides a certification to OP&F that confirms the existence of a long term and continuous relationship, which included the forfeiture period.



(D) Where an individual has established membership in more than one Ohio public retirement system in addition to OP&F, active accounts established under all public retirement systems must be handled/disposed of as of the effective retirement benefit date. Any election, once made, is irrevocable except as otherwise provided. An individual must exercise one of the following options:

(1) If, as of the effective retirement benefit date, the individual has established service sufficient to entitle the individual to a benefit under one of the other Ohio public retirement system(s), the individual may elect to take retirement from the other system(s) to be effective the first day of the next month following the latter of the individual's effective retirement benefit date from OP&F or satisfaction of age and other eligibility requirements for retirement in the other system(s); or

(2) The individual may refund the account(s) with the other public retirement system(s) in accordance with the law of each retirement system.

(3) Where the individual has continuously been employed in any position(s) covered by the other public retirement system(s) for sixty days prior to the individual's retirement benefit date and will continue to be so employed after retirement, the individual shall be given the option of converting the account(s) with such other public retirement system(s) to a post retirement money purchase account(s) with allowable interest compounded only from the individual's effective retirement benefit date.

(E) On termination of employment, a reemployed retirant may choose to receive reemployed retirant benefits as either a monthly annuity or a one-time lump sum payment of his or her participant contributions, subject to the spousal consent requirement provided in divisions (F)(2)(a) and (H)(1) of section 742.26 of the Revised Code. The monthly annuity will be paid on the first day of the month following the latest of: the day employment was terminated; the attainment of age sixty; or one year from the date the member began receiving another OP&F defined contribution benefit. The one-time lump sum payment can be made if the retirant has not attained age sixty, but only if the retirant has terminated employment, three months have elapsed since the termination of re-employment, and the retirant has not returned to service during the three-month period.

(F) For those reemployed retirants who have attained the age of sixty, the calculation criteria for the



re-employed retirant benefits under division (F)(2) or (H) of section 742.26 of the Revised Code is as follows:

- (1) The interest rate shall be calculated according to paragraph (F)(2) of this rule.
- (2) Interest shall be credited to accounts only at the time of calculation of a payable benefit. Interest will be calculated based on the balance of the participant's contributions and previously earned interest as of December thirty-first of each year until a lump sum is paid or an annuity commences. Pro rata interest is credited for the final partial year in which the payment of the benefit commences. Effective the first business day of the second quarter of 2012, the compounded interest rate shall be adjusted quarterly at a rate based on the "10-Year U.S. Treasury Note Business Day Series," as published by the board of governors of the federal reserve. In no event, however, shall the rate of interest exceed five per cent.
- (3) Matching contributions are the amount equal to the participant contributions deducted from the salary of the OP&F retirant, together with interest credited thereon consistent with the provisions of paragraph (F)(2) of this rule. For purposes of this paragraph, "salary" shall have the same meaning as set forth in division (L) of section 742.01 of the Revised Code.
- (4) The lump sum value shall be the sum of the participant contributions with interest and the matching contributions.
- (5) The annuity form shall consist of the actuarial present value of which is equal to two times the sum of all amounts deducted from the salary of the OP&F or other system retirant, plus interest credited thereon at a rate determined by the board, less contributions excluded under division (D) of section 742.26 of the Revised Code. For purposes of this paragraph, "salary" shall have the same meaning as division (L) of section 742.01 of the Revised Code.
- (6) The mortality table used for the annuity is based on the morality assumption for healthy post-retirement members as stated in OP&F's most recent actuarial valuation, which is currently the 1994 group annuity mortality table (female only), set forward two years for all retirants.
- (7) The interest rate used to calculate the annuity will be the assumed rate of return defined in



OP&F's most recent actuarial valuation.

(G) For those reemployed retirants who have not attained the age of sixty, the calculation criteria for the reemployed retirant benefits under division (H) of section 742.26 of the Revised Code is as follows:

(1) The lump sum value shall be the sum of the participant contributions, less the matching contributions, plus interest.

(2) The interest rate shall be calculated according to paragraph (F)(2) of this rule.

(H) If an OP&F retirant or other system retirant dies after terminated employment subject to section 742.26 of the Revised Code but before being eligible to receive a defined contribution plan benefit, then the retirant's surviving spouse, or if there is no surviving spouse, the retirant's estate, shall be paid a lump sum payment in accordance with division (F)(2) of section 742.26 of the Revised Code effective the first of the month following the reemployed retirant's date of death.

(I) A reemployed retirant who is not subject to the spousal consent requirement provided in division (F)(2)(a) of section 742.26 of the Revised Code and who selects the plan of payment provided in division (F)(2)(b)(ii) of section 742.26 of the Revised Code shall designate a sole beneficiary at the time the plan is selected and shall also select the portion of the retirants lesser retirement allowance to be paid to the sole beneficiary after the retirants death. The portion of the retirants lesser retirement allowance shall be expressed as a percentage, which may be any percentage from one to one hundred.

(J) A reemployed retirant who elects to receive a monthly annuity as provided in division (F)(2) of section 742.26 of the Revised Code shall not be permitted to designate multiple beneficiaries when selecting a plan of payment.