



## Ohio Administrative Code

### Rule 742-5-07 Service credit purchases and transfers.

Effective: September 11, 2020

---

(A) For purposes of sections 742.21 and 742.251 of the Revised Code, a "purchase" shall mean that the Ohio police and fire pension fund ("OP&F") member withdrew his/her contributions from the applicable retirement system or out-of-state or local government and a "transfer" shall mean that the OP&F member maintained his/her contributions with the applicable retirement system.

(B) For purposes of divisions (B) and (C) of section 742.21 of the Revised Code, "amount withdrawn" shall mean contributions paid by the member to the applicable retirement system for service credit, which are later withdrawn from that retirement system by the member, but shall not include interest paid to the member on such contributions by the withdrawing retirement system. In no event, however, shall this definition impact OP&F's right to the payment of interest according to that section the Revised Code.

(C) For purposes of determining whether an OP&F member is not receiving a pension or benefit payment, as outlined in sections 742.21 and 742.251 of the Revised Code, OP&F will rely upon its books and records.

(D) For purposes of determining "full-time service," OP&F shall request the employer and the member to certify the full-time service, but in any event, OP&F will determine that the contributing credit was for "full-time service." In order for the service to be "full-time", as provided for in divisions (A) and (B) of section 742.01 of the Revised Code: (1) the service credit to be purchased or transferred must have been rendered while employed in a full-time public position; and (2) the individual must meet the criteria for "full-time contributing service," as outlined in rule 742-5-03 of the Administrative Code. OP&F will prorate service credit for a member if the overall service is determined by OP&F to be full-time for occasions when the member failed to be compensated the minimum number of hours per week as set forth in paragraph (A)(2) of rule 742-5-03 of the Administrative Code.

(E) As required by section 742.21 of the Revised Code, in no event can credit be purchased or



directly transferred for employment in a part-time position. For purposes of meeting the definition of "full-time service" in section 742.21 of the Revised Code and this rule, periods of service in part-time positions cannot be combined to equal "full-time service."

(F) Credit may not be purchased or directly transferred for periods of employment concurrent with any employment for which the member has already received OP&F service credit.

(G) Subject to the other provisions of this rule, an OP&F member who is not receiving a pension or benefit payment from OP&F may purchase qualifying service credit for periods of full-time service in a full-time public position as a member of a state or municipal retirement system in the state of Ohio, provided that such service credit has been canceled by the system in which it was earned.

(H) Subject to the provisions of section 742.251 of the Revised Code and the other provisions of this rule, an OP&F member who is not receiving a pension or benefit payment from OP&F may purchase qualifying service credit for periods of full-time service in a full-time public position as an employee of an entity of an out-of-state or local government, or of an entity of the United States government, provided that such service credit is not used in the calculation of any public or private retirement benefit, other than federal social security benefits.

A member who chooses to purchase service credit under this paragraph rather than transferring the qualifying service credit under paragraph (I) of this rule is entitled to be granted service credit for periods of active duty military service, as provided for in section 742.521 of the Revised Code.

(I) To initiate the transfer of eligible service credit to OP&F under section 742.21 of the Revised Code, the member shall initiate the request with the transferring retirement system. Within a reasonable time from OP&F's receipt of the ledger of contributions and the employer address from the transferring system, OP&F will send a transfer packet to the member containing a certification to be completed and signed by the member and a certification to be completed by the employer where the service credit that is being transferred was earned. The certification forms should be returned together to OP&F. Upon receipt of this information, OP&F will then review the certifications and ledger information and notify the transferring system of the eligible service credit that should be transferred pursuant to section 742.21 of the Revised Code. In the event that the transferring system transfers monies to OP&F without OP&F's review and approval, OP&F reserves the right to reject



service credit that does not meet the criteria for "full-time," as outlined in this rule.

(J) To initiate the purchase of eligible service credit from OP&F, the member shall notify OP&F to request a cost to purchase the service credit. Within a reasonable time period of such notice, OP&F will send the member a purchase packet containing a certification to be completed and signed by the member and a certification to be completed by the member's employer(s) where the purchasable service credit was earned. The certification forms should be returned together to OP&F.

Notwithstanding these certifications, OP&F will review the documentation and determine if the service is "full-time," as required by section 742.21 of the Revised Code, and as more fully outlined in this rule. Once OP&F determines the service credit meets the statutory and administrative requirements, OP&F will provide the eligible member with a cost statement. Once the member purchases the service credit, OP&F will bill the former system for monies associated with the purchase, as required by section 742.21 of the Revised Code. In the event that the former system pays the monies to OP&F without OP&F's review and approval, OP&F reserves the right to reject service credit that does not meet the criteria for "full-time," as outlined in this rule.

(K) For purposes of division (K) of section 742.21 of the Revised Code, purchased service credit not only includes purchased service credit, but it shall also include service credit transferred by the Cincinnati retirement system, a non-uniform retirement system, or the other uniform retirement system to OP&F.

(L) The interest rate charged for the purchase of civilian service credit shall be the actuarial interest assumption adopted by the board.