

**Amendment Two to the
Public Employees Retirement System of Ohio
Defined Contribution Plan**

WHEREAS, the Public Employees Retirement System of Ohio Defined Contribution Plan (“Plan”) was originally effective January 1, 2003;

WHEREAS, the Public Employees Retirement Board, as Trustees of the Plan (“Trustees”), reserved the right to amend the Plan pursuant to Article XXII of the Plan; and

WHEREAS, the Trustees now desire to amend the Plan due to the provisions of Substitute House Bill 98 of the 125th General Assembly and Amended House Bill 10 of the 126th General Assembly;

NOW, THEREFORE, the Plan is hereby amended as follows, effective October 27, 2006:

1. **Section 9.02(a) of the Plan**, describing Payment Options for Accounts, is hereby amended to be and read as follows:

(a) Subject to Article X and section 145.92 of the Ohio Revised Code, a Participant may select from payment options in the form of a partial lump sum, subject to any rules adopted by the Board; monthly annuity payments (with joint and survivor options); periodic payments over a period certain; periodic payments of a specific monthly amount; payments with a deferred start date; or a combination of these options. An unmarried Participant who fails to select a payment option under this Section shall be paid in accordance with Section 8.01. Unless the Participant is eligible to or required to elect another payment option as described in this Section, a married Participant shall receive a monthly joint and survivor annuity, which shall consist of the actuarial equivalent of the Participant's single life annuity based on the Participant's Vested Accounts in a lesser amount payable for life and one-half of such annuity continuing after death to the Participant's surviving spouse for the life of the spouse.

2. **Section 9.02(b) of the Plan**, describing Payment Options for Accounts, is hereby amended to be and read as follows:

(b) A married Participant may elect to receive the Participant's Vested Accounts under a payment option other than a monthly joint and survivor annuity if either of the following are the case: the Participant's spouse consents in writing to the Participant's election of a payment option other than a monthly joint and survivor annuity or the Board waives the requirement that the spouse consent; or a plan of payment providing for payment in a specified portion of a monthly annuity continuing after the Participant's death to a former spouse is required by a court order issued under section 3105.171 or 3105.65 of the Ohio Revised Code or the laws of another state regarding division of marital property prior to the Effective Date of the Participant's Retirement.

If a Participant is required to select a monthly annuity plan of payment providing for

payment in a specified portion to a former spouse and the Board has received a copy of the order described in this Section, the Board shall accept the Participant's election of a plan of payment under this Section only if the Participant complies with both of the following: the Participant elects a monthly annuity plan of payment that is in accordance with the order described in this Section; and, if the Participant is married, the Participant elects a monthly annuity plan of payment and designates the Participant's current spouse as a Beneficiary under that plan of payment unless that spouse consents in writing to not being designated a Beneficiary under any payment option or the Board waives the requirement that the current spouse consent.

An application for a benefit under this Article shall include an explanation of all of the following:

- (1) That, if the Participant is married, unless the spouse consents to another payment option or there is a court order dividing marital property issued under section 3105.171 or 3105.65 of the Ohio Revised Code or the laws of another state regarding the division of marital property that provides for payment in a specified amount, the Participant's benefit under this Article will be paid as a monthly joint and survivor annuity, which consists of the actuarial equivalent of the Participant's single-life annuity based on the Participant's Vested Accounts in a lesser amount payable for life and one-half of the benefit continuing after death to the surviving spouse for the life of the spouse;
- (2) A description of the alternative payment options available with the consent of the spouse;
- (3) That the spouse may consent to another payment option and the procedure for giving consent;
- (4) That consent is irrevocable once notice of consent is filed with the Board.

Consent shall be valid only if it is signed, in writing, and witnessed by a notary public. The Board may waive the requirement of consent if the spouse is incapacitated or cannot be located or for any other reason specified by the Board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

3. **Section 9.02(d) of the Plan**, describing Payment Options for Accounts, is hereby amended to be and read as follows:

(d) The death of a spouse or any designated Beneficiary following commencement of benefits under this Section shall cancel ~~any the portion of the monthly annuity plan of payment option to provide~~ providing continuing lifetime benefits to the deceased spouse or deceased designated Beneficiary and return the. The retired Participant ~~to shall receive the actuarial equivalent of the retired Participant's single life annuity equivalent, as determined by the Board, to based on the number of remaining Beneficiaries, with no change in the amount payable to any remaining Beneficiary.~~ The change shall be effective the month following receipt by the Board of notice of the date of death.

4. **Section 9.02(e) of the Plan**, describing Payment Options for Accounts, is hereby amended to be and read as follows:

(e) On divorce, annulment, or marriage dissolution, a retired Participant receiving benefits under this Section under a monthly annuity plan of payment option that provides for continuation of all or part of the benefits after death for the lifetime of the retired Participant's surviving spouse may, with the written consent of the spouse or pursuant to an order of the court with jurisdiction over the termination of the marriage, elect to cancel the portion of the monthly annuity plan and of payment providing continuing lifetime benefits to that spouse. The retired Participant shall receive the actuarial equivalent of the retired Participant's single life annuity equivalent, as determined by the Board, based on the number of remaining Beneficiaries, with no change in amount payable to any remaining Beneficiary. The election shall be made on an Applicable Form and shall be effective the month following its receipt by the Board.

5. **Section 9.02(f) of the Plan**, describing Payment Options for Accounts, is hereby amended to be and read as follows:

(f) Following a marriage or remarriage, a both of the following apply:

(1) A retired Participant who is receiving benefits in the form of a monthly single life annuity may elect a new monthly annuity plan of payment option under this Article based on the actuarial equivalent of the retired Participant's single life annuity, as determined by the Board.

(2) A retired Participant who is receiving a benefit under a monthly annuity plan of payment providing for payment to a former spouse pursuant to a court order described in Section 9.02(b) may elect a new plan of payment providing for payment to a former spouse based on the actuarial equivalent of the retired Participant's single life annuity as determined by the Board if the new plan of payment elected does not reduce the payment to the former spouse.

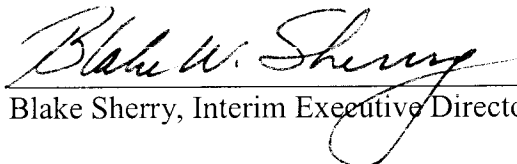
If the marriage or remarriage occurs on or after June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage.

The new plan of payment option shall be become effective the first day of the month following on the date of receipt by the Board of an Applicable Form, but any change in the amount of the benefit shall commence on the first day of the month following the effective date of the plan of payment.

6. In all other respects the Plan shall be and remain unchanged.

IN WITNESS WHEREOF the undersigned has executed this Amendment on the date indicated:

9-28-06
Date


Blake Sherry, Interim Executive Director