

**Amendment One to the  
Public Employees Retirement System of Ohio  
Combined Defined Benefit/Defined Contribution Plan**

WHEREAS, the Public Employees Retirement System of Ohio Combined Defined Benefit/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 XXV of the Plan; and

WHEREAS, the Trustees now desire to amend the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows, effective January 1, 2003:

1. **Section 1.18 of the Plan**, describing Definitions, is hereby amended to be and read as follows:

**1.18** **"Employees' Savings Fund"** means the employees' savings fund established under section 145.23 of the Ohio Revised Code. There shall be separate accounts in the Employees' Savings Fund for this Plan and the Defined Benefit Plan.

2. **Section 2.02(a) of the Plan**, describing Eligibility of Members or Contributors, is hereby amended to be and read as follows:

(a) Except as provided in subsection (c), a Member or Contributor of the System who, as of the last day of the month immediately preceding the Effective Date, has less than five (5) years of Total Service Credit, may elect to become a Participant in this Plan not later than one hundred eighty (180) days after the Effective Date. An election shall be made in writing on an Applicable Form provided by and filed with the System or, if designated by the Administrator, the Service Manager. If a form evidencing an election under this Section is not received on or before the end of the one hundred eighty (180) day election period, a Member or Contributor is deemed to have elected to continue participating in the Defined Benefit Plan. On the request of a Member or Contributor who makes an election to participate in this Plan, the System shall:

- (1) Credit to the Participant Contribution Account the Accumulated Contributions standing to the credit of the Member or Contributor in the Employees' Savings Fund and any other amounts standing to the credit of the Member or Contributor in a fund under section 145.23 of the Ohio Revised Code, other than deposits made by the Member or Contributor under division (C) of section 145.23 of the Ohio Revised Code;

- (2) Credit to the Miscellaneous Contribution Account any deposits made by the Member or Contributor under division (C) of section 145.23 of the Ohio Revised Code;
- (3) Cancel all service credit and eligibility for any payment, benefit, or right under the Defined Benefit Plan with respect to amounts described in (a)(1) of this Section.

A request to transfer the amounts described in this section shall be made at the time the member files an election under this Section. For each Participant who elects to transfer the amounts described in (a)(1) of this Section, the Participant shall receive Years of Contributing Service in an amount which corresponds to the amounts transferred under (a)(1) of this Section for purposes of determining both of the following: (1) eligibility for a benefit under Article IX in an amount which corresponds to the amounts transferred under (a)(1) of this Section and (2) eligibility for and calculation of a benefit under Articles X and XI.

3. **Section 2.02(e) of the Plan**, describing Eligibility of Members or Contributors, is hereby amended to be and read as follows:

(e) Member or Contributor of the Defined Benefit Plan who elects under this Section to participate in the Plan and transfer the amounts described in Section 2.01(a) shall be ineligible for any benefit or payment under the Defined Benefit Plan and shall be forever barred from claiming or purchasing service within the Defined Benefit Plan or any other Ohio state retirement system, as defined in section 145.30 of the Revised Code, for service covered by the election, unless otherwise permitted as a result of a change of election under Section 2.03

4. **Section 3.05 of the Plan**, describing Service Purchases, is hereby amended to be and read as follows:

**3.05 Service Purchases.** Subject to rules adopted under section 145.80 of the Ohio Revised Code, a Participant may purchase any service credit available under the Defined Benefit Plan, as provided in Chapter 145. of the Ohio Revised Code, based on the formula set forth in Chapter 145. (provided that, if such formula is based upon the cost of the additional liability, it shall be based upon the formula described in Section 9.03), and subject to the appropriate limitations under Code Section 415. Amounts paid under this Section shall be deposited to the Member's credit in the Employees' Savings Fund or any other appropriate fund under section 145.23 of the Ohio Revised Code. Any amounts paid by the Participant under this Section shall be considered the Accumulated Contributions of the Participant and shall earn interest in accordance with section 145.471 of the Ohio Revised Code.

5. **Section 3.06 of the Plan**, describing Restoration, is hereby amended to be and read as follows:

**3.06 Restoration.** Subject to rules adopted under section 145.80 of the Ohio Revised Code, a Participant may redeposit amounts withdrawn from this Plan in order to restore service credit in this Plan, as provided in section 145.97(B) of the Ohio Revised Code. Amounts paid under this Section shall be deposited to the Member's credit in the Employees' Savings Fund or any other appropriate fund under section 145.23 of the Ohio Revised Code. Any amounts paid by the Participant under this Section shall be considered the Accumulated Contributions of the Participant and shall earn interest in accordance with section 145.471 of the Ohio Revised Code.

6. **Section 6.01 of the Plan**, describing Transfers from the Combined Plan to the Public Employees Retirement System of Ohio Defined Benefit Plan, is hereby amended to be and read as follows:

**6.01 Transfer from this Plan to the Defined Benefit Plan.** Not later than one hundred eighty days after the effective date of an election to transfer under Section 2.03, a Participant in this Plan who has elected to become a participant in the Defined Benefit Plan under Section 2.03 may transfer funds from this Plan to the Defined Benefit Plan in order to purchase service credit in the Defined Benefit Plan for the Participant's Years of Contributing Service in this Plan. The Actuary shall determine the total amount of additional liability for each Year of Contributing Service which is eligible for purchase.

A Participant may transfer funds from the following Accounts to purchase service credit in the Defined Benefit Plan as calculated under this Section: Participant's Contribution Account, Miscellaneous Contribution Account, or Rollover Account. For each Participant who elects to transfer funds to purchase service credit under this Section and who, as of the effective date of an election to transfer under Section 2.03, meets the service credit requirements specified in Section 8.02(a) or (b), the System shall transfer from the Employers' Accumulation Fund to the Defined Benefit Plan an amount equal to the amount the Participant would have been entitled to receive under Section 8.02 had the Participant terminated public service and met all other requirements of Article VIII. All transfers under this Section shall be made in accordance with section 145.814 of the Revised Code and are subject to the applicable provisions of the Defined Benefit Plan and any rules adopted by the Board. For each Year of Contributing Service in this Plan that is purchased in the Defined Benefit Plan, the Administrator shall cancel a corresponding Year of Contributing Service in this Plan. If a Participant who elected a transfer of accumulated contributions under Section 2.02(a)(1) also transfers funds from this Plan to the Defined Benefit Plan under this Section, all or a portion of the Participant Contribution Account shall be used to restore the cancelled service credit described in Section 2.02(a)(3) in accordance with rules adopted by the Board.

For each Participant who elects to transfer funds under this Section, any amounts paid under Section 3.05 or 3.06 shall be credited to the Defined Benefit Plan and deposited into the Employees' Savings Fund. If the amounts paid by the Participant under those

Sections are less than the amounts that would have been paid had the Participant made the payments as a Participant in the Defined Benefit Plan, the Participant may elect to receive a pro-rated amount of service credit under the Defined Benefit Plan or may make an additional payment to equal the difference in order to receive the full amount of service credit.

7. **Section 9.03(e) of the Plan**, describing Payment of Retirement Allowance, is hereby amended to be and read as follows:

(e) A Participant who is eligible for a Retirement Allowance under this Section shall elect a plan of payment on a form provided by the Board. A plan of payment elected under this Section shall be effective only if approved by the System, which shall approve it only if it is certified by an Actuary engaged by the Board to be the actuarial equivalent of the Retirement Allowance calculated under this Section:

- (1) Unless the Participant is eligible to elect another plan of payment, a Participant who retires under this Section shall receive a Retirement Allowance under "plan A," which shall consist of the actuarial equivalent of the Participant's Retirement Allowance determined under this Section in a lesser amount payable for life and one-half of such allowance continuing after death to the Participant's surviving spouse for the life of the spouse. A Participant may elect to receive the Participant's Retirement Allowance under a plan of payment other than "plan A" if the Participant is not married or either the Participant's spouse consents in writing to the Participant's election of a plan of payment other than "plan A" or the Board waives the requirement that the spouse consent. An application for Retirement shall include an explanation of all of the following:
  - (i) That, if the Participant is married, unless the spouse consents to another plan of payment, the Participant's Retirement Allowance will be paid under "plan A," which consists of the actuarial equivalent of the Participant's Retirement Allowance in a lesser amount payable for life and one-half of the allowance continuing after death to the surviving spouse for the life of the spouse;
  - (ii) A description of the alternative plans of payment, including all plans described in Section 9.02(e)(2) and (3), available with the consent of the spouse;
  - (iii) That the spouse may consent to another plan of payment and the procedure for giving consent;



- (iv) 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.

- (2) A Participant eligible to elect to receive the Participant's Retirement Allowance under a plan of payment other than "plan A" shall receive the Participant's Retirement Allowance under the plan described in Section 9.03(e)(3) or one of the following plans elected at the time the Participant makes application for Retirement:

- (i) "Plan B," which shall consist of a Retirement Allowance determined under this Section;

- (ii) "Plan C," which shall consist of the actuarial equivalent of the Participant's Retirement Allowance determined under this Section in a lesser amount payable for life and one-half or some other portion of the Retirement Allowance continuing after death to the Participant's sole surviving Beneficiary designated at the time of the Participant's Retirement, provided that the amount payable to the Beneficiary does not exceed the amount payable to the Participant;

- (iii) "Plan D," which shall consist of the actuarial equivalent of the Participant's Retirement Allowance determined under this Section in a lesser amount payable for life and continuing after death to a surviving Beneficiary designated at the time of the Participant's Retirement;

- (iv) "Plan E," which shall consist of the actuarial equivalent of the Participant's Retirement Allowance determined under this Section in a lesser amount payable for a certain period from the Participant's Retirement date, as elected by the Participant and approved by the Board, and on the Participant's death before the expiration of that certain period, the Participant's lesser Retirement Allowance payable for the remainder of that period to the Participant's surviving designated Beneficiary nominated by written designation filed with the Board. Should the nominated Beneficiary die prior to the expiration of the guarantee period, then for the purpose of completing payment for the remainder of the guarantee period, the present value of such

payments shall be paid to the estate of the Beneficiary last receiving.

- (3) Beginning on a date selected by the Administrator, which shall not be later than July 1, 2004, a Participant may elect to receive a Retirement Allowance under a plan of payment consisting of both a lump sum in an amount the Participant designates that constitutes a portion of the Participant's Retirement Allowance under a plan of payment described in this Section and the remainder as a monthly allowance under that plan. The total amount paid as a lump sum and a monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected. The lump sum designated by the Participant shall be not less than six (6) times and not more than thirty-six (36) times the monthly amount that would be payable to the Participant under the plan of payment elected by the Participant had the lump sum not been elected and shall not result in a monthly Allowance that is less than fifty percent (50%) of that monthly amount.
- (4) An election under (e)(2) or (e)(3) of this Section shall be made at the time the Participant makes application for Retirement.
- (5) A Participant eligible to elect to receive the Participant's Retirement Allowance under a plan of payment other than "plan A" because the Participant is unmarried who fails to elect a plan of payment shall receive the Participant's Retirement Allowance under "plan B."
- (6) If a Retirement Allowance, regardless of the plan of payment, due and paid is in a total amount less than the amounts paid by the Participant under Sections 3.05 or 3.06, if any, as provided by this Plan, then the difference between the total amount of the Allowance paid and those deposits shall be paid to the Beneficiary.

8. **Section 10.03 of the Plan**, describing Disability Benefits, is hereby amended to be and read as follows:

**10.03 Disability Benefit Options.** If the Board determines that a Participant who applies for a disability benefit under section 10.02 is disabled and is eligible for a benefit under section 145.36 or 145.361 of the Ohio Revised Code, as applicable, the Participant shall elect one (1) of the following options:

- (a) To transfer to the Defined Benefit Plan and receive disability benefits under section 145.36 or 145.361 of the Ohio Revised Code, as applicable. Upon election to transfer, the system shall determine the ~~present value of all payments to be made~~

reserves necessary to be transferred on account of the disability benefit and shall credit to the Defined Benefit Plan the following:

(1) To the Employees' Savings Fund, the Participant's Contribution Account and any amounts paid by the Participant under Section 3.05 or 3.06 of this Plan.

(2) To the Employers' Accumulation Fund, an amount paid from this Plan's account in the Employers' Accumulation Fund equal to the ~~present value of all payments to be made~~ reserves necessary to be transferred on account on account of the disability benefit less the amounts described in (a)(1) of this Section.

(3) The Participant's Rollover Account and Miscellaneous Contribution Account shall be deposited in accordance with division (C) of section 145.23 of the Ohio Revised Code.

A Participant who elects to transfer shall forfeit all rights to a benefit under this Plan and shall become a Participant in the Defined Benefit Plan. If a Participant who elected a transfer of accumulated contributions under Section 2.02(a)(1) also transfers funds from this Plan to the Defined Benefit Plan under this Section, all or a portion of the Participant Contribution Account shall be used to restore the cancelled service credit described in Section 2.02(a)(3) in accordance with rules adopted by the Board. After all amounts described in (1) to (3) of this section have been credited to the Defined Benefit Plan, all service credit earned or purchased by the Participant under this Plan shall be treated as if the credit was earned or purchased under the Defined Benefit Plan.

(b) To receive as a lump sum any amounts to which the Participant would be entitled when the Participant's Public Service Terminates under Article VIII. If at the time of the election the Participant is eligible for a benefit under Article IX, the Participant may request that the amounts be paid under a payment option under that Article

9. **Section 11.02 of the Plan**, describing Survivor Benefits, is hereby amended to be and read as follows:

**11.02 Survivor benefits.** Subject to the provisions of division (C)(1) of section 145.45 of the Ohio Revised Code, in lieu of accepting payment of the sums payable to the Participant under Article VIII, a Beneficiary, as determined under Article XIII, may elect to forfeit the sums payable under Article VIII and to substitute certain other benefits under division (A) or (B) of section 145.45 of the Ohio Revised Code subject to the requirements of that section. If a deceased Participant and Beneficiary meet the requirements of section 145.45 of the Ohio Revised Code, the Beneficiary may elect to transfer to the Defined Benefit Plan and to receive survivor benefits under that section.

Upon election to transfer, the system shall determine the ~~present value of all payments to be made~~ reserves necessary to be transferred on account of the survivor benefit and credit to the Defined Benefit Plan the following:

(a) To the Employees' Savings Fund, the Participant's Contribution Account and any amounts paid by the Participant under Section 3.05 or 3.06 of this Plan.

(b) To the Employers' Accumulation Fund, an amount paid from this Plan's account in the Employers' Accumulation Fund equal to the ~~present value of all payments to be made~~ reserves necessary to be transferred on account of the survivor benefit less the amounts described in (a)(1) of this Section.

The Participant's Rollover Account and Miscellaneous Contribution Account shall be paid to the Beneficiary in the form of a lump-sum.

A Beneficiary who elects to transfer shall forfeit all rights under this Plan and shall become a Beneficiary under the Defined Benefit Plan. If the deceased Participant elected a transfer of accumulated contributions under Section 2.02(a)(1) and the Beneficiary elects to transfer from this Plan to the Defined Benefit Plan under this Section, all or a portion of the Participant Contribution Account shall be used to restore the cancelled service credit described in Section 2.02(a)(3) in accordance with rules adopted by the Board. After the amounts described in (a) and (b) of this Section have been credited to the Defined Benefit Plan, all service credit earned or purchased by the deceased Participant under this Plan shall be treated as if the credit was earned or purchased under the Defined Benefit Plan.

10. **Article XII of the Plan**, describing Death Benefits, is hereby amended to be and read as follows:

#### **ARTICLE XII – DEATH BENEFIT**

~~On~~ Except as provided in this Article, on the death of a Participant receiving a Retirement Allowance under Section 9.03, a lump sum death benefit is available pursuant to section 145.451 of the Ohio Revised Code. ~~The survivor of a~~ For each Participant who transferred to the Plan from the Defined Contribution Plan ~~will not be eligible for a~~ under Section 6.02, the Beneficiary of the Participant is not eligible for the lump sum death benefit ~~until~~ described in this Article if the Participant made contributions under Section 3.02 for less than one (1) year following the date the Participant ~~began participation in~~ transferred to this Plan.

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



IN WITNESS WHEREOF the undersigned have executed this Amendment on the dates indicated:

8/26/03  
Date

Laurie Fiori Hacking  
Laurie Fiori Hacking, Executive Director