

**THE PUBLIC EMPLOYEES
RETIREMENT SYSTEM OF OHIO
COMBINED DEFINED BENEFIT/
DEFINED CONTRIBUTION PLAN**

Effective January 1, 2003

(Includes amendments adopted through January 1, 2022)

**THE PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO
COMBINED DEFINED BENEFIT/DEFINED CONTRIBUTION PLAN**

Whereas, the Public Employees Retirement Board is authorized by sections 145.80 and 145.81 of the Ohio Revised Code to establish within the Public Employees Retirement System one or more plans consisting of benefit options that provide for an individual account for each participating Member and under which benefits are based solely on the amounts that have accumulated in the account, and which may include options under which a Member participating in a plan may receive definitely determinable benefits;

Whereas, this Plan is established as a governmental plan under Section 414(d) of the Internal Revenue Code of 1986 ("Code"), as amended, and as a pension plan for the exclusive benefit of Members and their Beneficiaries which meets the requirements of Section 401(a) of the Code and its implementing regulations;

Whereas, assets of the Plan must be held in trust, with the Public Employees Retirement Board acting as trustee;

Whereas, the Plan is established in addition to any retirement, pension, deferred compensation, or other benefit plan administered by the Board, the State, or a political subdivision; and

Whereas, the Board has the powers and shall perform the duties regarding the Plan as provided in sections 145.80 and 145.81 of the Ohio Revised Code, as applicable, and as provided in Title 1, Chapter 145. of the Ohio Revised Code, as applicable;

Now, therefore, effective January 1, 2003, the Public Employees Retirement Board hereby establishes the Public Employees Retirement System of Ohio Combined Defined Benefit/Defined Contribution Plan under Code Section 401(a). The Plan is a defined benefit arrangement that provides retirement benefits to a Participant based in part on contributions to a Member's individual Accounts and the earnings therein and in part on a Final Average Salary defined benefit formula. The Plan consists of the provisions set forth in this document, the following sections of Chapter 145. of the Ohio Revised Code, and any rules adopted pursuant to section 145.80 of the Ohio Revised Code: 145.80 through 145.98; 145.01 to 145.20, 145.22, 145.221 [145.22.1], 145.23, 145.25, 145.26, 145.27, 145.296 [145.29.6], 145.38, 145.384 [145.38.4], 145.391 [145.39.1], 145.431 [145.43.1], 145.47, 145.48, 145.483 [145.48.3], 145.51, 145.52, 145.53, 145.54, 145.55, 145.56, 145.563 [145.56.3], 145.57, 145.571 [145.57.1], 145.572 [145.57.2], 145.69, and 145.70. Beginning January 1, 2022, the Plan will no longer allow individuals who become employed after that date to select the Plan; however, the Plan will be maintained for members participating in the Plan as of December 31, 2021.

(Preamble amended: 1/7/13, 3/23/15, 1/1/22)

ARTICLE I - DEFINITIONS

1.01 "Accounts" means the accounts maintained by the Administrator for each Participant in the Plan. Each Participant shall have a Participant Contribution Account, Rollover Account, and Miscellaneous Contribution Account, all of which shall be held in the Defined Contribution Fund.

1.02 "Accumulated Contributions" has the same meaning as set forth in section 145.01 of the Ohio Revised Code.

1.03 "Active Participant" means a Participant who is currently making contributions to this Plan under section 145.85 of the Ohio Revised Code.

1.04 "**Actuary**" has the same meaning as set forth in section 145.01 of the Ohio Revised Code.

1.05 "**Administrator**" means the Public Employees Retirement Board or the Public Employees Retirement System, as appropriate.

1.06 "**Applicable Form**" means the appropriate form as designated and furnished by the Administrator to make an election or provide a notice as required by the Plan, including a form in electronic medium.

1.07 "**Beneficiary**" or "**Beneficiaries**" means the person or persons designated by a Participant pursuant to an Applicable Form to receive any benefit payable upon the Participant's death or, in the absence of such a designation, the person, persons, or estate who, pursuant to the terms of this Plan, qualifies for or is receiving a right or benefit under this Plan.

1.08 "**Board**" means the Public Employees Retirement Board, as established by section 145.04 of the Ohio Revised Code.

1.09 "**Code**" means the provisions of the Internal Revenue Code of 1986, as amended, applicable to governmental plans and, where appropriate, the Internal Revenue Code of 1954.

1.10 "**Contributor**" has the same meaning as set forth in section 145.01 of the Ohio Revised Code.

1.11 "**Defined Benefit Plan**" means the Public Employees Retirement System of Ohio Defined Benefit Plan established and described in sections 145.201 through 145.79 of the Ohio Revised Code.

1.12 "**Defined Contribution Fund**" means the defined contribution fund established under section 145.23 of the Ohio Revised Code.

1.13 "**Defined Contribution Plan**" means the Public Employees Retirement System of Ohio Defined Contribution Plan established pursuant to sections 145.80 through 145.98 of the Ohio Revised Code.

1.14 "**Disability**" or "**Disabled**" has the same meaning as set forth in section 145.35 of the Ohio Revised Code.

1.15 "**Earnable Salary**" has the same meaning as set forth in section 145.01 of the Ohio Revised Code and section 145-1-26 of the Ohio Administrative Code, but does not include any remuneration in excess of the limits established by Code Section 401(a)(17).

1.16 "**Effective Date**" means January 1, 2003.

1.17 "**Employee**" means a public employee, as defined in section 145.01 of the Ohio Revised Code.

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.

(Section 1.18 amended: 8/26/03)

1.19 "**Employer**" or "**Public Employer**" has the same meaning as set forth in section 145.01 of the Ohio Revised Code. There shall be separate accounts in the Employees' Savings Fund for this Plan and the Defined Benefit Plan.

1.20 "**Employers' Accumulation Fund**" means the employers' accumulation fund established under section 145.23 of the Ohio Revised Code. There shall be separate accounts in the Employers' Accumulation Fund for this Plan and the Defined Benefit Plan.

1.21 "**Final Average Salary**" has the same meaning as set forth in section 145.01 of the Ohio Revised Code. The number of years used in calculating Final Average Salary shall be determined under Section 3.10.

(Section 1.21 amended: 1/7/13)

1.22 "**PERS Public Safety Officer**" has the same meaning as set forth in section 145.01 of the Ohio Revised Code.

(Section 1.22 amended: 10/4/09)

1.23 "**Inactive Participant**" means a Participant who is not currently making contributions to this Plan under section 145.85 of the Ohio Revised Code.

1.24 "**Investment Option**" means an investment option selected and monitored by the Board which forms part of the Trust Fund.

1.25 "**PERS Law Enforcement Officer**" has the same meaning as set forth in section 145.01 of the Ohio Revised Code.

1.26 "**Member**" has the same meaning as set forth in section 145.01 of the Ohio Revised Code.

1.27 "**Miscellaneous Contribution Account**" means the account maintained by the Administrator for each Participant to which shall be credited any voluntary after-tax contributions made under Section 3.04.

1.28 "**Participant**" means a Member who is participating or has participated in this Plan and who still has an Account balance in this Plan.

1.29 "**Participant Contribution Account**" means the account maintained by the Administrator for each Participant to which shall be credited the contributions made under Section 3.03.

1.30 "**Plan**" means the Public Employees Retirement System of Ohio Combined Defined Benefit/Defined Contribution Plan established pursuant to sections 145.80 to 145.98 of the Ohio Revised Code and as described in this Plan document.

1.31 "**Plan Year**" means a calendar year.

1.32 "**Public Service Terminates**" has the same meaning as set forth in section 145.01 of the Ohio Revised Code.

1.33 "**Retirement**" means withdrawal from service with a Retirement Allowance granted under the provisions of the Plan.

1.34 "Retirement Allowance" means an annual payment for life, paid in twelve equal monthly installments, based upon a Final Average Salary defined benefit formula in Section 9.03 of the Plan and derived from contributions made by the Employer that at the time of Retirement are credited into the Annuity and Pension Reserve Fund from the Employers' Accumulation Fund and paid from the Annuity Pension and Reserve Fund.

1.35 "Rollover Account" means the account maintained by the Administrator for each Participant to which shall be credited any rollovers to the Plan pursuant to Article V, except rollovers to purchase or restore service credit as permitted under the Plan.

1.36 "Service Manager" means the individual or entity appointed by the Administrator to perform third-party service and administrative functions.

1.37 "State" means the State of Ohio.

1.38 "System" means the Public Employees Retirement System of Ohio.

1.39 "Total Service Credit" means the sum of the Participant's Years of Contributing Service and any service credit purchased or obtained under Section 3.05 or 3.06 of the Plan. As used in Section 2.03 of the Plan, "Total Service Credit" means the sum of the Participant's Total Service Credit in the Plan and, if applicable, the Participant's Years of Participation in the Defined Contribution Plan and Total Service Credit in the Defined Benefit Plan. For the exclusive purpose of satisfying the service credit requirement and of determining eligibility for benefits under Section 9.01 or 10.01, "five or more years of total service credit" means five or more Years of Contributing Service in this Plan for which credit is allowed under section 145.016 of the Revised Code. A member who, as of March 22, 2019, has sixty or more calendar months during which contributions were made and has attained age 60 shall be considered to have five or more years of total service credit for the purpose of satisfying the requirement and determining eligibility for benefits under Section 9.01 or 10.01 of the Plan.

(Section 1.39 amended: 1/1/09, 7/7/13, 3/22/19)

1.40 "Trust Fund" means all assets of the Plan.

1.41 "Year of Contributing Service" means a period of service for which contributions were made pursuant to Sections 3.02, 3.03, and 3.09 and includes Years of Participation purchased in this Plan under Section 6.02 of the Member-Directed Plan Document. For purposes of determining Total Service Credit in the Plan, a Year of Contributing Service shall be calculated in accordance with section 145.016 of the Revised Code and shall include service credit obtained under sections 145.295, 145.2911, or 145.2913 of the Revised Code.

Words used herein in the masculine or feminine gender shall be construed to include the feminine or masculine gender where appropriate and words used herein in the singular or plural shall be construed as being in the plural or singular where appropriate.

(Section 1.41 amended: 1/1/09, 1/3/11, 1/7/13, 3/22/19)

ARTICLE II - PARTICIPATION

2.01 Eligibility—Employment on or after Effective Date.

(a) Except as provided in subsection (c), an individual who becomes employed in a position subject to Chapter 145. of the Ohio Revised Code on or after the Effective Date but prior to January 1, 2022, may elect to become a Participant in this Plan not later than the earlier of one hundred eighty (180)

days after the date on which the individual's employment begins or December 31, 2021. An election shall be made on an Applicable Form filed with the System or, if designated by the Administrator, the Service Manager. An election shall be effective as of the date employment begins and, except as provided in Section 2.03 and section 145.814 of the Ohio Revised Code, is irrevocable on receipt.

(Section 2.01(a) amended: 1/7/13, 1/1/22)

(b) If a form evidencing an election under this Section is not received by the earlier of on or before the end of the one hundred eighty (180) day period or December 31, 2021, the individual is deemed to have elected to participate in the Defined Benefit Plan. An individual may only be an Active Participant of one of the following plans at any one time: the Defined Benefit Plan, the Defined Contribution Plan, or this Plan.

(Section 2.01(b) amended: 1/1/22)

(c) An individual is ineligible to make an election to participate in this Plan under this Section if one of the following applies:

- (1) The individual is a PERS retirant or other system retirant, as those terms are defined in section 145.38 of the Ohio Revised Code, or is retired under section 145.383 of the Ohio Revised Code;
- (2) The individual is participating in an alternative retirement plan under Chapter 3305. of the Ohio Revised Code and is employed in a position described in section 3305.05(E) of the Ohio Revised Code;
- (3) The individual has contributions standing to the individual's credit in the Employees' Savings Fund or Defined Contribution Fund;
- (4) The individual is employed in a position covered under Chapter 145. of the Ohio Revised Code to which section 145.193 of the Ohio Revised Code applies;
- (5) The individual is a PERS Law Enforcement Officer or PERS Public Safety Officer.

(Section 2.01(c) amended: 10/4/09, 1/7/13)

(d) Employee and employer contributions for each payroll period after the effective date of an election under this Section shall be credited in accordance with Section 3.02 and 3.03 of this Plan.

(e) An elective official of the State of Ohio or of any political subdivision thereof who, on or after the Effective Date but prior to January 1, 2022, elects to become a Member of the System, as described in section 145.20 of the Ohio Revised Code, may elect to participate in this Plan under this Section not later than the earlier of one hundred eighty (180) days after the elective official applies for membership or December 31, 2021. The election shall be effective as of the date the elective official applies for membership and, except as provided in Section 2.03 and section 145.814 of the Ohio Revised Code, is irrevocable on receipt by the System or, if designated by the Administrator, the Service Manager.

(Section 2.01(e) amended: 1/1/22)

2.02 Eligibility—Member or Contributor.

(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, as defined in section 145.01 of the Revised Code, 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 as that section existed immediately prior to April 6, 2007;
- (2) Credit to the Miscellaneous Contribution Account, or Rollover Account, as appropriate, any deposits made by the Member or Contributor under division (C) of section 145.23 of the Ohio Revised Code as that section existed immediately prior to April 6, 2007;
- (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 and (2) eligibility for and calculation of a benefit under Articles X and XI.

(Section 2.02(a) amended: 8/26/03, 1/1/09)

(b) An election under this Section shall take effect on the Effective Date and, except as provided in Section 2.03 and section 145.814 of the Ohio Revised Code, is irrevocable upon receipt.

(c) A Member or Contributor is ineligible to make an election under this Section if one of the following applies:

- (1) The individual is a PERS retiree who is a Member under section 145.38(C) of the Ohio Revised Code;
- (2) The individual is a PERS Law Enforcement Officer or PERS Public Safety Officer.

(Section 2.02(c) amended: 10/4/09)

(d) Employee and employer contributions for each payroll period after the effective date of an election under this Section shall be credited in accordance with Section 3.02 and 3.03 of this Plan.

(e) A 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 credit 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.

(Section 2.02(e) amended: 8/26/03)

2.03 Changes to Election.

(a) In addition to the elections under Sections 2.01 and 2.02, an Active Participant in this Plan may elect to become a participant in the Defined Benefit Plan or the Defined Contribution Plan as follows:

- (1) For elections effective on or before July 1, 2015, during the following periods of participation: once prior to attaining five (5) years of Total Service Credit; once after attaining five (5) and prior to attaining ten (10) years of Total Service Credit; and once after attaining ten (10) years of Total Service Credit, subject to this Section and rules adopted by the Board. An election which is not used within the specified period may not be made in a subsequent time period.
- (2) Regardless of the number of elections exercised under a prior version of this section, for elections effective on and after August 1, 2015, one election at any time prior to retirement under any of the plans defined in Rule 145-1-81 of the Administrative Code or refund from the Participant's current plan.

(Section 2.03(a) amended: 1/1/09, 3/23/15)

(b) A Participant who elects to cease active participation in this Plan and to become a participant in the Defined Benefit Plan or the Defined Contribution Plan shall only be entitled to the rights and benefits to which the Participant was entitled under this Plan as of the date the Participant ceases active participation in this Plan and begins participation in the other retirement plan; provided however, the Participant may continue to direct the investment of funds in the Participant's Accounts, and all investment gains, losses, and fees shall continue to be credited or charged to the Participant's Accounts in accordance with this Plan. The Participant's rights and benefits as of the date the Participant ceases active participation in this Plan shall continue to be governed by the terms of this Plan.

(c) An election to participate in the Defined Benefit Plan or the Defined Contribution Plan shall be made in writing on an Applicable Form and filed with the System. The election shall take effect on the first day of the month following the date the election is filed and is irrevocable on receipt by the System.

(d) Except as provided in this subsection, an election under this Section shall apply only to contributions made by or on behalf of the Participant after the effective date of the election. A Participant who makes an election to participate in the Defined Benefit Plan may elect to transfer the Participant's Accounts from this Plan to purchase service credit in the Defined Benefit Plan. Such transfer shall be made in accordance with Article VI and is subject to the applicable provisions of Chapter 145. of the Ohio Revised Code, the terms of the Defined Benefit Plan, and any applicable rules adopted by the Board.

2.04 Limit on Elections.

(a) Except as provided in Section 2.04(b) or section 3305.05(E) of the Ohio Revised Code, an election under Sections 2.01, 2.02, or 2.03 shall apply to all positions subject to Chapter 145. of the Ohio Revised Code for which the individual is currently contributing under sections 145.47 or 145.85 of the Ohio Revised Code.

(b) A Participant who is or becomes a PERS Law Enforcement Officer or PERS Public Safety Officer shall cease making contributions to this Plan. The Participant shall contribute only to the Defined Benefit Plan during the period of employment as a PERS Law Enforcement Officer or PERS Public Safety Officer for service in that position and any other position subject to Chapter 145. of the Ohio Revised Code. A Participant described in this Section with contributions on deposit in this Plan may elect to have those contributions deposited and credited in the Defined Benefit Plan in accordance with rules adopted by the Board.

(Section 2.04(b) amended: 10/4/09, 7/7/13)

(c) A Member who terminates all employment covered by Chapter 145. of the Ohio Revised Code, receives a refund of the Member's contributions under section 145.47 or 145.85 of the Ohio Revised Code, and later becomes employed in a position subject to Chapter 145. of the Ohio Revised Code prior to January 1, 2022, shall be entitled to make a new election under Section 2.01, subject to the requirements of this Article and the Ohio Revised Code.

(Section 2.04(c) amended: 1/1/22)

2.05 Termination of Plan Participation. A Participant shall cease to be a Participant in this Plan on a distribution under Articles VIII, IX, X, or XI.

2.06 Election Procedure. All elections to participate are governed by sections 145.19, 145.191, 145.192, 145.193, 145.194, and 145.814 of the Ohio Revised Code and rules adopted by the Board.

(Section 2.06 amended: 1/7/13)

ARTICLE III - CONTRIBUTIONS

3.01 Contributions. Contributions shall be made to the Plan in accordance with this Article and subject to the limitations under Article IV.

3.02 Employer Contributions. The Employer contribution to the Plan shall be a percentage of Earnable Salary as determined by the Board under sections 145.48 and 145.86 of the Ohio Revised Code less both of the following: (i) any amount required under section 145.87 of the Ohio Revised Code to mitigate any negative financial impact on the System of Members participation in this Plan, as determined by the Actuary, and (ii) any administrative fee established under Section 24.03. Contributions under this Section shall be deposited in the Employers' Accumulation Fund. For each Employee granted disability leave under a program sponsored by an Employer, the Employer shall make contributions pursuant to section 145.296 of the Ohio Revised Code.

(Section 3.02 amended: 1/7/13)

3.03 Mandatory Employee Contributions.

(a) The mandatory Employee contributions under the Plan shall be a percentage of Earnable Salary as determined by the Board under sections 145.47 and 145.85 of the Ohio Revised Code, less any administrative fee established under Section 24.03. Contributions under this Section shall be deposited into the Participant Contribution Account.

(b) Any Employer who picks up Employee contributions to the Defined Benefit Plan under Code Section 414(h)(2) shall pick up and pay the mandatory Employee contributions under this Section.

3.04 Voluntary Employee Contributions. Active Participants may also make additional after-tax contributions to the Miscellaneous Contribution Account, subject to the limitations in Article IV.

Deposits shall be credited to the current tax year, except that a deposit may be credit to the prior tax year if the deposit was received by the System or postmarked on or before December 31 of the prior tax year.

(Section 3.04 amended: 1/1/12)

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. Amounts paid by the member and credited to the Employees' Savings Fund shall earn interest in accordance with section 145.471 of the Ohio Revised Code.

(Section 3.05 amended: 8/26/03, 1/1/09)

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 of the Ohio Revised Code and rules adopted by the Board. 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, other than the amount distributed under Section 8.02, shall be considered the Accumulated Contributions of the Participant. Amounts paid by the member and credited to the Employees' Savings Fund shall earn interest in accordance with section 145.471 of the Ohio Revised Code.

(Section 3.06 amended: 8/26/03, 1/1/09, 1/7/13)

3.07 Payment of Contributions. The contributions and reports for each payroll period shall be transmitted to the System within such time as required by Chapter 145. of the Ohio Revised Code and any rules adopted thereunder. The Board shall establish policies and procedures for the remittance and collection of contributions.

3.08 Elected or Appointed Officials. When a Participant has been elected or appointed to an office, the term of which is two or more years, for which an annual salary is established, and in the event that the salary of the office is increased and the Participant is denied the additional salary by reason of any constitutional provision prohibiting an increase in salary during a term of office, the Participant may elect to have the amount of the Participant's and Employer's contributions calculated upon the basis of the increased salary for the office. At the Participant's request and on notification to the System, the Board shall compute the total additional amount the Participant and the Employer would have contributed, or the amount by which each of the Participant's and Employer's contributions would have increased, had the Participant received the increased salary for the office the Participant holds. If the Participant elects to have the combined amount by which the Participant's and Employer's contribution would have increased withheld from the Participant's salary, the Participant shall notify the Employer, and the Employer shall make the withholding commensurate with the period of denied salary and transmit it to the System.

The payment of the amount by which the Participant's contribution would have increased shall be credited to the Participant Contribution Account and the payment of the amount by which the Employer's contribution would have increased shall be credited to the Employers' Accumulation Fund and pursuant to any applicable Board rules. If a Participant dies or withdraws from service, the payment of the amount by which the Employer's contribution would have increased shall be considered the Accumulated Contributions of the Participant.

If the payment of the increased contributions is made in accordance with this Section, the increased annual salary as provided by law for the office for the period for which the Participant paid increased contributions shall be used in determining the Participant's Earnable Salary for the purpose of computing the Participant's Final Average Salary.

(Section 3.08 amended: 1/7/13)

3.09 Delinquent Contributions. Upon a finding that an Employer failed to deduct contributions pursuant to section 145.85 of the Ohio Revised Code during a period of employment for which such contributions were required, a statement of delinquent contributions shall be prepared showing the amount the Contributor and Employer would have contributed had regular payroll deductions been taken. Simple interest from the end of each calendar year at a rate equal to the assumed actuarial rate of interest at the time the statement is prepared shall be included. If delinquent contribution statements are paid later than thirty (30) days after the end of the calendar month in which they become an obligation of the Employer, any balance remaining shall be collected with penalties and interest pursuant to section 145.51 of the Ohio Revised Code, and subject to Article IV, as applicable.

(Section 3.09 amended: 4/6/07 and 1/7/13)

3.10 Final Average Salary. For a Participant eligible for a Retirement Allowance under Section 9.01(a) and (b), the number of years used in the calculation of Final Average Salary shall be three and the sum of the earnable salary for those years shall be divided by three. For a Participant eligible for a Retirement Allowance under Section 9.01(c), the number of years used in the calculation of Final Average Salary shall be five and the sum of the earnable salary for those years shall be divided by five. For purposes of calculating Final Average Salary for a benefit under Article X or XI, the number of years used to calculate those benefits shall be based on the Participant's attained age and years of service as of the effective date of the benefit or date of death.

(Section 3.10 enacted: 1/7/13)

3.11 Exempted service.

(a) Except as provided in this Section, a Participant with at least eighteen months of contributing service in the Plan who exempted himself or herself from membership in the system pursuant to section 145.03 may purchase credit for each year or portion of a year of service for which the Participant was exempted. A Participant may not purchase credit under this Section if the service was exempted from contribution under section 145.03 of the Revised Code and subject to the tax on wages imposed by the "Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 U.S.C.A. 3101, as amended.

(b) Credit shall be purchased under this section in accordance with section 145.29 of the Revised Code.

(c) Credit purchasable under this Section shall not exceed one year of service for any twelve-month period. If the period of service for which credit is purchasable under this section is concurrent with a period of service that will be used to calculate a retirement benefit from this system, the amount of the credit shall be adjusted in accordance with rules adopted by the Board.

(d) If a Participant dies or withdraws from service, any payment made by the Participant under this section shall be considered as Accumulated Contributions of the Participant.

(e) The Board shall adopt rules to implement this section.

(Section 3.11 amended: 7/7/13)

3.12 Military service.

(a) As used in this Section, "prisoner of war" and "reserves" have the same meanings as in section 145.301 of the Revised Code.

- (b) (1) A Participant may purchase service credit that shall be considered as the equivalent of Ohio service for each year or portion of a year of service incurred by reason of having been on active duty as a member of the armed forces of the United States, as defined in section 145.30 of the Revised Code.
- (2) On presentation of documentation of the service and subject to Board rules, a Participant may purchase service credit for each year or portion of a year of service incurred by reason of having been on active duty as a member of the reserves or the Ohio national guard for which the Participant is not eligible to purchase credit under division (b)(1) of this Section. Any credit purchased under this Section shall be considered as the equivalent of Ohio service credit. For purposes of division (b)(2) of this section, active duty in the reserves or the Ohio national guard includes assembly for drill and instruction; training at encampments, maneuvers, outdoor target practice, or other exercises; and any training or duty in this state ordered by the governor. Credit shall not be granted for any period of duty during which the Participant was contributing to the retirement system.
- (3) The credit may be purchased at any time prior to receipt of a retirement allowance. The number of years purchased shall not exceed five. The Participant may choose to purchase only part of such credit in any one payment, subject to Board rules.

(c) A Participant may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service such Participant was a prisoner of war. The number of years purchased under this Section shall not exceed five. Service credit may be purchased under this division for the same years of service used to purchase service credit under division (b) of this Section. The Participant may choose to purchase only part of such credit in any one payment, subject to Board rules.

(d) The total number of years purchased under this section shall not exceed the Participant's total years of Ohio service credit.

- (e) (1) For each year or portion of a year of service purchased under (b)(1) or (c) of this Section, the Participant shall pay to the System for credit to the Employees' Savings Fund an amount specified by the Board that shall be not less than fifty per cent of the additional liability resulting from the purchase of that year or portion of a year of service as determined by an actuary employed by the Board.
- (2) For each year or portion of a year of service credit purchased under (b)(2) of this section, the Participant shall pay to the System for credit to the Employees' Savings Fund an amount equal to one hundred per cent of the additional liability resulting from the purchase of that year or portion of a year of service as determined by an actuary employed by the Board.

The retirement system shall calculate the number of years or portion of a year of credit the Participant is eligible to purchase under division (b)(2) of this section by dividing the number of days actually served by three hundred sixty-five.

(f) A Participant is ineligible to purchase service credit under this section for any year of military service that was used to obtain service credit pursuant to section 145.30 or 145.302 of the Revised Code.

(Section 3.12 adopted: 7/7/13)

ARTICLE IV - LIMITATIONS ON CONTRIBUTIONS

4.01 Applicability of Article. Notwithstanding any provision of the Plan to the contrary, the Plan shall be administered so as to comply with Code Section 415 as provided in this Article.

4.02 Limitation on Annual Additions. Notwithstanding anything in the Plan to the contrary, the following limitations shall apply:

(a) To the extent required under Code Section 415(c), in no event shall the "annual addition," as defined in this Section for a Participant for any Plan Year, exceed the lesser of:

- (1) Forty Thousand Dollars (\$40,000), as adjusted, or
- (2) One hundred percent (100%) of the "compensation," as defined in this Section, of such Participant received during the Plan Year

(b) For purposes of this Section and subject to Code Section 415(h), all defined contribution plans of each Employer are to be treated as a single defined contribution plan.

(c) If the annual addition for a Participant under the Plan, determined without regard to the limitation of paragraph (a), would have been greater than the annual addition for such Participant as limited by paragraph (a), then the excess shall be corrected in accordance with the Internal Revenue Service correction procedures under Revenue Procedure 2008-50, or any successor thereto.

(Section 4.02(c) amended: 1/7/13)

(d) For purposes of this Section, "annual addition" means the annual addition as defined in Code Section 415(c) and as modified in Code Sections 415(l)(1) and 419A(d)(2). In general, Code Section 415(c) defines the annual addition as the sum of the following amounts credited to a Participant's Accounts for the limitation year under this Plan and any other defined contribution plan maintained by an Employer:

- (1) Employer contributions; and
- (2) Employee contributions.

(e) For purposes of this Section, the following types of contributions are not Employer contributions and are not "annual additions:"

- (1) The restoration of an Employee's accrual benefit, or any other restoration, by the Employer in accordance with Code Section 411(a)(3)(D) or Code Section 411(a)(7)(C) will not be considered an annual addition for the limitation year in which the restoration occurs.

- (2) The transfer of funds from one qualified plan to another will not be considered an annual addition for the limitation year in which the transfer occurs.

(f) For purposes of this Section, the following types of contributions are not treated as Employee contributions and are not "annual additions":

- (1) Rollover contributions.
- (2) Repayments of amounts described in Code Section 411(a)(7)(B).
- (3) The direct transfer of Employee contributions from one qualified plan to another.

(g) Specifically, for purposes of this Section, transfers pursuant to Article VI are not treated as employer or employee contributions and are not "annual additions".

(h) For purposes of this Section, "compensation" means compensation as defined in Code Section 415(c)(3). In general, Code Section 415(c)(3) defines compensation as all of a Participant's wages as defined in Code Section 3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)); provided, however, compensation shall also include the amount of any elective deferrals, as defined in Code Section 402(g)(3); any amount contributed or deferred by the Employer at election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 132(f), or 457; and effective January 1, 2009, differential wage payments as defined in section 3401(h)(2) of the Internal Revenue Code. "Compensation" for purposes of this Section shall not include any picked-up Employee contributions to this Plan.

In addition, compensation shall include the following amounts:

- (1) Regular Compensation for Services. Compensation shall include regular compensation for services that, absent a severance from service, would have been paid to the Participant if the Participant continued in employment with the Employer, in accordance with regulation section 1.415(c)-2(e)(3)(ii), to the extent required under regulation section 1.415(c)-2(e)(3)(i).
- (2) Payments to Reservists. Compensation shall include payments to a Participant who does not currently perform services for an Employer by reason of qualified military service made in accordance with the Employer's current policy with regard to such qualified military service, to the extent these payments do not exceed the amount the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service, in accordance with regulation section 1.415(c)-2(e)(4).
- (3) Back Pay. Compensation shall include payments of back pay within the meaning of regulation section 1.415(c)-2(g)(8).

"Compensation" shall not include the following amounts:

- (1) Foreign Compensation. Compensation shall not include amounts paid as compensation to a nonresident alien, as defined in Code Section

7701(b)(1)(B), who is not a Participant, to the extent the compensation is excludable from gross income and is not effectively connected with the conduct of a trade or business within the United States, in accordance with regulation section 1.415(c)-2(g)(5)(ii).

- (2) **Scheduled Deferred Compensation Payments.** Compensation shall not include payments to a Participant in accordance with a nonqualified unfunded deferred compensation plan, even if such amount would have been paid at the same time if employment had continued, in accordance with regulation section 1.415(c)-2(e)(3)(iii)(B).
- (3) **Disability Payments.** Compensation shall not include amounts received on account of the Participant's permanent and total disability (as defined in Code Section 22(e)(3) and described in regulation section 1.415(c)-2(g)(4)).
- (4) **Cross-Over Year Payments.** Compensation shall not include amounts earned during the limitation year but not paid during that limitation year solely because of the timing of pay periods and pay dates if these amounts are paid during the first few weeks of the next limitation year as permitted under regulation section 1.415(c)-2(e)(2).

(Section 4.02(h) amended: 1/1/12, 1/7/13)

4.03 Limitations on Annual Benefit. A Participant's annual benefit for a calendar year (the "limitation year") shall not exceed a dollar amount established in Code Section 415(b)(1)(A), which is adjusted for inflation based on Section 215(i)(2)(A) of the Social Security Act. If a Participant's total annual benefit is not in excess of \$10,000, this Section will not apply. Furthermore, if the Participant retires before age 62, the limit shall be actuarially reduced in accordance with Code Section 415(b)(2)(C).

4.04 Limitation Under Code Section 401(a)(17). Notwithstanding anything contained in this Article or Article III, the annual compensation of each Participant taken into account in determining allocations for any plan year shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). Annual compensation means compensation during the Plan Year or such other consecutive twelve-month period over which compensation is otherwise determined under the plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

ARTICLE V - ELIGIBLE ROLLOVER DISTRIBUTIONS TO THIS PLAN

5.01 Eligible Rollover Distributions to this Plan. Subject to any limitations in this Article, a Participant may elect, at the time and in the manner prescribed by the Board, to have any portion of an Eligible Rollover Distribution paid directly to this Plan in a Direct Rollover. Rollovers from other permissible sources will be allowed to the extent permitted by law, subject to any conditions, proofs, or acceptance the Board or its designee deems appropriate. An Eligible Rollover Distribution shall be credited to the Participant's Rollover Account or, if used to make contributions under Sections 3.05 or 3.06, the Eligible Rollover Distribution will be credited to the Participant in the Employees' Savings Fund or any other appropriate fund under section 145.23 of the Ohio Revised Code. Any non-taxable portion of an Eligible Rollover Distribution shall be separately accounted for by the Plan and shall only be accepted in a direct trustee-to-trustee transfer to the Participant's Rollover Account.

5.02 Definitions. The following definitions shall apply to this Section:

(a) An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Participant from an Eligible Retirement Plan.

An Eligible Rollover Distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten (10) years or more; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) any distribution which is made upon hardship of the Employee; or (iv) the portion of any distribution that is not includible in gross income, unless the distribution is being rolled over to either (1) a traditional individual retirement account or individual retirement annuity under Code Sections 408(a) or 408(b) or (2) a qualified trust which is part of a plan which is a defined contribution plan under Code Sections 401(a) or 403(a) that will separately account for the distribution, including the taxable and non-taxable portions of the distribution, in a direct trustee-to-trustee transfer.

(b) An "Eligible Retirement Plan" is any program defined in Code Sections 401(a)(31) and 402(c)(8)(B), from which the Participant has a right to an Eligible Rollover Distribution, as follows:

- (1) An individual retirement account under Code Section 408(a);
- (2) An individual retirement annuity under Code Section 408(b) (other than an endowment contract);
- (3) A qualified trust;
- (4) An annuity plan under Code Section 403(a);
- (5) An eligible deferred compensation plan under Code Section 457(b) which is maintained by an eligible employer under Code Section 457(e)(1)(A); and
- (6) An annuity contract under Code Section 403(b).

(c) A "Direct Rollover" is a payment to this Plan from an Eligible Retirement Plan specified by the Participant.

ARTICLE VI - TRANSFERS

6.01 Transfer from this Plan to the Defined Benefit Plan. 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 at any time prior to retirement under any of the plans defined in Rule 145-1-81 of the Administrative Code or a refund from the Participant's current 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. For elections described in Section 2.03(a)(1), the transfer shall be made not later than one hundred eighty (180) days after the effective date of the election to transfer described in Section 2.03.

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), excluding service credit purchased under section 145.302 of the Ohio Revised Code, the System shall transfer an additional amount from the Employers' Accumulation Fund to the Defined Benefit Plan. Except as provided in Section 8.02, the additional amount shall equal 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. If a Participant who elected a transfer of Accumulated Contributions under Section 2.02(a)(1) of this Plan or the Defined Contribution Plan 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 or transferred 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.

(Section 6.01 amended: 8/26/03, 1/1/09, 1/7/13, 3/23/15)

6.02 Service Credit for Participation in the Defined Contribution Plan. A Participant in the Defined Contribution Plan who has elected prior to January 1, 2022, to become a Participant in this Plan may purchase service credit in this Plan for Years of Participation in the Defined Contribution Plan, subject to the applicable provisions of the Defined Contribution Plan and any rules adopted by the Board. The Actuary shall determine the total amount of additional liability for each Year of Participation available for purchase. Any amounts transferred to this Plan to purchase service credit 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.

(Section 6.02 amended: 1/1/22)

ARTICLE VII - VESTING

7.01 Vesting Standards for Accounts. Except as specified in this Section, a Participant shall be one hundred percent (100%) vested in the Participant's Contribution Account, Rollover Account, and Miscellaneous Contribution Account. If a Participant is transferred to the Defined Benefit Plan under Article X or XI, all amounts in the Participant's Contribution Account shall be credited to the Employees' Savings Fund in the Defined Benefit Plan and used to fund the appropriate benefits under sections 145.36, 145.361, or 145.45 of the Ohio Revised Code.

7.02 Vesting Upon Grant of Benefit. Except as provided in this Section and in section 145.95 of the Ohio Revised Code, the granting of a Retirement Allowance, pension, or other benefit under Section 9.03 of this Plan to any person pursuant to action of the Administrator vests a right in such person, so long as the person remains the recipient of any benefit so granted, to receive such Retirement Allowance, at the rate fixed at the time of granting such Retirement Allowance. This Section does not apply to an increase made under Section 9.03(d) for a recipient whose benefit effective date is on or after January 7, 2013.

(Section 7.02 amended: 1/7/13)

7.03 Forfeitures. Any amounts forfeited shall remain in the Employers' Accumulation Fund. These forfeitures shall not be used to increase any Participant's benefit.

ARTICLE VIII - TERMINATION OF SERVICE

A Participant whose Public Service Terminates at any age for any reason other than Retirement, Disability, or Death and who is no longer employed by the last public employer from which contributions were remitted under this plan shall be paid, on application of the Participant, the amounts described in this Article. At the Participant's election, the Participant may be paid the sum of the amounts described in Sections 8.01, 8.02, and 8.03, provided that the Participant meets the conditions specified in Section 8.04. In lieu of a payment under this Article, the Participant may leave those amounts on deposit with the System and, on attaining eligibility for a benefit under Article IX, may elect to receive benefits under Article IX.

8.01 Accounts. A Participant who elects a distribution under this Section is entitled to a lump-sum distribution of the Participant's Accounts. A Participant who is issued a distribution under this Section shall forfeit all rights to benefits under Section 9.01(a).
(Section 8.01 amended: 7/7/13)

8.02 Employers' Accumulation Fund. A Participant who elects a lump-sum distribution under Section 8.01 is entitled to an amount, paid from the Employers' Accumulation Fund, determined as follows:

- (a) For a Participant with at least five (5) years but less than ten (10) years of service credit, an amount equal to thirty-three per cent (33%) of the Participant's eligible contributions.
- (b) For a Participant with ten (10) or more years of service credit, an amount equal to sixty-seven per cent (67%) of the Participant's eligible contributions.

As used in this Section, "eligible contributions" means all of the following: the amounts contributed under Section 3.03; except as provided in this Section, amounts received from the Participant to purchase or restore credit under section 145.302 of the Ohio Revised Code or Section 3.06 of this Plan, if applicable, and interest calculated in the same manner as the Defined Benefit Plan under section 145.471 or 145.472 of the Ohio Revised Code. For each Participant who elects to transfer funds to the Defined Benefit Plan under Section 6.01, "eligible contributions" does not include amounts received from the Participant to purchase credit under section 145.302 of the Ohio Revised Code. "Eligible contributions" does not include contributions that were used in the payment of a disability benefit under section 145.36 of the Revised Code or, as provided in rules adopted by the Board, were refunded to the Participant because the Administrator was not authorized to accept the contributions. Except as provided in Section 6.01, "service credit" means service credit earned for periods for which contributions were made under Section 3.03 and, if applicable, periods for which service credit was purchased or restored under section 145.302 of the Ohio Revised Code or Section 3.06 of this Plan.

A Participant who is issued a payment under this Section shall forfeit all rights to benefits under Articles IX, X, XI, and XII.
(Section 8.02 amended: 1/1/09, 1/7/13, 7/7/13)

8.03 Employees' Savings Fund. A Participant who elects a distribution under Section 8.02 shall be paid, if applicable, any amounts standing to the Participant's credit in the Employees' Savings Fund and any amounts contributed under Sections 3.05 and 3.06.

8.04 Conditions for Payment. A Participant may be paid the amounts described in Sections 8.01, 8.02, and 8.03 provided that all of the following apply:

(a) Two months have elapsed since the Participant's Public Service Terminates, other than public service exempted under Chapter 145. of the Ohio Revised Code;

(b) The Participant has not returned to public service during that two-month period, other than public service exempted under Chapter 145. of the Ohio Revised Code.

(c) If the Participant is married and eligible for benefits under Article IX at the time of application for a refund, the Participant shall submit with the application a written statement by the Participant's spouse attesting that the spouse consents to the payment under this Article. Consent shall be valid only if it is signed by the spouse 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.

(Section 8.04 amended: 9/1/17)

ARTICLE IX - RETIREMENT BENEFITS

9.01 Eligibility. A Participant whose Public Service Terminates and who has left on deposit the amounts described in Article VIII may, on becoming eligible as described in this Section, be paid benefits as described in Sections 9.02 and 9.03.

(a) A Participant is eligible for age and service retirement under Section 9.01(a) if, not later than January 7, 2018, the Participant meets one of the following requirements:

- (1) Has five or more years of total service credit and has attained age sixty;
- (2) Has twenty-five or more years of total service credit and has attained age fifty-five;
- (3) Has thirty or more years of total service credit at any age.

(b) (1) A Participant who would be eligible to retire not later than January 7, 2023, if the requirements of Section 9.01 as they existed immediately prior to January 7, 2013, were still in effect is eligible to retire under Section 9.01(b) if the Participant meets one of the following requirements:

- (i) Has five or more years of total service credit and has attained age sixty;
- (ii) Has twenty-five or more years of total service credit and has attained age fifty-five;
- (iii) Has thirty-one or more years of total service credit and has attained age fifty-two;
- (iv) Has thirty-two or more years of total service credit at any age.

(2) A Participant who on January 7, 2013, has twenty or more years of total service credit is eligible for age and service retirement under Section 9.01(b) on meeting

one of the requirements of Section 9.01(b)(1), regardless of when the Participant meets the requirement unless, between January 7, 2013, and the date the member meets the requirement, the member receives a refund under Article VIII.

(c) A Participant who is not eligible for age and service retirement under Section 9.01(a) or (b), or who became a Member on or after January 7, 2013, is eligible for age and service retirement under Section 9.01(c) if the Participant meets one of the following requirements:

- (1) Has five years or more of total service credit and has attained age sixty-two;
- (2) Has twenty-five years or more of total service credit and has attained age fifty-seven;
- (3) Has thirty-two years or more of total service credit and has attained age fifty-five.

(d) Service credit purchased or obtained under Section 3.05 or 3.06 shall be used in determining whether a Participant has the number of years of total service credit required under Section 9.01(a) or (b) only if the Participant was a Member on January 7, 2013, or obtains credit under Section 3.09 that would have made the Participant a Member on that date and one of the following applies:

- (1) Except as provided in Section 9.01(d)(ii): (i) For Section 9.01(a), the service credit purchase is completed or the service credit is obtained not later than January 7, 2018; (ii) For Section 9.01(b), the service credit purchase is completed or the service credit is obtained not later than January 7, 2023.
- (2) In the case of service credit that has been or will be purchased or obtained under section 145.295 or 145.37 of the Revised Code or is for service covered by the Cincinnati retirement system: (i) For Section 9.01(a), the service for which the credit has been or will be purchased or obtained occurs not later than January 7, 2018; (ii) For Section 9.01(b), the service for which the credit has been or will be purchased or obtained occurs not later than January 7, 2023.

(e) A Participant may be paid, on application of the Participant, one or both of the following, at the Participant's election:

- (1) The sum of the Participant's Accounts under a payment option described in Section 9.02, subject to Article XIV.
- (2) Subject to the limitation described in Section 9.03(c) of the Plan, a Retirement Allowance determined under Section 9.03, subject to Article XIV.

Retirement under this Article shall be effective on the earlier of the date a Participant receives a distribution under either Section 9.02 or 9.03.

(Section 9.01 amended: 1/1/09, 1/7/13, 3/22/19)

9.02 Payment Options for Accounts under Section 9.01(e)(1).

(a) Subject to Article XIV, section 145.92 of the Ohio Revised Code, and this Section, a Participant may select from one of the following options: (i) a lump sum; (ii) monthly annuity payments; or (iii) monthly annuity payments and a portion of the Participant's Accounts paid as a lump sum. An unmarried Participant who fails to select a payment option under this Section shall be paid in accordance with Section 8.01. The amendment to this Section dated April 1, 2012, applies to all payment options effective on or after April 1, 2012. 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 Accounts in a lesser amount payable for life and one-half of such allowance continuing after death to the Participant's spouse for the life of the spouse. The effective date of a payment option provided under this Section shall be the first of the month following the latest of: (1) the attainment of minimum age eligibility under Section 9.01; (2) the attainment of minimum service credit eligibility under Section 9.01; (3) the last day for which Earnable Salary was paid; or (4) the date the System receives an application for a payment option under this Section.

Notwithstanding any provision of this Section to the contrary, a Participant may not select a monthly annuity payment if the selection would result in a monthly annuity payment of less than fifty dollars. If a Participant's distribution required by Code Section 401(a)(9) and the regulations thereunder would result in a monthly annuity of less than fifty dollars, the Administrator shall calculate and issue the Participant's distribution as a lump sum payment per this Article.

(Section 9.02(a) amended: 10/27/06, 4/1/08, 1/1/09, 4/1/12, 1/7/13, 3/22/19)

(b) A married Participant may elect to receive the Participant's Accounts under a payment option other than a monthly joint and survivor annuity if either of the following is 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 Section 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 Section 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 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.

(Section 9.02(b) amended: 10/27/06)

(c) If the benefits under this Section, regardless of payment option, due and paid are in a total amount less than the amounts of the Participant's Accounts, then the difference between the total amount of the benefits paid and those amounts shall be paid to the Beneficiary.

(d) The death of a spouse or any designated Beneficiary following commencement of benefits under this Section shall cancel the portion of the monthly annuity plan of payment providing continuing lifetime benefits to the deceased spouse or deceased designated Beneficiary. The retired Participant shall receive the actuarial equivalent of the retired Participant's single life annuity, as determined by the Board, 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 the date of death.

(Section 9.02(d) amended: 10/27/06, 1/7/13)

(e) On divorce, annulment, or marriage dissolution, a retired Participant receiving benefits under this Section under a monthly annuity plan of payment 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 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, 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.

(Section 9.02(e) amended: 10/27/06)

- (f) Following a marriage or remarriage 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 under this Section 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 shall become effective 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.

(Section 9.02(f) amended: 10/27/06)

(g) A retired Participant's receipt of the first distribution under this Section constitutes the Participant's final acceptance of the payment option and may be changed only as provided in this Plan.

9.03 Payment of Retirement Allowance.

(a) A Participant who is eligible to retire under Section 9.01(a) or (b) may apply for a Retirement Allowance that shall consist of one percent (1.0%) of the Participant's Final Average Salary for each of the first thirty (30) years of service plus one and one-quarter percent (1.25%) of the Participant's Final Average Salary for each year of service in excess of thirty (30) years. A Participant who is eligible to retire under Section 9.01(c) may apply for a Retirement Allowance that shall consist of one percent (1.0%) of the Participant's Final Average Salary for each of the first thirty-five (35) years of service plus one and one-quarter percent (1.25%) of the Participant's Final Average Salary for each year in excess of thirty-five (35) years.

For a Participant who is eligible to retire under Section 9.01(a), the Retirement Allowance shall be adjusted by the factors of attained age or years of service to provide the greater amount as determined by the schedule described in division (A)(2) of section 145.33 of the Ohio Revised Code. For a Participant who is eligible to retire under Section 9.01(b) and (c), the Retirement Allowance shall be adjusted by a percentage determined by the Board's actuary based on the number of years the commencement of benefits precedes the Participant's eligibility for unreduced retirement. The actuary may use an actuarially based average percentage reduction for purposes of this section.

The total annual single lifetime allowance that a Participant shall receive under this Section shall not exceed the lesser of the following: (1) Any limit established under Section 9.04; (2) one hundred percent (100%) of the Participant's Final Average Salary; or (3) the limit described in Article IV.

(Section 9.03(a) amended: 1/1/09, 1/7/13)

(b) The effective date of the Retirement Allowance under this Section shall be the first of the month following the latest of: (1) the last day for which Earnable Salary was paid; (2) the attainment of minimum age eligibility under Section 9.01; (3) the attainment of minimum service credit eligibility under Section 9.01; (4) ninety (90) days prior to receipt by the System of the Participant's completed application for retirement; or (5) February 1, 2013, for applications received by the System on or after January 7, 2013.

(Former Section 9.03(b) deleted 1/7/13; new Section 9.03(b) enacted 1/7/13)

(c) A Retirement Allowance shall be paid under a payment option available under this Section. If the monthly amount of a member's annual single lifetime allowance that is first payable on or after March 22, 2019, under Section 9.03(a) of this Plan would be less than fifty dollars, instead of a Retirement Allowance the retirement system shall pay the greater of the following in a single payment: (i) An amount determined under Article VIII of the Plan or (ii) an amount equal to the actuarial present value of the Retirement Allowance as determined by the retirement system.

(Section 9.03(c) amended: 3/22/19)

- (d) (1) Except as provided in this Section, the Administrator shall annually increase each allowance payable under this Section. Until December 31, 2018, the increase shall be three per cent, subject to Article IV. For each succeeding calendar year, the increase shall be as follows: (i) For each allowance, pension, or benefit granted prior to January 7, 2013, three per cent; (ii) For each allowance, pension, or benefit granted on or after January 7, 2013, the percentage increase in the Consumer Price Index, not exceeding three per cent, as determined by the United States Bureau of Labor Statistics (U.S. city average for urban wage earners and clerical workers: "all items 1982-84=100") for the twelve-month period ending on the thirtieth day of June of the immediately preceding calendar year. If the Consumer Price Index for that period did not increase, no increase shall be made under this Section. No allowance, pension, or benefit shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 415, as amended.

The first increase is payable upon a Participant receiving a Retirement Allowance for twelve (12) months. The increased amount is payable for the ensuing twelve-month period or until the next increase is granted under this Section, whichever is later. In the case of an allowance being paid to a Beneficiary under one of the options specified in this Section, subsequent increases shall be determined from the date of the first increase paid to the former Member. The date of the first increase under this Section becomes the anniversary date for any future increases. The Retirement Allowance used in the first calculation of an increase shall remain as the base for all future increases, unless a new base is established.

- (2) If payment of a portion of an allowance is made to an alternate payee under section 145.571 of the Ohio Revised Code, increases under this Section granted while the order is in effect shall be apportioned between the alternate payee and the Participant in the same proportion that the amount being paid to the alternate payee bears to the amount paid to the Participant.

If payment of a portion of an allowance is made to one or more Beneficiaries under a "multiple-life plan" as described in this Section, each increase under this Section granted while the plan of payment is in effect shall be divided among the designated Beneficiaries in accordance with the portion each Beneficiary has been allocated.

(Section 9.03(d) amended: 10/27/06, 1/7/13, 3/22/19)

(e) Unless the Participant is required by Section 9.03(e)(2) to select a specified plan of payment, a Participant may elect a plan of payment as provided in Section 9.03(e)(1). An election shall be made at the time the Participant makes application for retirement and on a form provided by the Board. A plan of payment elected under this Section shall be effective only if approved by the Board, 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) The following plans of payment shall be offered by the System:
 - (i) “Joint-life plan,” an allowance that consists of the actuarial equivalent of the Participant’s Retirement Allowance determined under Section 9.03 in a lesser amount payable for the life and one-half or some other portion equal to ten per cent or more of the allowance continuing after death to the Participant’s surviving Beneficiary for the Beneficiary’s life. The Beneficiary shall be nominated by written designation filed with the Board. The amount payable to the Beneficiary shall not exceed the amount payable to the Participant.
 - (ii) “Single-life plan,” the Participant’s Retirement Allowance determined under Section 9.03.
 - (iii) “Multiple-life plan,” an allowance that consists of the actuarial equivalent of the Participant’s Retirement Allowance determined under Section 9.03 in a lesser amount payable to the Participant for life and some portion of the lesser amount continuing after death to two, three, or four surviving Beneficiaries designated at the time of the Participant’s Retirement. Unless required under Section 9.03(e)(2)(ii), no portion allocated under this plan of payment shall be less than ten per cent. The total of the portions allocated shall not exceed one hundred per cent.
- (2) A Participant shall select a plan of payment as follows:
 - (i) Subject to Section 9.03(e)(2)(ii), if the Participant is married at the time of Retirement, the Participant shall select a joint-life plan and receive a plan of payment that consists of the actuarial equivalent of the Participant’s Retirement Allowance determined under Section 9.03 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 married Participant is not required to select this plan of payment if the Participant’s spouse consents in writing to the Participant’s election of a plan of payment other than described in this Section if the Board waives the requirement that the spouse consent;
 - (ii) If prior to the effective date of the Participant’s Retirement, the Board receives a copy of a court order issued under Section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property 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 plan of payment that is in accordance with the order; and, if the Participant is married, the Participant elects the multiple-life plan and designates the Participant’s current spouse as a beneficiary under that plan unless that spouse consents in writing to not being designated a beneficiary under any plan of payment, or the Board waives the requirement that the current spouse consent.

- (3) 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 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 division of marital property that provides for payment in a specified amount, the Participant's Retirement Allowance will be paid under the joint-life plan, 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 9.03(e)(2), 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.

- (4) 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 per cent (50%) of that monthly amount.
- (5) 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 Retirement Allowance paid and those deposits shall be paid to the Beneficiary.

(Section 9.03(e) amended: 8/26/03, 10/27/06, 1/1/09, 7/7/13)

(f) The death of a spouse or any designated Beneficiary following Retirement shall cancel the portion of the plan of payment providing continuing lifetime benefits to the deceased spouse or

deceased designated Beneficiary. The retired Participant shall receive the actuarial equivalent of the retired Participant's single lifetime allowance, as determined by the Board, 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 the date of death.

(Section 9.03(f) amended: 10/27/06, 1/7/13)

(g) On divorce, annulment, or marriage dissolution, a retired Participant receiving a Retirement Allowance under a plan that provides for continuation of all or part of the allowance 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 plan providing continuing lifetime benefits to that spouse. The retired Participant shall receive the actuarial equivalent of the retired Participant's single lifetime allowance, 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 a form provided by the Board and shall be effective the month following its receipt by the Board.

(Section 9.03(g) amended: 10/27/06)

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

- (1) A retired Participant who is receiving the Retirement Allowance under the single-life plan may elect a new plan of payment under this Section based on the actuarial equivalent of the retired Participant's single lifetime allowance, as determined by the Board, and designate only the new spouse as beneficiary.
- (2) A retired Participant who is receiving a Retirement Allowance pursuant to a plan of payment providing for payment to a former spouse pursuant to a court order described in this Section may elect a new plan of payment under the multiple-life plan based on the actuarial equivalent of the retired Participant's single lifetime Retirement Allowance, as determined by the Board, and designate the new spouse as one of the beneficiaries 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 shall become effective on the date of receipt by the Board of an application on a form approved by the Board, but any change in the amount of the Retirement Allowance shall commence on the first day of the month following the effective date of the plan of payment.

(Section 9.03(h) amended: 10/27/06, 7/7/13)

(i) A retired Participant's receipt of the first month's Retirement Allowance constitutes the Participant's final acceptance of the plan of payment and may be changed only as provided in this Plan.

9.04 Contribution-Based Benefit Cap.

(a) As used in this section:

- (1) "Retirement allowance" means an allowance calculated under Section 9.03 prior to any reduction for early retirement or election of a plan of payment;

(2) "CBBC" means the contribution based benefit cap, a limit established by the Board on the Retirement Allowance a member may receive;

(b) Based on the advice of an actuary appointed by the Board, the Board shall designate a number as the CBBC factor. The Board may revise the factor pursuant to advice from an actuary appointed by the Board.

(c) Prior to paying a retirement allowance, the Administrator shall make the following calculations:

(1) Determine an amount equal to the value of the Participant's Accumulated Contributions, including any contributions made under Section 3.09 that represent Participant contributions;

(2) Determine the amount of a single life annuity that is the actuarial equivalent of the amount determined under Section 9.04(c)(1), adjusted for age of the Participant at the time of retirement or, when appropriate, the age at the time of the Participant's death.

(3) Multiply the annuity amount determined under Section 9.04(c)(2) by the CBBC factor.

(d) The amount determined under Section 9.04(c)(3) is the Participant's CBBC. Except as provided in Section 9.04(e), if the Retirement Allowance the Participant would receive exceeds the Participant's CBBC, the Allowance shall be reduced to an amount equal to the Participant's CBBC.

(e) The Retirement Allowance of a Participant eligible for age and service retirement under Section 9.01(a) shall not be reduced under this Section by more than five per cent of the Participant's single lifetime Retirement Allowance computed under Section 9.03, unless during any full month of service earned after January 1, 1987, the Participant's monthly Earnable Salary was less than one thousand dollars.

(Section 9.04 enacted: 1/7/13)

ARTICLE X - DISABILITY BENEFITS

10.01 Eligibility. A Participant who has at least five (5) years of Total Service Credit in this Plan, as defined in Section 1.39, shall be entitled to disability coverage under section 145.35 of the Revised Code and in accordance with the provisions of section 145.36, 145.361, 145.362, or 145.363 of the Ohio Revised Code, as applicable, and rules adopted by the Board. The coverage shall extend only to illness or injury that occurs before the Participant's contributing service terminates or, in the case of illness or injury that results from contributing service, becomes evident not later than two years after the date the contributing service ends. The coverage shall not extend to disability resulting from elective cosmetic surgery other than reconstructive surgery.

(Section 10.01 amended: 1/7/13, 7/7/13)

10.02 Application. Application for a disability benefit may be made by a Participant, by a person acting in the Participant's behalf, or by the Participant's Employer, provided the Participant has disability coverage as described in Section 10.01 and is not receiving a disability benefit from any other state or municipal retirement system. Application must be made within two years from the date the Participant's contributions under Section 3.03 terminated or the date the Participant made an election under Section 2.03, unless the Board determines that the Participant's medical records demonstrate conclusively that at the time the two-year period expired, the Participant was physically or mentally

incapacitated for duty and unable to make an application. Application may not be made by or for any person receiving a Retirement Allowance under Article IX or any person who has been paid the amounts described in Article VIII. The application shall be made on the Applicable Form.

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 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 reserves necessary to be transferred 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 section 145.62 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.

(Section 10.03 amended: 8/26/03, 1/1/09)

10.04 Waiting Period for Eligibility. A Participant who transferred to the Plan from the Defined Contribution Plan will not be eligible for disability benefits under Section 10.03(a) until one (1) year following the date the Participant began participation in this Plan.

ARTICLE XI - SURVIVOR BENEFITS

11.01 Eligibility. Subject to the provisions of division (C)(1) of section 145.45 of the Ohio Revised Code, on the death of a Participant prior to eligibility for benefits under Article IX, the sums payable to the Participant under Article VIII shall be paid to the person or persons the Participant has designated under Section 13.02.

11.02 Survivor benefits.

(a) Subject to the provisions of division (C)(1) of section 145.45 of the Ohio Revised Code and Section 11.02(d), 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.

(b) If a Beneficiary elects to transfer to the Defined Benefit Plan to receive a survivor benefit but, at the time of the election, does not meet the eligibility requirements under division (B) of section 145.45, the System shall credit to this Plan's account in the Employees' Savings Fund the amounts held in the Participant Contribution Account. The amounts credited shall earn interest in accordance with section 145.471 of the Ohio Revised Code beginning on the first of the month following receipt by the System of the election to transfer and ending on the earlier of the date the benefit is to commence or the date the Beneficiary applies for a lump sum payment of the amounts due under Article VIII.

(c) At the time a survivor benefit is to commence, the system shall determine the reserves necessary to be transferred on account of the survivor benefit and credit to the Defined Benefit Plan the following:

- (1) To the Employees' Savings Fund in the Defined Benefit Plan, the Participant Contribution Account and any amounts credited this Plan's account in the Employees' Savings Fund on behalf of the Participant.
- (2) To the Employers' Accumulation Fund in the Defined Benefit Plan, an amount paid from this Plan's account in the Employers' Accumulation Fund equal to the reserves necessary to be transferred on account of the survivor benefit less the amounts described in (c)(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.

(d) A Beneficiary who elects to transfer shall forfeit all rights under this Plan and, except as specified in this Section, 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 or the amounts described in Section 11.02(b) 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 (c)(1) and (2) 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, except that a survivor benefit paid pursuant to division (A) of section 145.45 of the Ohio Revised Code shall be calculated as if the deceased Participant was contributing to benefits under division (A) of section 145.33 of the Ohio Revised Code.
(Section 11.02 amended: 8/26/0, 1/1/09)

11.03 Waiting Period for Eligibility. The survivor of a Participant who transferred to this Plan from the Defined Contribution Plan will not be eligible for survivor benefits under Section 11.02 until one (1) year following the date the Participant began participation in the Plan.
(Section 11.03 amended: 1/1/09)

ARTICLE XII - DEATH BENEFIT

On the death of a Participant receiving a Retirement Allowance under Section 9.03, a lump sum death benefit is available under section 145.451 of the Ohio Revised Code.
(Article XII amended: 8/26/03, 1/1/09, 1/1/19)

ARTICLE XIII - BENEFICIARIES

13.01 Definitions. As used in this Article and in Article XI, "Child," "Parent," "Dependent," "Surviving Spouse," and "Survivor" have the same meanings as set forth in section 145.43 of the Ohio Revised Code.

13.02 Designation. A Participant may file with the Administrator an Applicable Form designating a Beneficiary to receive the benefits payable to the Participant under the Plan in the event of the Participant's death, subject to the provisions of this Article and Section 145.431 of the Ohio Revised Code. The designation applies to all retirement plans in which the Participant has contributions on deposit prior to retirement. A Participant may designate two or more persons as Beneficiaries to be paid the benefits payable under the Plan. Subject to rules adopted by the Board, a Participant who designates two or more persons as Beneficiaries under this Section shall specify the percentage of the lump sum that each Beneficiary is to be paid. If the Participant has not specified the percentages, the lump sum shall be divided equally among the Beneficiaries. *(Section 13.02 amended: 4/6/07, 7/7/13)*

13.03 Failure to Designate a Beneficiary.

(a) If a Participant dies before payment of a benefit under Article IX and is not survived by a Beneficiary designated under Section 13.02, Beneficiaries shall qualify in the following order of precedence, with all attendant rights and privileges:

- (1) Surviving Spouse;
- (2) Children, share and share alike;
- (3) A Dependent Parent of a Participant, if the Parent elects to take survivor benefits under Section 11.02;
- (4) Parents, share and share alike;
- (5) Estate.

If the Beneficiary is deceased or is not located within ninety (90) days, the Beneficiary ceases to qualify and the Beneficiary next in order of precedence shall qualify as a Beneficiary.

(b) If a Participant dies after payment of a benefit under Article IX and is not survived by a Beneficiary designated under Section 13.02, Beneficiaries shall qualify in the following order of precedence, with all attendant rights and privileges:

- (1) Surviving Spouse;
- (2) Children, share and share alike;
- (3) Parents, share and share alike;

(4) Estate.

If the Beneficiary is deceased or is not located within ninety (90) days, the Beneficiary ceases to qualify and the Beneficiary next in order of precedence shall qualify as a Beneficiary.

(c) If the validity of marriage cannot be established to the satisfaction of the Administrator for purposes of making a distribution, the Administrator may accept a decision rendered by a court having jurisdiction in the state in which the Participant was domiciled at the time of death that the relationship constituted a valid marriage at the time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing the distribution of the Participant's intestate personal property.

(d) Any amount due to a Beneficiary receiving a monthly benefit and unpaid to the Beneficiary at the Beneficiary's death shall be paid to the estate of the Beneficiary.

(e) If the death of a Participant or any individual who would be eligible to receive a benefit under this Plan is caused by one of the following Beneficiaries, no amount otherwise due under this Plan to the Beneficiary shall be paid to the Beneficiary in the absence of a court order to the contrary filed with the Administrator:

- (1) A Beneficiary who is convicted of, pleads guilty to, or is found not guilty by reason of insanity of a violation of or complicity in the violation of sections 2903.01, 2903.02, or 2903.03 of the Ohio Revised Code or an existing or former law of any other state, the United States, or a foreign nation that is substantially equivalent to sections 2903.01, 2903.02, or 2903.03 of the Ohio Revised Code.
- (2) A Beneficiary who is indicted for a violation of or complicity in the violation of the sections or laws described in subdivision (e)(1) and is adjudicated incompetent to stand trial;
- (3) A Beneficiary who is a juvenile found to be a delinquent child by reason of committing an act that, if committed by an adult, would be a violation of or complicity in the violation of the sections or laws described in subdivision (e)(1).

ARTICLE XIV - MINIMUM DISTRIBUTION RULES

14.01 Minimum Distribution Rules for Participants. Notwithstanding any provision of this Plan to the contrary, any distribution under the Plan shall be made in accordance with Code Section 401(a)(9) and the regulations established thereunder as they are amended and shall comply with the following rules:

(a) To the extent required by Code Section 401(a)(9) and the regulations promulgated thereunder, payment of the benefits of a Participant shall begin not later than the "required beginning date." For purposes of this Section, "required beginning date" means April 1 of the calendar year following the later of (i) the calendar year in which the Participant reaches the minimum required distribution age, or (ii) the calendar year in which the Participant retires.

(b) No payment option may be selected by a Participant unless the amounts payable to the Participant are expected to be at least equal to the minimum distribution required under Code Section 401(a)(9).

(c) The amounts payable must satisfy the minimum distribution incidental benefit requirements of Code Section 401(a)(9)(G).

(d) Distributions in the event of a Participant's death are subject to the provisions of Section 14.02 and the minimum distribution rules of Code Section 401(a)(9) and the regulations thereunder.

14.02 Minimum Distribution Rules for Beneficiaries. In the event of the Participant's death, any remaining benefit shall be distributed according to the following subject to compliance with Code Section 401(a)(9) and regulations thereunder.

(a) If the Participant had begun receiving periodic payments from the Plan that were not annuitized, the balance of the Accounts shall be paid to the Beneficiary at least as rapidly as under the payment option selected by the Participant.

(b) If the Participant had begun receiving payments in the form of a Retirement Allowance, pension or annuity, the Beneficiary shall be bound by all restrictions applicable to the Retirement Allowance, pension or annuity, and the form of payment selected thereunder, and remaining payments, if any, shall be paid to the Beneficiary in the same manner.

(c) If the Participant dies before distributions have commenced, a spouse Beneficiary may delay the commencement of benefits until December 31 of the year the Participant would have attained the minimum required distribution age and may elect to receive payments at such time over the spouse's life expectancy, subject to the payment options available under the applicable Article.

(d) If the Participant dies before distributions have commenced, a Beneficiary other than a surviving spouse may take a lump sum or a periodic payment, subject to the payment options available under the applicable Article. In the case of a lump sum, payment must be made no later than December 31 of the calendar year containing the fifth anniversary of the Participant's death. In the case of a periodic distribution, payment must commence no later than December 31 of the year following the year of the Participant's death, and in no event be payable over a period longer than the Beneficiary's life expectancy at the time the distribution commences.

(e) Notwithstanding the foregoing, any payment to an estate shall be made in a lump sum.

14.03 Discontinuance of 2009 Minimum Distributions. Notwithstanding Sections 14.01 and 14.02 of the Plan, a Participant or Beneficiary who would have been required to receive required minimum distributions from the Participant or Beneficiary's defined contribution benefit for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2009 RMDs or (ii) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives of the Participant and Participant's designated Beneficiary, or for a period of at least ten (10) years ("Extended 2009 RMDs"), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in this section shall be given the opportunity to elect to receive the distributions described in this section.

(Section 14.03 enacted: 1/3/11)

ARTICLE XV - DISTRIBUTIONS THAT ARE NOT ALLOWED

15.01 No Plan Loans. Loans to Participants shall not be permitted.

15.02 No Hardship Distributions. Hardship distributions shall not be permitted.

ARTICLE XVI - FAMILY LAW ORDERS

Spousal support orders, division of property orders, and child support orders under sections 145.571 [145.57.1], 3105.171 [3105.17.1], 3105.65, 3105.80, and 3115.32 and Chapters 3119., 3121., 3123., and 3125. of the Ohio Revised Code shall be honored by the Plan, pursuant to the procedure established under the Ohio Revised Code. Any Service Manager shall be required to honor these spousal support orders, division of property orders, and child support orders as specified herein.

ARTICLE XVII - OTHER RESTITUTION ORDERS

Restitution orders under section 145.57 of the Ohio Revised Code shall be honored by the Plan, pursuant to the procedure established under the Ohio Revised Code. Any Service Manager shall be required to honor these restitution orders as specified herein.

ARTICLE XVIII - ELIGIBLE ROLLOVER DISTRIBUTIONS FROM THE PLAN

18.01 Eligible Rollover Distributions from this Plan. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

Effective January 1, 2010, a non-spouse Beneficiary may elect to make a direct rollover to an inherited individual retirement account or annuity described in Code Section 408(a) or 408(b), or a Roth individual retirement account or annuity described in Code Section 408A that is established on behalf of the Beneficiary. Such rollover shall be made in a manner consistent with the Code Section 402(c)(11) and any other applicable guidance.

(Section 18.01 amended: 1/1/12)

18.02 Definitions.

(a) An "Eligible Rollover Distribution" is any distribution from this Plan under Articles VIII, IX, X, XI or XII of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten (10) years or more; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); or (iii) the portion of any distribution that is not includible in gross income, provided that any portion of any distribution that is not includible in gross income may be an Eligible Rollover Distribution for purposes of a rollover to either (1) a traditional individual retirement account or individual retirement annuity under Code Sections 408(a) or 408(b) or (2) a qualified trust which is part of a plan which is a defined contribution plan under Code Sections 401(a) or 403(a) that will separately account for the distribution, including the taxable and non-taxable portions of the distribution, in a direct trustee-to-trustee transfer.

(b) An "Eligible Retirement Plan" is any program defined in Code Sections 401(a)(31) and 402(c)(8)(B), that accepts the Distributee's Eligible Rollover Distribution, as follows:

- (1) An individual retirement account under Code Section 408(a);

- (2) An individual retirement annuity under Code Section 408(b) (other than an endowment contract);
- (3) A qualified trust;
- (4) An annuity plan under Code Section 403(a);
- (5) An eligible deferred compensation plan under Code Section 457(b) which is maintained by an eligible employer under Code Section 457(e)(1)(A) (so long as the plan agrees to separately account for amounts rolled into the plan); and
- (6) An annuity contract under Code Section 403(b).
- (7) Effective January 1, 2008, a Roth individual retirement account or annuity described in Code Section 408A, subject to the limitations set forth in such Internal Revenue Code provision; provided, however, that the Plan is not responsible for assuring that a Distributee is eligible to make such a rollover.

(Section 18.02(b) amended: 1/1/12)

(c) A "Distributee" includes a Participant or former Participant, as well as the Participant's or former Participant's surviving spouse.

(d) A "Direct Rollover" is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

ARTICLE XIX - EMPLOYER OBLIGATIONS

Each Employer is required to remit contributions and reports on a timely basis pursuant to Article III. Beyond that, an Employer has no obligation to each Participant. An Employer shall not be liable for losses arising from expense charges of any kind or from depreciation or shrinkage in the value of investments made under this Plan.

ARTICLE XX - ACCOUNTS AND REPORTS

20.01 Accounts. The Administrator or a duly appointed delegate shall maintain for each Participant a Participant Contribution Account, Miscellaneous Contribution Account, and Rollover Account. To the Participant Contribution Account shall be credited the contributions under Section 3.03 for each pay period. To the Miscellaneous Contribution Account shall be credited the contributions described in Section 3.04. To the Rollover Account shall be credited any rollovers to the Plan pursuant to Article V, other than any rollovers to the Plan for contributions made pursuant to Sections 3.05 or 3.06 (which shall be deposited in the Employees' Savings Fund or any other appropriate fund under section 145.23 of the Ohio Revised Code). The balance of such Accounts shall be adjusted daily to reflect any distribution to the Participant and all interest, dividends, account charges, and changes of market value resulting from the investment of the Participant's Accounts. All Plan records, including individual Account information, that are maintained by the Board or its delegate shall be the exclusive property of the Board.

20.02 Statements of Accounts to the Participants. A written report of the status of each Participant's Accounts shall be furnished by the Service Manager within thirty (30) days after the end of each Plan quarter. All reports to Participants shall be based on the fair market value of investments credited to their Accounts as of the reporting dates. Participant reports shall be deemed to have been

accepted by the Participant as correct unless written notice to the contrary is received by the Service Manager within sixty (60) days (or such longer period as determined by the Administrator) after the mailing or distribution of a report to the Participant.

20.03 Statements of Accounts to the Administrator. A written report of the Plan assets shall be furnished by the Service Manager to the Administrator within twenty (20) days after the end of each month. The Administrator may request additional reports from the Service Manager, in the Administrator's sole discretion.

20.04 Year End Reports. A written report shall be prepared as of December 31 of each year and submitted to the Administrator by the Service Manager within thirty (30) days (and maintained on file by the Administrator) showing the assets held under the Plan, a schedule of all receipts and disbursements, and all material transactions of the Plan during the preceding year. This report shall be in a form and shall contain other information as the Administrator deems appropriate. The Service Manager shall also provide such information to the Administrator as the Administrator deems necessary or appropriate for preparation of its annual report.

20.05 Annual Statement to Participant. On written request of a Participant, the Administrator shall furnish a statement of the amount to the credit of the Participant's Accounts. The Administrator is not required to answer more than one such request of a person in any one year. The Administrator may issue annual statements of Accounts to Participants. The Service Manager shall provide such information to the Administrator as the Administrator deems necessary or appropriate for preparation of the annual statements.

20.06 Confidentiality.

(a) As used in this Section, "personal history record" means information maintained by the Administrator on an individual who is a Participant, former Participant, Member, former Member, Contributor, former Contributor, retirant, or Beneficiary that includes the address, telephone number, social security number, record of contributions, correspondence with the Administrator, or other information the Administrator determines to be confidential.

(b) The records of the Administrator shall be open to public inspection and may be made available in printed or electronic format, except for the following, which shall be excluded, except with the written authorization of the individual concerned:

- (1) The individual's statement of previous service and other information as provided for in section 145.16 of the Ohio Revised Code;
- (2) The amount of a benefit paid to the individual;
- (3) The individual's personal history record.

(Section 20.06(b) amended: 1/7/13)

(c) All medical reports and recommendations required by this Plan are privileged, except that copies of such medical reports or recommendations shall be made available to the personal physician, attorney, or authorized agent of the individual concerned upon written release from the individual or the individual's agent, or when necessary for the proper administration of the Plan, to the Board assigned physician.

(d) Notwithstanding the exceptions to public inspection in Section 20.06(b), the Administrator may furnish the following information:

- (1) If a Participant, former Participant, Member, former Member, Contributor, former Contributor, or retirant is subject to an order issued under section 2907.15 of the Ohio Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Ohio Revised Code, on written request of a prosecutor, as defined in section 2935.01 of the Ohio Revised Code, the Administrator shall furnish to the prosecutor the information requested from the individual's personal history record.
- (2) Pursuant to a court or administrative order issued pursuant to Chapter 3119., 3121., 3123., or 3125. of the Ohio Revised Code, the Administrator shall furnish to a court or child support enforcement agency the information required under that section.
- (3) At the written request of any person, the Administrator shall provide to the person a list of the names and addresses of Participants, former Participants, Members, former Members, Contributors, former Contributors, retirants, or Beneficiaries. The costs of compiling, copying, and mailing the list shall be paid by such person.
- (4) Within fourteen (14) days after receiving from the Director of Job and Family Services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Ohio Revised Code, the Administrator shall inform the Auditor of State of the name, current or most recent employer address, and social security number of each Member whose name and social security number are the same as that of a person whose name or social security number was submitted by the Director. The Administrator shall, except for purposes of furnishing the Auditor of State with information required by this Section, preserve the confidentiality of recipients of public assistance in compliance with section 5101.181(A) of the Ohio Revised Code.
- (5) The Administrator shall comply with orders issued under section 3105.87 of the Ohio Revised Code.

On the written request of an alternate payee, as defined in section 3105.80 of the Ohio Revised Code, the Administrator shall furnish to the alternate payee information on the amount and status of any amounts payable to the alternate payee under an order issued under section 3105.171 or 3105.65 of the Ohio Revised Code.

- (6) At the request of any person, the Board shall make available to the person copies of all documents, including resumes, in the Board's possession regarding filling a vacancy of an employee member or retirant member of the Board. The person who made the request shall pay the cost of compiling, copying, and mailing the documents. The information described in Section 20.06(d)(6) is a public record.
- (7) The System may provide information requested by the United States social security administration, United States centers for medicare and medicaid, Ohio public employees deferred compensation program, Ohio police and fire pension

fund, school employees retirement system, state teachers retirement system, state highway patrol retirement system, or Cincinnati retirement system.

(Section 20.06(d) amended: 1/7/13, 3/23/15)

(e) A statement that contains information obtained from the Administrator's records that is signed by the executive director or an officer of the System and to which the System's official seal is affixed, or copies of the Administrator's records to which the signature and seal are attached, shall be received as true copies of the Administrator's records in any court or before any officer of this State.

(f) For purposes of this Section, the Board may maintain records in printed or electronic format.

(New Section 20.06(f) enacted: 1/7/13)

(g) Any Service Manager shall be bound by the provisions of this Section. Any Service Manager must obtain approval from the Administrator prior to the release of any information under Section 20.06(d)(1)-(5) and (7)-(8).

(New Section 20.06(g) enacted: 1/7/13 from former Section 20.06(f))

ARTICLE XXI - VALUATION OF ACCOUNTS

21.01 Valuation. The custodian of each Investment Option shall value the assets in the Defined Contribution Fund in their custody each business day based on acceptable industry practices. All daily transactions shall be based on that day's closing market values. The custodian shall transmit to the Service Manager the daily values described in this Section, and the Service Manager shall adjust the value of the Participant's Accounts in accordance with the daily values received from the custodian.

21.02 Deposits. In all cases, deposits of contributions shall be treated as actually made only as of the date the contributions and corresponding reports are accepted as in good order by the Administrator.

ARTICLE XXII - TRUST

22.01 Trust Status. All assets held in connection with the Plan, including all contributions to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights shall be held in trust for the exclusive benefit of Participants and their Beneficiaries under the Plan. Such assets shall constitute the Trust Fund. No part of the assets and income of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries and for defraying reasonable expenses of the Plan.

22.02 Trust Fund. All amounts of compensation contributed pursuant to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights held as part of the Plan, shall be transferred to the Board to be held, managed, invested, and distributed as part of the Trust Fund in accordance with the provisions of the Plan. All contributions to the Plan must be transferred by the Employers to the Trust Fund. All benefits under the Plan shall be distributed solely from the Trust Fund pursuant to the Plan.

22.03 Board as Trustee. The Board is the trustee of the Trust Fund.

ARTICLE XXIII - INVESTMENT OF ACCOUNTS

23.01 Investment Options for Accounts. The Board or their duly appointed designee shall evaluate annually the available Investment Options for Participants (or Beneficiaries) in accordance with the Statement of Objectives and Policies for this Plan and the Defined Contribution Plan. Following such evaluation, the Board shall determine available Investment Options in their sole discretion. The Participants (or Beneficiaries) may direct the investment of their Accounts among the Investment Options selected by the Board. The Service Manager shall follow the directions of the Participants (or Beneficiaries) with respect to the investment of the Accounts. The Board or Service Manager may also bring a suit or take such other action as it deems appropriate in the case of questions involving investment directions.

23.02 Investment of Funds under Section 145.23. Other than the Accounts as specified in Section 23.01, all other funds under section 145.23. of the Ohio Revised Code, including the Employers' Accumulation Fund, shall be invested in the sole discretion of the Board.

23.03 Remittance of Contributions and Reports. All contributions and reports under the Plan for each payroll period shall be paid within such time as is required by Chapter 145. of the Ohio Revised Code and any rules adopted thereunder. The Board shall establish policies and procedures for the remittance, collection, and deposit of contributions.

23.04 Investment of Contributions. All contribution data shall be transferred to the Service Manager by the Administrator within two (2) Business Days after the Administrator determines that the contributions and corresponding reports have been received in good order from the Employer. The Service Manager shall then allocate all contributions to the selected Investment Options within two (2) Business Days after receipt of the contributions in good order from the Administrator.

23.05 Investment Default. If a Participant does not have a valid investment election on file, the Participant's Accounts shall be invested in the Investment Option selected by the Board as the default option. In such event, the Participant shall be deemed to have directed that Investment Option for the Participant's Accounts.

ARTICLE XXIV - ADMINISTRATION OF PLAN

24.01 Compliance with Code Section 401(a). At all times, the Plan shall be administered in accordance with and construed to be consistent with Code Section 401(a) and its accompanying regulations. The Plan is a hybrid defined benefit plan and money purchase plan, whereby contributions are determined pursuant to Article III of the Plan.

24.02 USERRA Compliance. Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u), and as required by the Uniformed Services Employment and Reemployment Rights Act ("USERRA").

24.03 Board Duties and Powers. The Board shall have the authority to control and manage the operation and administration of the Plan and shall be a named fiduciary of the Plan.

(a) The Board shall have such power and authority (including discretion with respect to the exercise of that power and authority) as may be necessary, advisable, desirable, or convenient to enable the Board to carry out its duties under the Plan. By way of illustration and not limitation, the Board is empowered and authorized:

- (1) To establish rules, regulations, and procedures with respect to administration of the Plan, not inconsistent with the Plan and the Code, and to amend or rescind such rules, regulations, or procedures;
- (2) To establish an administrative fee, which shall be used to pay reasonable expenses of the Plan and may be withheld from contributions under Section 3.02 or 3.03;
- (3) To establish an administrative fee, which shall be used to pay reasonable expenses of the Plan and may be deducted from the Accounts;
- (4) To determine, consistently with the Plan, applicable law, rules, or regulations, all questions of law or fact that may arise as to the eligibility for participation in the Plan and eligibility for distribution of benefits from the Plan, and the status of any person claiming benefits under the Plan, including without limitation, Participants, former Participants, Beneficiaries, Employees, and former Employees;
- (5) Pursuant to Articles VIII, IX, X, XI and XII of the Plan, to make payments from the Trust Fund to Participants, their Beneficiaries, and other persons as the Board may determine;
- (6) To contract with one or more Service Managers to perform education, recordkeeping, and administrative services under this Plan;
- (7) To accept service of legal process;
- (8) If a written election or consent is not specifically required by the Code, to prescribe a verbal, electronic, or telephonic instruction in lieu of or in addition to a written form;
- (9) Subject to and consistent with the Code, to construe and interpret the Plan as to administrative issues and to correct any defect, supply any omission, or reconcile any inconsistency in the Plan with respect to same;
- (10) To perform any other duties or exercise any other powers granted under Chapter 145. of the Ohio Revised Code.

(Section 24.03(a) amended: 1/7/13, 3/23/15)

(b) Any action by the Board which is not found to be an abuse of discretion shall be final, conclusive, and binding on all individuals affected thereby. The Board may take any such action in such manner and to such extent as the Board in its sole discretion may deem expedient and the Board shall be the sole and final judge of such expediency.

24.04 Advice. The Board may employ or contract with one (1) or more persons to render advice or consultation services to it with regard to its responsibilities under the Plan.

24.05 Delegation by Board. In addition to the powers stated in Section 24.03, the Board may from time to time delegate to an individual, committee, or organization certain of its fiduciary responsibilities under the Plan. Any such individual, committee, or organization shall remain a fiduciary until such delegation is revoked by the Board, which revocation may be without cause and without

advance notice. Such individual, committee, or organization shall have such power and authority with respect to such delegated fiduciary responsibilities as the Board has under the Plan.

24.06 Fiduciary Insurance. The Board may require any of the fiduciaries described in Section 24.05 to purchase fiduciary liability insurance to cover liability or losses occurring by reason of the act or omission of such fiduciary.

24.07 Payment of Benefits. If in doubt as to the correctness of its action in making a payment of a benefit, the Administrator or Service Manager may suspend payment until satisfied as to the correctness of the payment or the person to receive the payment. In addition, the Administrator or Service Manager may file, in any state court of competent jurisdiction, a suit, in such form as it considers appropriate, for legal determination of the benefits to be paid or the persons to receive them. The Administrator or Service Manager shall comply with the final order of the court in any such suit and the Participants, Beneficiaries, Administrator, and Service Manager shall be bound thereby insofar as such order affects the benefits payable under this Plan or the method or manner of payment.

24.08 Payment of Expenses. All expenses and costs associated with the administration and investments of the Plan shall be assessed against Plan assets, as determined by the Board. Investment costs shall be assessed explicitly against each specific Investment Option in a manner determined by the Board and approved by appropriate federal regulating entities, if necessary.
(Section 24.08 amended: 1/7/13)

24.09 Limitation on Recovery. Participants and Beneficiaries may not seek recovery against the Administrator, or any employee, contractor, or agent of the Employer or Administrator for any loss sustained by any Participant or Beneficiary due to the nonperformance of their duties, negligence, or any other misconduct of the above named persons. The Board or System shall not be liable for losses arising from expense charges of any kind or from depreciation or shrinkage in the value of investments made under this Plan. This paragraph shall not, however, excuse fraud or a wrongful taking by any person.

24.10 Military Service. Effective January 1, 2007, notwithstanding any provision of this Plan to the contrary, the Survivor of a Participant on a leave of absence to perform military service with reemployment rights described in Code Section 414(u), where the Participant cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under this Plan had the Participant died as an actively contributing Participant to the extent required by Code Section 401(a)(37).
(Section 24.10 enacted: 1/1/12)

ARTICLE XXV - AMENDMENT OF THE PLAN

25.01 Amendment.

(a) Subject to the provisions of any applicable law, a majority of the Board may at any time amend or modify this Plan without the consent of the Employers or Participants (or any Beneficiaries thereof). Any modification, alteration, or amendment of the Plan, made in accordance with this Section, may be made retroactively if deemed necessary or appropriate by the Board. A certified copy of the resolution of the Board making any such amendment shall be delivered to the System, and the Plan shall be amended in the manner and effective as of the date set forth in such resolution. The Board and all Employers, Employees, Participants, Beneficiaries, and all others having any interest under the Plan shall be bound thereby.

(b) If the Plan is amended or modified, the Administrator shall nonetheless be responsible for the supervision and the payment of benefits resulting from amounts contributed prior to the amendment or modifications in accordance with this Article.

25.02 Amendment for Qualification of Plan. It is the intent of the Board that the Plan shall be and remain qualified for tax purposes under the Code. The System shall promptly submit the Plan to the Internal Revenue Service for approval under the Code and all expenses incident thereto shall be borne by the System. The Board may make any modifications, alterations, or amendments to the Plan necessary to obtain and retain approval of the Secretary of the Treasury or the Secretary's delegate as may be necessary to establish and maintain the status of the Plan as qualified under the provisions of the Code or other federal legislation, as now in effect or hereafter enacted, and the regulations issued thereunder. Any modification, alteration, or amendment of the Plan, made in accordance with this Section, may be made retroactively, if necessary or appropriate. A certified copy of the resolution of the Board making such amendment shall be delivered to the System, and the Plan shall be amended in the manner and effective as of the date set forth in such resolution. The Board and all Employers, Employees, Participants, Beneficiaries, and all others having any interest under the Plan shall be bound thereby.

ARTICLE XXVI - TERMINATION

This Plan may be terminated by the General Assembly of the State, subject to any statutory requirements. In such a case, the Board shall be responsible for directing distribution of all assets of the Trust Fund to Participants, Beneficiaries, or to a successor plan. In the case of termination of the entire Plan or the complete discontinuance of Employer contributions, the rights of each affected Participant to the benefits accrued at the date of the termination, to the extent then funded, are non-forfeitable.

ARTICLE XXVII - NONASSIGNABILITY

The right of an individual to a distribution, an annuity, or a Retirement Allowance, any optional benefit, any other right accrued or accruing to any individual, under this Plan, and all moneys, investments, and income from moneys or investments are exempt from any State tax, except the tax imposed by section 5747.02 of the Ohio Revised Code and are exempt from any county, municipal, or other local tax, except taxes imposed pursuant to section 5748.02 or 5748.08 of the Ohio Revised Code and, except as provided in sections 145.57, 3105.171 [3105.17.1], 3105.65, and 3115.32 and Chapters 3119., 3121., 3123., and 3125. of the Ohio Revised Code, shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or other process of law whatsoever, and shall be unassignable except as specifically provided in Chapter 145. of the Ohio Revised Code and sections 3105.171 [3105.17.1], 3105.65, and 3115.32 and Chapters 3119., 3121., 3123., and 3125. of the Ohio Revised Code.

ARTICLE XXVIII - MISCELLANEOUS

28.01 Taxes. The Employers and the Administrator do not guarantee that any particular federal or state income, payroll, or other tax consequence will occur because of participation in this Plan.

28.02 Entire Agreement. This Plan, including any properly adopted amendment hereof, shall constitute the total agreement between the Employer and any Participant regarding the Plan. No oral statement regarding the Plan may be relied upon by any Participant.

28.03 Conflicts. In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that (i) causes the Plan to constitute a qualified plan under the provisions of Code Sections 401 and 414(d) and

the Trust to be exempt from tax under Code Sections 115 and 501, (ii) causes the Plan to comply with all applicable requirements of the Code and (iii) causes the Plan to comply with all applicable Ohio statutes and rules, shall prevail over any different interpretation.

28.04 Limitation on Rights. Neither the establishment or maintenance of the Plan, any amendment thereof, nor any act or omission under the Plan (or resulting from the operation of the Plan) shall be construed:

(a) As conferring upon any Participant, Beneficiary, or any other person a right or claim against the Trust, any Employer, the Administrator, or the Service Manager, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(b) As creating any responsibility or liability of the Employer for the validity or effect of the Plan;

(c) As a contract between the Employer and any Participant or other person;

(d) As being consideration for, or an inducement or condition of, employment of any Participant or other individual, or as affecting or restricting in any manner or to any extent whatsoever, the rights or obligations of the Employer or any Participant or other individual to continue or terminate the employment relationship at any time; or

(e) As giving any Participant the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or other person at any time.

28.05 Erroneous Payments. If a person who is a Participant, former Participant, Beneficiary, Member, former Member, Contributor, former Contributor, retirant, or alternate payee, as defined in this Plan or section 3105.80 of the Ohio Revised Code, is paid any benefit or payment by the Administrator or Service Manager to which the person is not entitled, the benefit shall be repaid to the Administrator or Service Manager by the person. If the person fails to make the repayment, the Administrator or Service Manager shall withhold the amount due from any benefit due the person or the person's Beneficiary or may collect the amount in any other manner provided by law.

28.06 Release. Any payment to any Participant or Beneficiary shall, to the extent thereof, be in full satisfaction of the claim of such Participant or Beneficiary and the Board may condition payment thereof on the delivery by the Participant or Beneficiary of a duly executed receipt and release in such form as may be determined by the Board.

28.07 Liability. The Administrator shall not incur any liability in acting upon any notice, request, signed letter, telegram or other paper or document, or electronic transmission believed by the Administrator to be genuine or to be executed or sent by an authorized person.

28.08 Governing Laws. The laws of the State of Ohio shall apply in determining the construction and validity of this Plan, with venue in the Franklin County Court with competent subject matter jurisdiction.

28.09 Necessary Parties to Disputes. Necessary parties to any accounting, litigation, or other proceedings relating to the Plan shall include only the Board. The settlement or judgment in any such case in which the Board is duly served shall be binding upon all affected Participants in the Plan, their Beneficiaries, estates and upon all persons claiming by, through, or under them.

28.10 Severability. If any provision of the Plan shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.

28.11 Supersession. The terms of the Plan shall supersede any previous agreement between any entities or individuals pertaining to the Plan.

28.12 Counterparts. This Plan may be executed in one (1) or more counterparts, each of which shall constitute an original.

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