

EMPLOYER Notice

Ohio Public Employees Retirement System • 277 East Town Street • Columbus, Ohio 43215

New/Amended Rules Effective in 2007

Who should read this notice

Finance directors, payroll professionals and human resources professionals

Situation overview

Here's a review of the new and amended rules that were acted upon by the OPERS Board of Trustees throughout 2007.

Following are amendments to standing rules, or additional rules as a result of Am. Sub. House Bill 272, which became effective on April 6, 2007.

- **Death of designated beneficiary (New rule 145-1-64)**
The rule allows members to name beneficiaries to share their OPERS account in specific percentages and details how remaining beneficiaries share in a deceased beneficiary's percentage.
- **Withdrawal of benefit application (Amended rule 145-1-71)**
Changes made for consistency and to include H.B. 272, this rule prohibits the withdrawal of a benefit application when OPERS has made a distribution from a retiree medical account or paid a portion of the benefit as a result of a court order.
- **Additional service credit (Amended rule 145-2-07)**
Permits members with additional elected official service credit to refund that credit when it does not enhance the retirement allowance, meaning it exceeds 100% of the member's final average salary, or the limits on distributions. The changes also describe when and how the purchase amounts are returned.
- **Survivors of law enforcement officers killed in line of duty (New rule 145-2-38)**
Rule requires the law enforcement officer's employer to certify that officer's death was in the line of duty.
- **Additional annuity accounts (New rule 145-2-43)**
Provides for the crediting of interest and conversion of the OPERS Additional Annuity Program to the Stable Value fund and places other administrative functions in this rule.
- **Additional annuity program beneficiary and payment plan changes (New rule 145-2-48)**
This rule allows members to change payment plans and beneficiaries within limits from the OPERS Additional Annuity Program after the payments have begun.

During 2007, enhancements were made to the service purchase system to provide members greater flexibility and allow for less-restrictive payment options. Rules supporting these enhancements were approved on July 1, 2007 as follows.

- **Service purchase (Amended rule 145-1-35)**
Rule defines the various methods to purchase service, the interest calculations for each method, and the internal recording of service credit.

(More information on back)

Note:

Employers who want to view the exact verbiage of the rules will find the information posted on the OPERS Web site at www.opers.org.



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- **Purchases made with rollover distribution (Amended rule 145-1-37)**
This rule was amended to include a cross reference to the Combined Plan. In addition, the rule provides that service purchase rollovers that exceed the service cost by \$150 or more are deposited into an additional annuity account; excess rollovers less than the \$150 threshold are returned to the member.
- **Purchase of service credit by payroll deduction (Amended rule 145-1-38)**
Rule was amended to clarify distinct differences between the post-tax payroll deductions and the irrevocable pre-tax payroll deduction options. Specifically, the rule clarifies that post-tax payroll deductions have a certain amount of flexibility (such as enhancement by additional lump-sum payments and adjustments to payments upon request) that are not available for pre-tax service credit purchases. This rule waives the minimum monthly purchase of \$50.
- **Procedure for additional deposits (Amended rule 145-3-06)**
Rule has been amended to allow any amount to be accepted for additional deposit to either the Combined or Member-Directed Plan, eliminating the minimum deposit requirement.

Following are additional new amendments

- **Appeal of staff determination (Amended rule 145-1-11)**
Provides for a 60-day appeal window for staff determinations after amendment effective dates and establishes the parameters for board appearances.
- **Beneficiary and payment plan changes after retirement (Amended rule 145-2-47), and beneficiary and payment plan changes after commencement of OPERS Additional Annuity (Amended rule 145-2-48)**
These amendments remove the notice of death definition for a joint and survivor annuity beneficiary and allow the retiree's benefit increases to be effective the first day of the month following receipt of death notice.

Following are amendments to rules for administrative revisions, clerical clarifications or cross-reference changes to rules that do not materially change the rules:

- Remittance of employer liabilities (Rule 145-1-27)
- Replacement of warrants (Rule 145-1-39)
- Guardianship and power of attorney (Rule 145-1-63)
- Interim benefit payment (Rule 145-1-65)
- Waiver of spousal consent (Rule 145-1-70)
- Withdrawal of application for refund or money purchase or Additional Annuity lump-sum payments (Rule 145-1-73)
- Cincinnati retirement system (Rule 145-2-15)
- Validity of marriage (Rule 145-2-35)
- Selection of payment plan—spousal consent (Rule 145-2-44)
- Beneficiary's percentage under Plan C (Rule 145-2-46)
- Designation of beneficiaries under Plan F (Rule 145-2-60)
- Calculation of amount due retiree or contributor with multiple beneficiaries under plan F (Rule 145-2-62)
- Priority of multiple court orders under Plan F (Rule 145-2-64)
- Additional service credit (Rule 145-3-31)
- Amendment Three to the Combined Plan and Member-Directed Plan documents

Any employer may review the exact verbiage for any new rules or amendments to existing rules by contacting your Employer Outreach representative, or going to the OPERS Web site at www.opers.org.

What you need to do

OPERS is required to notify public employers of any amendment or change to the Ohio Administrative Code. Please review any letters, forms or publications you produce or distribute and make the necessary changes to ensure accuracy with the new and amended rules.

Who to contact for more information

After you review this *Employer Notice*, contact your Employer Outreach representative with questions or comments at 1-888-400-0965 or via the Internet at employeroutreach@opers.org.

This Employer Notice is written in plain language for use by public employers who are subject to coverage under the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney.



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