

EMPLOYER Notice

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

New rules and amendments effective Jan. 1, 2009

Who should read this notice

Finance directors, payroll professionals and human resources professionals

Situation overview

As required by law, OPERS reviews rules every five years to determine whether they encompass the appropriate purpose, scope, and intent of the governing statutes. As a result, some rules required substantive and/or technical changes. All amendments in this overview have been approved by the OPERS Board of Trustees and became effective January 1, 2009.

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.

Following are substantive amendments to rules:

- **Health care fund** (Amended rule 145-4-02)
Amendment clarifies uses of forfeiture amounts.
- **Health care coverage** (Amended rule 145-4-03)
Changes made to:
 - Provide an enrollment exception for benefit recipients who cannot enroll in OPERS health care coverage due to incapacity.
 - Clarify the effective date of a benefit recipient's waiver of health care coverage.
 - Require an eligible benefit recipient enrolled in health care coverage to enroll in Medicare Part A.
 - Clarify that OPERS must offer continuation coverage as required by law.
- **Monthly health care allowance** (Amended rule 145-4-05) Change allows for including service credit in specific situations for determining health care allowance.
- **Dependents and survivor health care coverage eligibility**
(Amended rule 145-4-08) Change clarifies dependent health care coverage for college students and adds information from another, existing rule.
- **Reimbursement of Medicare Part B** (Amended Rule 145-4-11) Changed to track with the indexed premium used by Medicare and OPERS' reimbursement for basic premium amount only.
- **Name change and DOB proof** (Amended rule 145-1-62) Change allows OPERS to accept solemnized marriage licenses as proof of legal name change.

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.



1-888-400-0965

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More information on following pages

- **Retiree employment** (Amended rule 145-1-75) Change to make consistent with other rules stating, OPERS cannot pay secondary or reduced amounts for claims when the re-employed retiree has not enrolled in employer's available coverage.
- **Additional service credit** (Amended rule 145-2-07) Change allows elected officials to purchase additional service credit via partial payments, rather than full-year increments.
- **Educational benefits** (Amended rule 145-2-33) Clarifies how and who is responsible for collecting overpayments.
- **Payment for periods of noncontributing service** (Amended rule 145-1-31) Changes how delinquent contributions are credited in the Member-Directed plan so that delinquent contributions will be treated as employer contributions, but will be credited to both the defined contribution account and to the mandatory Retiree Medical Account.
- **Partial payments to purchase plan change service credit** (Amended rules 145-2-18 (C) and 145-3-40 (C) Change describes circumstances under which members can pay cost of plan change service credit, if additional funds are needed.
- **Effective date of retirement benefits** (Amended rule 145-3-71) Creates consistency between three available OPERS plans for the effective date of retirement benefits.
- **Combined Plan service purchases after change to Traditional Plan** (Sections 6.01 and 8.02 of Combined Plan Document) Change removes discrepancy inadvertently created by a rule amendment in 2003 for members making service purchases after a plan change.
- **Plan changes after termination of disability benefit** (Amended rule 145-1-88) Change disallows a disability benefit recipient to elect to change to either Combined or Member-Directed plans after returning to OPERS-covered employment. Such a change was determined to be detrimental to both Combined Plan and to member.
- **Calculation of survivor benefits** (Section 11.02, Combined Plan document) Change provides for how sole dependent surviving beneficiaries of Combined Plan deceased member's benefits are funded and calculated.
- **Service credit definitions** (Amended rule 145-2-01) Clarifies language in the revised code where retirement system is actually referring to Traditional Pension Plan.
- **Service credit purchases** (Amended rules 145-2-18, 145-3-40) Amendments to these rules address contributions not transferred after a member changes retirement plans.

Following is a new rule:

- **Compliance with HIPPA** (New rule 145-4-50)
Rule memorializes OPERS' compliance with HIPPA provisions.

More information on following pages

The following rules had technical or non-substantive changes only as part of the five-year review process:

- Purchase of Combined Plan service credit (Amended rule 145-3-21)
- Health care definitions (Amended rule 145-4-01)
- Health care converge definition of eligible dependent (Amended rule 145-4-09)
- Waiver program (Amended rule 145-4-13)
- Coordination of coverage (Amended Rule 145-4-14)
- Excess health care allowance in retiree medical account (Amended rule 145-4-26)
- Claims and appeals for retiree medical accounts (amended rule 145-4-28)
- Purchase of service credit by payroll deduction (Amended rule 145-1-38)
- Monthly benefit payment date (Amended rule 145-1-67)
- Effect of applicant's death on payment plan (Amended rule 145-1-80)
- Transfer of accumulated contributions to new plan (Amended rule 145-1-84)
- Cincinnati Retirement System (Amended Rule 145-3-38)

Non-substantive changes were made to the Member-Directed Plan document:

- Section 1.35 regarding total service credit
- Section 2.02 (a) regarding eligibility
- Section 2.03 (a) regarding changes to election
- Section 6.01 regarding transfers to the Defined Benefit Plan
- Section 6.02 regarding transfers to the Combined Plan
- Section 7.02 regarding vesting standards

Non-substantive changes were made to the Combined Plan document:

- Section 1.39 regarding definition of total service credit
- Section 2.02 (a) regarding Combined Plan eligibility
- Section 2.03 (a) regarding changes to election
- Section 1.41 clarifies total service credit
- Section 3.05 regarding service purchases
- Section 3.06 regarding interest earned on contributions
- Section 9.03 (e) regarding payment of retirement allowance
- Section 10.03 regarding disability benefit options
- Section 11.02 (b) and (c) regarding timing of survivor benefits
- Section 11.03 regarding waiting period for eligibility
- Article XII change clarifies beneficiary eligibility for lump-sum death benefit

Any employer may review the exact verbiage for new rules or amendments to existing rules by going to the OPERS Web site at www.opers.org where the entire Ohio Administrative Rules document can be found.

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.

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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