

EMPLOYER Notice

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

New rules and amendments effective Jan. 1, 2011

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 went into effect January 1, 2011 with the exception of two that were emergency filed with an effective date of February 1, 2011.

Following are amendments to rules:

- **Staff authority** (Rule 145-1-09)
The sections of the Ohio Revised Code (O.R.C.) amplified by the rule were expanded to include O.R.C. 145.43 and 145.483
- **Federal tax compliance provisions** (Rule 145-1-21)
Changes made to:
 - Reflect the mandatory governmental plan amendments that memorialize OPERS' administration of the 2009 required minimum distribution suspension
 - Comply with Section 401(a)(9) of the Internal Revenue Code.
- **Remittance of employee contributions** (Rule 145-1-28)
Change expands the definition of "supplemental report" to include the employer's need to report additional contributions due to additional salary paid to terminated or deceased employees.
- **Purchase of service credit by payroll deduction** (Rule 145-1-38)
Changed to clarify that a pre-tax payroll deduction agreement can be terminated by the member if the employer reports the member as laid-off for at least six consecutive months. This amendment will allow the member to complete the service purchase even if they are not recalled to work.
- **Replacement of warrants** (Rule 145-1-39)
Amended to replace the term "warrant" with "payment."
- **Release of names, addresses and individual case information and maintenance of records** (Rule 145-1-61)
Changed to clarify that OPERS can maintain its records in electronic or print format.
- **Interim benefit payment** (Rule 145-1-65)
Changed to remove the term "warrant" and also to clarify that monthly Additional Annuity payments are not issued as interim benefits at retirement.

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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- **Waiver of spousal consent** (Rule 145-1-70)
The sections of the O.R.C. amplified by the rule were expanded to include O.R.C. 145.63 and 145.64, which allows the rule to be applied to refunds and annuities paid under the Additional Annuity program.
- **Changes to election to participate** (Rule 145-1-88)
Change to add the word “credit.”
- **Service credit definitions** (Rule 145-2-01)
New paragraph (D) is added.
- **Service credit in the Traditional Pension Plan for participation in Combined Plan or Member-Directed Plan** (Rule 145-2-18)
Amended to clarify how certain types of service credit are reflected in the Traditional Pension Plan.
- **Application for a disability benefit** (145-2-21) (effective February 1, 2011)
Changed to provide that the disabling conditions to be considered as part of the member’s application will include the member’s attending physician statement and requires that statement to be submitted on a form provided by the retirement system.
- **Disability appeals** (145-2-23) (effective February 1, 2011)
Changed to notify the member that additional medical evidence supporting an appeal or denial of disability benefits shall be presented on a form provided by the retirement system.
- **Combined disability benefits** (Rule 145-2-25)
Changes made to:
 - Clarify the relationship and role of each retirement system in the administration of combined disability applications and benefits.
 - Clarifies that a joint disability benefit using OPERS and SERS or STRS Ohio service credit will be terminated by OPERS if the recipient returns to employment that would be prohibited by SERS or STRS Ohio statutes.
- **Additional Annuity accounts** (Rule 145-2-43)
Provides that the member has 120 days following the issuance of their initial benefit payment to complete deposits and rollovers in the Additional Annuity.
- **Mandatory direct deposit** (Rule 145-2-70)
Allows for an additional exemption from direct deposit for individuals who reside at a nursing or convalescent home that is receiving payments on the recipient’s behalf.
- **Service credit in the Combined Plan for participation in Member-Directed Plan** (Rule 145-3-40)
Amended to clarify how certain types of service credit are treated in the Combined Plan.
- **Health care coverage** (Rule 145-4-03)
Changes made to:
 - Reflect the necessary changes to the definition of an eligible child dependent and other clarifications of coverage specific to OPERS’ health care eligibility.
 - Amended to provide that OPERS may be responsible for some self-insured claims when necessary to comply with COBRA.
 - Further describe OPERS’ secondary payor status to Medicare Part A and B coverage, particularly for periods that an individual was eligible for the coverage but failed to enroll.

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- **Eligibility for health care coverage for the dependents and survivors of this system's members and retirants** (Rule 145-4-08)
Changed to reflect the necessary changes to the definition of an eligible child dependent and other clarifications of coverage specific to OPERS' health care eligibility.
- **Definition of "eligible dependent" for health care coverage** (Rule 145-4-09)
Rescinded old rule and replaced with this new rule with the same number to reflect the necessary changes to the definition of an eligible child dependent and other clarifications of coverage specific to OPERS' health care eligibility.
- **Enrollment of eligible dependents outside of open enrollment period** (Rule 145-4-10)
Change made to:
 - Allow dependent coverage for children up to age 26 beginning January 1, 2011.
 - Reflect necessary changes to the definition of an eligible child dependent and other clarifications of coverage specific to OPERS' health care eligibility.
- **Health care plan provisions regarding the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")** (Rule 145-4-50)
Technical corrections regarding HIPAA and OPERS' administration of the health care plan.

What employers 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.

Changes to the *Employer Manual*

No revisions to the *Employer Manual* have been made as a result of this *Employer Notice*.

Whom to contact for more information

After reviewing this *Employer Notice*, contact Employer Outreach with questions at 1-888-400-0965, or by e-mail 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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