

EMPLOYER Notice

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

New rules and amendments effective December 2012 and January 2013

Who should read this notice

Finance directors, payroll professionals and human resource 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. The amendments resulting from this review went into effect Dec. 10, 2012. In addition, the Jan. 7, 2013 enactment of S.B. 343 required numerous amendments to OPERS' rules to amplify the new or amended statutes. S.B. 343 rule amendments became effective Jan. 7, 2013.

All amendments in this overview have been approved by the OPERS Board of Trustees.

The following are noteworthy amendments to recently adopted rules:

- **Election of board members** (Rule 145-1-02, 12/10/12) Allows inclusion of an email address, website address, and telephone number in the candidate's identifying information provided in candidate biographies.
- **Appeal of staff determinations** (Rule 145-1-11, 12/10/12) Permits personal appearances at board meetings only upon written objection to the Report and Recommendation.
- **Notice of meetings** (Rule 145-1-13, 12/10/12) Permits electronic notice of meetings.
- **Service credit purchases under Substitute S.B. 343** (Rule 145-1-36, 1/7/13) Requires OPERS to adopt a rule specifying the types of service credit that will be subject to the six-month period during which a member may initiate a service credit purchase to grandfather the current cost calculation for a period of five years.
- **Membership determinations** (Rule 145-1-41, 1/7/13) The amendments to this rule are for conformance with S.B. 343. An additional clarification is made in Paragraph (C) to describe how OPERS returns and credits contributions that have been incorrectly remitted to the retirement system.
- **Proof of date of birth and legal name change** (Rule 145-1-62, 12/10/12) Allows a United States passport as evidence of a member's name change.
- **Guardianship and power of attorney** (Rule 145-1-63, 12/10/12) Describes the actions that require guardianship and authority of an attorney-in-fact.
- **Application for a disability benefit** (Rule 145-2-21, 12/10/12) Clarifies terms found in the statutes and rules governing disability benefits.

More information?

View exact rule verbiage on the *OPERS Web site* at www.opers.org.

Revisions to the *Employer Manual* will be made as a result of this notice.



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- **Disability appeals** (Rule 145-2-23, 12/10/12) Clarifies procedures while a disability appeal is pending and after it is final.
- **Retirement incentive plans** (Rule 145-2-42, 1/7/13)
Amendments in Paragraph (D) provide that payments from employers for retirement incentive plans can be made as lump sums or monthly payments to OPERS, rather than quarterly or annually.
- **Enhanced refund Rule** (145-2-54, 1/7/13)
Maintains the current enhanced refund amount that S.B. 343 removed from R.C. 145.401.
- **Health care coverage** (Rule 145-4-03, 12/10/12) Provides a benefit recipient may make one change to his or her health care coverage application during the sixty-day period following the issuance of the initial benefit payment.
- **Effective date of health care coverage** (Rule 145-4-04, 12/10/12) Limits retroactivity of effective date of health care coverage.
- **Eligibility for health care in the traditional pension and combined plans** (Rule 145-4-06, 1/7/13)
Maintains the current eligibility definitions that S.B. 343 removed from R.C. 145.58.
- **Reimbursement of medicare part “B” premium** (Rule 145-4-11, 1/7/13)
Codifies the schedule to phase out reimbursement of the Medicare B premium for those enrolled in OPERS health care coverage beginning in January 2015.

You should also review the following amended rules that have less substantive impact on employers or contain only technical changes. These rules were effective on Jan. 7, 2013. Some rules were amended on both Dec. 10, 2012 and Jan. 7, 2013, as noted below.

- **Staff authority** (Rule 145-1-09)
- **Appeal of staff determination** (Rule 145-1-11, 12/10/12 and 1/7/13)
- **Federal tax compliance provisions** (Rule 145-1-21)
- **Definition of earnable salary** (Rule 145-1-26)
- **Remittance of employee contributions** (Rule 145-1-28)
- **Service purchase** (Rule 145-1-35)
- **Purchases made with a rollover distribution** (Rule 145-1-37)
- **Purchase of service credit by payroll deduction** (Rule 145-1-38)
- **Replacement of payments** (Rule 145-1-39)
- **Services under a contract** (Rule 145-1-42)
- **Guardianship and power of attorney** (Rule 145-1-63, 12/10/12 and 1/7/13)
- **Interim benefit payment** (Rule 145-1-65)
- **Monthly benefit payment date** (Rule 145-1-67)
- **Waiver of spousal consent** (Rule 145-1-70)
- **Withdrawal of benefit application** (Rule 145-1-71)
- **Re-employment restrictions applicable to a member** (Rule 145-1-74)
- **Re-employment of a retirant** (Rule 145-1-75)
- **Benefits payable to a reemployed retirant** (Rule 145-1-76)
- **Re-employment of member-directed or combined plan participant** (Rule 145-1-77)
- **Retirement of a member pursuant to section 145.383 of the Revised Code** (Rule 145-1-78)
- **Effect of applicant’s death on payment plan** (Rule 145-1-80)
- **Service credit definitions** (Rule 145-2-01)
- **Additional liability for service purchases in the traditional pension plan** (Rule 145-2-02)
- **Purchase of credit pursuant to section 145-293 of the Revised Code** (Rule 145-2-04)



- **Free credit for military service** (Rule 145-2-05)
- **Purchase of military service credit** (Rule 145-2-06)
- **Additional service credit under section 145-201 of the Revised Code** (Rule 145-2-07)
- **Purchase of school board member service** (Rule 145-2-08)
- **Purchase of exempted service credit** (Rule 145-2-09)
- **Intersystem transfers with non-uniform systems** (Rule 145-2-10)
- **Police and fire or highway patrol service** (Rule 145-2-11)
- **Purchase of optional service** (Rule 145-2-12)
- **Purchase of leave of absence** (Rule 145-2-13)
- **Use of “Ohio service credit” in benefit calculation** (Rule 145-2-14)
- **Cincinnati Retirement System** (Rule 145-2-15)
- **Conversion of service credit to law enforcement service credit** (Rule 145-2-16)
- **Purchase of firefighter service** (Rule 145-2-17)
- **Service credit in the traditional pension plan for participation in combined plan or member-directed plan** (Rule 145-2-18)
- **Application for a disability benefit** (Rule 145-2-21, 12/10/12 and 1/7/13)
- **Disability appeals** (Rule 145-2-23, 12/10/12 and 1/7/13)
- **Combined disability benefits** (Rule 145-2-25)
- **Disability benefit recipient’s annual statement** (Rule 145-2-27)
- **Survivors of law enforcement officers with non law enforcement service** (Rule 145-2-39)
- **Benefits payable under section 145.333 of the Revised Code** (Rule 145-2-40)
- **Bonus points eligibility** (Rule 145-2-41)
- **Additional annuity accounts** (Rule 145-2-43)
- **Selection of payment plan – spousal consent** (Rule 145-2-44)
- **Beneficiary’s percentage under “plan C”** (Rule 145-2-46)
- **Beneficiary and payment plan changes after retirement** (Rule 145-2-47)
- **Beneficiary and payment plan changes after commencement of additional annuity** (Rule 145-2-48)
- **Retirement benefits for law enforcement officers** (Rule 145-2-49)
- **Actuarial reduction factors** (Rule 145-2-50)
- **Effective date of benefits** (Rule 145-2-51)
- **Application by a contributor for refund of accumulated contributions** (Rule 145-2-52)
- **Internal Revenue Code limitations on benefits** (Rule 145-2-65, 12/10/12 and 1/7/13)
- **Eligible rollover distributions from this plan** (Rule 145-2-67)
- **Mandatory direct deposit** (Rule 145-2-70)
- **Purchase of service credit by combined plan members** (Rule 145-3-21)
- **Restored service** (Rule 145-3-22)
- **Additional liability for service purchases in the combined plan** (Rule 145-3-23)
- **Purchase of exempted service credit** (Rule 145-3-34)
- **Police and fire or highway patrol service** (Rule 145-3-35)
- **Purchase of optional service** (Rule 145-3-36)
- **Cincinnati retirement system** (Rule 145-3-38)
- **Service credit in the combined plan for participation in member-directed plan** (Rule 145-3-40)
- **Actuarial reduction factors** (Rule 145-3-71)
- **Health care definitions** (Rule 145-4-01)
- **Health care fund** (Rule 145-4-02)
- **Health care coverage** (Rule 145-4-03, 12/10/12 and 1/7/13)
- **Monthly health care allowance** (Rule 145-4-05)
- **Waiver program grandfathered** (Rule 145-4-13)
- **Coordination of coverage** (Rule 145-4-14)

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- **Payment of health care charges and disenrollment for nonpayment** (Rule 145-4-17)
- **401(h) retiree medical account – excess health care allowance** (Rule 145-4-26)
- **Administration of 401 (h) retiree account-claims appeals** (Rule 145-4-28)
- **Administration of 401 (h) retiree medical account-forfeiture and unclaimed accounts** (Rule 145-4-30)
- **Health care plan provisions regarding the Health Insurance Portability and Accountability Act of 1996 (“HIPPA”)** (Rule 145-4-50)
- **Amendment Ten to the Public Employees Retirement System of Ohio Combined Plan**
- **Amendment Ten to the Public Employees Retirement System of Ohio Defined Contribution Plan**

The following rules were repealed effective Jan, 7, 2013:

- **Accounts of law enforcement members** (Rule 145-1-57)
- **Transfer of accumulated contributions to a new plan** (Rule 145-1-84)
- **Provisions applicable to law enforcement officers** (Rule 145-1-86)
- **Three years of contributing service or membership defined** (Rule 145-3-24)
- **Prior service credit claimed after retirement** (Rule 145-3-25)
- **Health care coverage for combined plan** (Rule 145-4-20)

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.

Whom to contact for more information

After you review this *Employer Notice*, contact your Employer Outreach representative with questions or comments at 888-400-0965, or by e-mail at employeroutreach@opers.org.

For a current listing of OPERS Board members, please visit www.opers.org

It is your responsibility to be certain that OPERS has your current physical and e-mail address on file. If OPERS is not made aware of address changes, we cannot guarantee that you will receive important information pertaining to OPERS public employers. 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.

