

**Amendment Two to the  
Public Employees Retirement System of Ohio  
Health Reimbursement Arrangement Plan**

WHEREAS, the Public Employees Retirement System of Ohio Health Reimbursement Arrangement Plan ("Plan") was originally effective October 1, 2015;

WHEREAS, the Ohio Public Employees Retirement Board, as Trustees of the Plan ("Trustees"), reserved the right to amend the Plan pursuant to Section 9.1 of the Plan;

WHEREAS, the Trustees now desire to amend the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows, effective on January 1, 2018:

**1. Section 1.3 of the Plan**, defining "Child" is hereby amended to be and read as follows:

"Child" is a non-Spouse Dependent who is eligible for Medicare and meets one of the following:

- (a) The Dependent of an Eligible Retiree described in Section (a) or (b)(1), who had accrued at least twenty (20) Qualified Years of Employer Contributions; or
- (b) The Dependent of an Eligible Retiree described in Section 1.13(b)(2); or
- (e) —The Dependent who survives a Member or disability benefit recipient who had accrued at least twenty (20) Qualified Years of Employer Contributions.

**2. Section 1.13 of the Plan**, defining "Eligible Retiree" is hereby amended to be and read as follows:

(a) An age and service retirant who is receiving benefits pursuant to sections 145.32, 145.33, 145.332, 145.37, or 145.46 of the Ohio Revised Code, or former section 145.34 of the Ohio Revised Code or section 9.03 of the Combined Plan, and who meets one of the following:

- (1) The retirant's effective date of benefits was before January 1, 2014, and the retirant had accrued at least ten (10) Years of Employer Contributions, or for the retirant for whom eligibility is established after June 13, 1986, and the retirant, at the time of establishing eligibility, had accrued less than ten (10) Years of Employer Contributions, exclusive of credit obtained pursuant to sections 145.297 or 145.298 of the Ohio Revised Code, credit obtained after January 29, 1981, pursuant to sections 145.293 or 145.301 of the Ohio Revised Code, credit obtained after May 4, 1992 pursuant to section 145.28 of the Ohio Revised Code, and credit obtained in the Combined Plan after January 1, 2003, pursuant to sections 145.28, 145.293, or 145.301 of the Ohio Revised Code;
- (2) The retirant's effective date of benefits was on or after January 1, 2014, but before January 1, 2015, and the retirant had accrued at least ten (10) Qualified Years of Employer Contributions as of his effective date of benefits; or
- (3) The retirant's effective date of benefits was on or after January 1, 2015, and the retirant had accrued at least twenty (20) Qualified Years of Employer Contributions as of his effective date of benefits.

(b) A disability benefit recipient who is receiving benefits pursuant to section 145.36 or 145.361 of the Ohio Revised Code and who meets one of the following:

- (1) The disability benefit recipient's effective date of the disability benefits was before January 1, 2014;
- (2) The effective date of the disability benefits was on or after January 1, 2014, and the disability benefit recipient (1) has been receiving disability benefits for less than five (5) years; ~~or~~ (2) has been receiving disability benefits for more than five (5) years and had accrued at least twenty (20) Qualified Years of Employer Contributions at the time of the effective date for disability benefits; or (3) qualifies for federal hospital insurance benefits under the Social Security Administration on the basis of disability before the age of sixty-five.

(c) An age and service retiree who is receiving a conversion retirement benefit pursuant to section 145.331 of the Ohio Revised Code and who meets one of the following:

- (1) The conversion retiree's effective date of benefits under section 145.361 of the Ohio Revised Code was before January 1, 2015 and the retiree had accrued at least ten (10) Qualified Years of Employer Contributions;
- (2) The conversion retiree's effective date of benefits under section 145.361 was on or after January 1, 2015 and the retiree described in this paragraph had accrued at least twenty (20) Qualified Years of Employer Contributions or is any age and has accrued at least thirty (30) Qualified Years of Employer Contributions. The conversion retiree shall be receiving benefits pursuant to division (A) of section 145.32, section 145.33, division (A) of 145.332, section 145.46 or former section 145.34 of the Ohio Revised Code or Sections 9.01(a) and 9.03 of the Combined Plan.
- (3) The conversion retiree's effective date of benefits under section 145.361 was on or after January 1, 2015 and the retiree described in this paragraph had accrued at least twenty (20) Qualified Years of Employer Contributions or is any age and has accrued at least thirty-one (31) Qualified Years of Employer Contributions. The conversion retiree shall be receiving benefits pursuant to division (B) of section 145.32, section 145.33, division (B) of 145.332 or section 145.46 of the Ohio Revised Code or Sections 9.01(b) and 9.03 of the Combined Plan.

**3. Section 1.14 of the Plan**, defining "Eligible Survivor Benefit Recipient" is hereby amended to be and read as follows:

"Eligible Survivor Benefit Recipient" shall mean an individual who is eligible for Medicare and is receiving a survivor benefit pursuant to sections 145.45 or 145.46 of the Ohio Revised Code or Section 9.03 of the Combined Plan and who meets one of the following:

(a) The surviving Child recipient survived an Eligible Retiree described in Section 1.13(a)(1) or (b)(1), or the recipient survived a Member who, at the time of death, had accrued less than ten (10) Years of Employer Contributions, exclusive of credit obtained pursuant to sections 145.297 or 145.298 of the Ohio Revised Code, credit obtained after January 29, 1981, pursuant to sections 145.293 or 145.301 of the Ohio Revised Code, credit obtained after May 4, 1992, pursuant to section 145.28 of the Ohio Revised Code, and credit obtained in the Combined Plan after January 1, 2003, pursuant to sections 145.28, 145.293, or 145.301 of the Ohio Revised Code;

(b) The surviving Child recipient survived an Eligible Retiree described in Section 1.13(a)(2), or the effective date of the survivor benefit was on or after January 1, 2014 but before January 1, 2015, and the recipient survived a disability benefit recipient or Member who had accrued at least ten (10) Qualified Years of Employer Contributions as of the disability benefit effective date; or

(c) The surviving Child recipient survived an Eligible Retiree described in Section 1.13(a)(3), or the effective date of the survivor benefit was on or after January 1, 2015, and the recipient survived a disability benefit recipient or Member who, as of the survivor benefit effective date, would have attained age sixty (60) and accrued at least twenty (20) Qualified Years of Employer Contributions, or had attained any age and accrued at least thirty (30) Qualified Years of Employer Contributions.

(d) The surviving Spouse recipient who meets all of the following:

- (1) On or before January 1, 2013, the recipient was both eligible for Medicare and receiving a survivor benefit;
- (2) The recipient's household income is at or below a percentage of the federal poverty level, as determined by the Board;
- (3) The recipient survived an Eligible Retiree or Member who accrued at least five (5) years of Qualified Employer Contributions.

4. Section 1.40 of the Plan, defining "Transitioning Child" is hereby deleted:

~~"Transitioning Child" is a non-Spouse Dependent who is eligible for Medicare and does not meet the definition of a Child because the Member or Eligible Retiree did not accrue the minimum Years of Employer Contributions described in Section 0.~~

5. Section 3.2(a) of the Plan, describing eligibility for reimbursement allowance is hereby amended to be and read as follows:

Eligibility for Reimbursement Allowance. Provided that the Participant has on file with the Administrator a written authorization to permit the direct deposit of reimbursement payments to his account with an appropriate financial institution, or has received the necessary exemption from direct deposit, a Participant is eligible for a monthly Reimbursement Allowance provided the following conditions are satisfied on the first day of the calendar month:

- (1) In the case of a Participant who is an Eligible Retiree, such Eligible Retiree shall receive a Reimbursement Allowance provided ~~one of the following is the case~~ such Eligible Retiree's Medicare Parts A and B coverage is in effect, ~~and such the~~ Eligible Retiree purchases a Medicare Plan through the Connector, and such Medicare Plan coverage is in effect;
- (2) In the case of a Participant who is an Eligible Retiree who has a Child, such Eligible Retiree shall receive a Reimbursement Allowance on behalf of any Child provided the Child's Medicare Parts A and B coverage is in effect, a Medicare Plan is purchased through the Connector for such Child, and such Medicare Plan coverage is in effect;
- (3) In the case of a Participant who is an Eligible Survivor Benefit Recipient who is a surviving Child or Spouse, such Eligible Survivor Benefit Recipient shall receive a Reimbursement Allowance provided such Eligible Survivor Benefit Recipient's Medicare Parts A and B coverage is in effect, ~~and such the~~ Eligible Survivor Benefit Recipient purchases a Medicare Plan through the Connector, and such Medicare Plan coverage is in effect;
- (4) ~~During the 2016 and 2017 Plan Years, a Participant who is an Eligible Retiree shall be eligible for a monthly Reimbursement Allowance on behalf of his Spouse or Transitioning Child, and a Participant who is an Eligible Survivor Benefit Recipient, shall be eligible for a monthly Reimbursement Allowance, provided the following conditions are satisfied on the first day of the calendar month:~~

- (i) ~~An Eligible Retiree shall receive a Reimbursement Allowance on behalf of his Spouse or Transitioning Child provided Medicare Parts A and B coverage is in effect for such Spouse or Transitioning Child and a Medicare Plan is purchased for the Spouse or Transitioning Child through the Connector and such Medicare Plan coverage is in effect;~~
- (ii) ~~An Eligible Survivor Benefit Recipient who is a surviving Spouse shall receive a Reimbursement Allowance provided such Eligible Survivor Benefit Recipient's Medicare Parts A and B coverage is in effect, and such Eligible Survivor Benefit Recipient purchases a Medicare Plan through the Connector and such Medicare Plan coverage is in effect;~~
- (iii) ~~An Eligible Survivor Benefit Recipient who is a Transitioning Child shall receive a Reimbursement Allowance provided such Eligible Survivor Benefit Recipient's Medicare Parts A and B coverage is in effect, and such Eligible Survivor Benefit Recipient purchases a Medicare Plan through the Connector and such Medicare Plan coverage is in effect;~~
- (iv) ~~An Eligible Survivor Benefit Recipient who is a surviving Spouse shall receive a Reimbursement Allowance on behalf of a Child who is not an Eligible Survivor Benefit Recipient provided Medicare Parts A and B coverage is in effect for such Child, and a Medicare Plan is purchased for the Child through the Connector and such Medicare Plan coverage is in effect.~~

For purposes of this Section 3.2, a Participant's Medicare Parts A and B coverage is considered in effect on the first day of the calendar month if the premiums for the Medicare Parts A and B coverage for such calendar month are paid in full on or before the last day of any grace period for such calendar month.

For purposes of this Section 3.2, a Participant's Medicare Plan coverage is considered in effect on the first day of the calendar month provided the Medicare Plan premium is paid in full on or before any grace period allowed by the Medicare Plan following the first day of such calendar month.

**6. Section 3.2(b) of the Plan**, describing the reimbursement allowance amount is hereby amended to be and read as follows:

Reimbursement Allowance Amount. The System, in its sole discretion, may provide a monthly Reimbursement Allowance with respect to: (i) each Participant who is an Eligible Retiree and who satisfies the requirements of Section 3.2(a) as applicable to an Eligible Retiree, including on behalf of his ~~Spouse, Child or Transitioning Child, as described in Section 3.2(a)(4)~~, and (ii) each Participant who is an Eligible Survivor Benefit Recipient and who satisfies the requirements of Section 3.2(a) as applicable to an Eligible Survivor Benefit Recipient.

**7. In all other respects**, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this Amendment on the date indicated:

11-1-17  
Date

Karen E. Carraher  
Karen E. Carraher, Executive Director