Retiring from Public Employment
For Members in the Traditional Pension Plan
The 11-member OPERS Board of Trustees is responsible for the administration and management of OPERS. Seven of the 11 members are elected by the groups that they represent (i.e., college and university non-teaching employees, state, county, municipal, and miscellaneous employees, and retirees); the Director of the Department of Administrative Services for the State of Ohio is a statutory member, and three members are investment experts appointed by the Governor, the Treasurer of State, and jointly by the Speaker of the Ohio House of Representatives and the President of the Ohio Senate.

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 address on file. If OPERS is not made aware of address changes, we cannot guarantee that you will receive important information pertaining to your OPERS account.

This booklet is written in plain language for use by members of 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. OPERS is not required to provide health care coverage to retirees or their dependents and will only do so at the discretion of the Board of Trustees.
As a member of OPERS, you have been actively contributing to one of the nation’s premier public retirement systems. Now that you are beginning the retirement application process and making the transition from active member to benefit recipient, OPERS is committed to providing the same exemplary service while making the process simple and convenient. The following information will guide you through the benefit application process and provide you with details of the benefits available under the Traditional Pension Plan.

The OPERS Traditional Pension Plan

The Traditional Pension Plan is a defined benefit plan under which a retirement benefit is based on a formula. The formula is determined by years of service credit in the Traditional Pension Plan and the average of the three or five highest years of earnable salary, known as final average salary (FAS). OPERS investment professionals manage the investment of employee and employer contributions to ensure that funds are available to pay the formula benefit.

Retirement Eligibility

Under the Traditional Pension Plan, the minimum age and service eligibility requirements for each retirement group* are as follows:

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*You can find your current retirement group on your annual statement or in your online account.
Retirement Eligibility Continued

**Early Retirement**
If you choose to retire before reaching age and service eligibility for an unreduced benefit, a reduction determined by your age or service credit will be applied to your benefits. Your benefit will be calculated at the reduced amount for as long as you receive retirement benefits.

**Service Credit**
Service credit represents the period of time during which you are employed by a public employer and making contributions to OPERS. You earn service credit for each month you contribute to OPERS. Under the Traditional Pension Plan, service credit is calculated on a monthly basis, January through December of each year. It is used to determine eligibility for retirement, disability and survivor benefits as well as health care coverage. If you are employed in more than one OPERS-covered position, service credit cannot exceed one year for any one calendar year. If you have contributions and service credit in more than one of the OPERS retirement plans, only service credit earned or purchased under the Traditional Pension Plan will be used in determining eligibility for or the calculation of a benefit.

If you have acquired service credit in the School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System of Ohio (STRS) Defined Benefit Plan, you may retire independently from each system or have your contributions and total service credit in the OPERS Traditional Pension Plan, SERS and STRS Defined Benefit Plan combined for the purpose of determining eligibility for and calculation of benefits. The system that has the most service credit will pay the benefit, while funds and service credit in the other system(s) are transferred to the paying system.

With certain exceptions, you may be eligible to purchase service credit and, in limited instances, free credit may be available. Service credit purchases should be completed prior to service termination. Purchases made after service termination may change your effective benefit date. For more information, see the *Service Credit and Contributing Months* leaflet.

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Estimating Retirement Benefit Payments

Three factors impact the amount of your retirement benefit. They are your final average salary (FAS), your age at retirement and your years of service credit in the Traditional Pension Plan. While each factor is important, the more service credit you have, the greater your retirement benefit.
Estimating Retirement Benefit Payments Continued

Final Average Salary (FAS)
For members in Groups A and B, your FAS is the average of your three highest years or the last 36 months of earnable salary while contributing to the Traditional Pension Plan.

For members in Group C, your FAS is the average of your five highest years or the last 60 months of earnable salary while contributing to the Traditional Pension Plan.

Age and Service Retirement Benefit Formula
For members in Groups A and B, the retirement benefit calculated under the Traditional Pension Plan consists of an annual lifetime allowance equal to 2.2 percent of FAS, multiplied by the first 30 years of service plus 2.5 percent of FAS for each year, or partial year for service credit over 30.

For members in Group C, the retirement benefit calculated under the Traditional Pension Plan consists of an annual lifetime allowance equal to 2.2 percent of FAS, multiplied by the first 35 years of service plus 2.5 percent of FAS for each year, or partial year for service credit over 35.

For all retirement groups, the benefit cannot exceed 100 percent of the FAS or the limits set by the Internal Revenue Code. This base amount will be reduced if you retire before you reach age and service eligibility for an unreduced benefit.

Contribution-Based Benefit Cap
OPERS applies a contribution-based benefit cap when calculating retirement benefits for members with a retirement effective date on or after Feb. 1, 2013. This is an anti-spiking provision which considers the member’s career contributions and is designed to limit the amount of monthly benefit payments for those members whose benefits are out of proportion with their contributions.

The benefit cap is not intended to impact members who have had normal raises and promotions throughout their careers. It will, however, eliminate subsidization of benefits by those who spike their salary during their career. The cap applies to all retirement groups.

The following formula is applied to each member’s career contributions to determine if the member’s retirement benefit should be capped:

\[(\text{Accumulated Contributions}) \times (\text{Annuity Factor}) \times (\text{CBBC factor}) = \text{Annual benefit}\]

For members in Group A, any reduction caused by the cap may not exceed 5 percent of the retirement benefit the member would have otherwise received. This 5 percent limit does not apply if the member’s earnable salary was less than $1,000.00 for any full month of service after Jan. 1, 1987.

Online Benefits Estimator
OPERS offers a Web-based benefit estimator you can use to run estimate scenarios yourself. If you are registered for online account access, you can log in and use the calculator pre-filled with data from OPERS’ database. We encourage you to use the benefit estimator prior to filing your retirement application to determine the estimated amount of your benefit. If you have law enforcement service credit, public safety service credit, joint service credit with SERS or STRS or a DPO (Division of Property Order), you will need to call us to request an estimate.
Payment Plan Options

When you retire you will have the following OPERS retirement plans from which to choose:

**Single Life Plan**
This is an annuity that is paid solely to the member for life. It terminates at the member’s death, with no further monthly payments. If the total allowance received does not equal the member’s accumulated contributions, the remaining balance is paid to the member’s beneficiaries.

**Joint Life Plan**
This is a joint survivor annuity that is paid to the member for life. After the member’s death, payment is made to one beneficiary in a specified amount from 10 to 100 percent. If a member is married at retirement, the member must designate a 50 percent Joint Life Plan to the member’s spouse unless the member obtains spousal consent.

**Multiple Life Plan**
This joint survivor annuity provides payment to the member for life. After the member’s death, payment will be made to the member’s surviving beneficiaries. Members are permitted to designate two to four surviving beneficiaries.

**Partial Lump Sum Option Payment (PLOP)**
The PLOP is an option that allows you to initially receive a lump-sum payment along with a reduced monthly retirement benefit. The lump-sum payment cannot be less than six times or more than 36 times the monthly amount that would be payable to you under the plan of payment selected for the monthly retirement benefit. The lump-sum payment cannot result in a monthly retirement benefit that is less than 50 percent of the monthly benefit had the lump sum not been selected.

The total amount paid as a lump sum and monthly benefit will be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected. As a lump-sum distribution, the PLOP is fully taxable, unless it is rolled over to a qualified retirement plan or IRA.

An OPERS member who is a law enforcement or public safety officer terminating public employment at age 50 or older and who receives a PLOP distribution from the Traditional Pension Plan on or after Aug. 18, 2006 will not have to pay the additional 10 percent tax on this distribution, provided the position from which they terminated was their law enforcement or public safety position.

PLOP may also be subject to court orders, such as division of property orders and support withholding orders, if applicable.

If you elect to receive a PLOP at retirement, the PLOP will be issued no sooner than 90 days after your first monthly benefit payment has been issued. Once the PLOP has been issued, no changes can be made to your plan of payment or to the PLOP amount you requested.
Payment Plan Options Continued

Cost-of-Living Adjustment
A retiree who has received benefits for 12 months will receive an annual cost-of-living adjustment (COLA). The COLA is determined by the recipient’s retirement group. Group A members who retire within the first five calendar years after Jan. 7, 2013 will receive a simple, 3 percent COLA until Dec. 31, 2018 and, thereafter, their COLA will be based on an allowance equal to a percentage of the Consumer Price Index (CPI), up to 3 percent. Groups B and C members will receive a COLA based on an allowance equal to a percentage of the CPI, up to 3 percent.

The COLA is not compounded, it will always be based on your initial retirement annuity benefit, not the benefit plus accumulated allowances. If the CPI used to determine COLA is negative, no allowance will be granted the following year.

Health Care Coverage
OPERS offers health care coverage to retirees 60 or older with at least 20 years of qualifying service, and to all retirees with 30-32 years of qualifying service depending on their group. You must be eligible for and receiving a retirement benefit before you can have access to health care coverage through OPERS.

The minimum monthly salary required to earn service credit for health care coverage is $1,000, which is more than the requirement for pensions. To learn more about health care eligibility, visit opers.org to view the Pension and Health Care Eligibility Guide.

Only the following types of service credit will count toward health care eligibility

- Contributing service
- Eligible service in another Ohio retirement system
- Military time that interrupts public service (USERRA)
- Unreported public service
- OPERS redeposit (restored) service

More information about the OPERS Health Care Plan and the OPERS Medicare Connector is available at opers.org. For more information about qualifying for health care, scheduled cost and dependent eligibility transitions, please visit opers.org.
Applying For Benefits

It’s easiest to apply for retirement online. If you are registered for an online account, log on and follow the prompts to apply for retirement. If you are not registered, see page 12 for easy-to-follow instructions.

You can also apply for retirement by completing the proper forms. They are available by calling our Member Services Center at 1-800-222-7377.

To avoid delay in issuing your first benefit payment and to ensure your potential health care effective date, your retirement and health care applications can be submitted six months in advance of your effective retirement date (assuming you have attained eligibility by that date).

Impact of Court Orders on Your Retirement Application

If your marriage is terminated by divorce or dissolution and, as part of the property division, the court orders you to designate your former spouse as a beneficiary on a joint and survivor annuity, you are required to designate your former spouse as a beneficiary for a specified portion (i.e. whole percentage) upon our receipt of the court order and upon your applying for retirement. When we receive a copy of the court order, the retirement system may accept and process your retirement application only if you have complied with the court order by designating your former spouse as a beneficiary on a joint and survivor annuity.

If you remarry prior to applying for retirement and are subject to a court order requiring you to designate your former spouse as a beneficiary for a specified portion on a joint and survivor annuity, you may select the annuity option Multiple Life Plan to designate your current spouse and former spouse as beneficiaries.

For more information, please refer to the OPERS Member Guide to Domestic Relations Issues leaflet available at opers.org.

Spousal Consent

Your current spouse must consent to your payment plan selection and beneficiary designation prior to your retirement application being processed.

Proof of Date of Birth and Name Change

At the time you apply for retirement benefits and health care coverage, you will have to submit proof of your date of birth, if you have not already done so. If you choose the Joint Life Plan or the Multiple Life Plan, you must submit proof of date of birth for your beneficiary(ies). Additionally, OPERS requires a marriage certificate (if applicable) and birth certificates for all eligible dependents included under your health care coverage. In the event you have changed your name, you also must submit supporting documentation, such as a marriage certificate or court order, which shows the change. If you do not have a birth certificate, there are other ways to prove your birth date.
Applying For Benefits Continued

A photocopy of any one of the following is acceptable to OPERS. If an original is submitted, it will not be returned:

- A birth certificate
- Valid driver’s license
- U.S. passport
- An official baptismal record
- Your parent’s affidavit supporting your birth
- A life insurance policy issued at least 10 years ago that contains a penalty clause for misstatement of age and that states age or date of birth
- Your child’s birth certificate, which contains your age and/or date of birth
- An official hospital record of birth
- United States Census Bureau records (contact OPERS for a form to complete and send to the Census Bureau)

If none of these documents exists, you may submit for review:

- An affidavit stating that none of the above-listed documents exists
- Any other document(s) that state your date of birth

If you have changed your name, you also must submit supporting documentation, such as a Social Security card, passport, marriage certificate or court order, which shows the change. Please provide complete copies of the documents showing the name change as we do not return original documents.

An original of any one of the following will be acceptable. We will copy and return any of these original documents:

- A family Bible that contains entries of family births
- A United States certificate of citizenship or naturalization
- An original United States passport
Receiving Benefits

Benefit Dates
After filing your Traditional Pension Plan Retirement Application with OPERS, your benefit will be effective on the first of the month immediately following the later of:

- The date you terminate public employment
- The date you attain the required minimum age
- The date you attain the required service credit
- A date that is no more than 90 days prior to OPERS’ receipt of your completed retirement application

You will receive your first benefit payment approximately 30 business days after OPERS receives all valid documentation from both you and your employer, or your retirement effective date, whichever is later. After that, benefit payments are available, via mandatory direct deposit, on the first business day of the month.

Interim Benefits
You may be eligible for an interim benefit payment, in which you would receive your first benefit payment within approximately 30 business days after OPERS receives all valid documentation from both you and your employer.

An interim benefit is a monthly benefit that is calculated before OPERS receives final salary and contribution information from your employer.
Receiving Benefits Continued

Benefits and Taxes
All or part of your benefit payment is subject to federal and state income taxation. You should consult with a tax advisor about how these taxes affect your benefit.

Direct Deposit
Direct deposit for monthly benefit payments is required. OPERS will deposit your monthly benefit directly into your savings or checking account. There is no delay and no danger of losing or misplacing a paper check. You will have easy access to your funds through your financial institution.

It is important to keep OPERS informed of any changes in your bank account information to prevent any delay in receiving your monthly benefit. You may access your individual online account at opers.org to change your bank account information. Or, you may notify us of any changes to your bank account information by obtaining a Change Request (F-50) form from our website. Or, you may contact OPERS at 1-800-222-7377 and request to have this form mailed to you. If you mail the form to our office, please allow 30 days for this change to take effect.

Qualified Excess Benefit Arrangement
Under QEBA, a retiree may be paid the portion of the retirement benefit that was previously limited due to Internal Revenue Code Section 415(b). The QEBA is administered in accordance with IRC Section 415(b).

Social Security Coordination
If you are eligible for Social Security benefits and are receiving a retirement benefit from OPERS under any of the three OPERS retirement plans, your Social Security benefits may be affected by the Government Pension Offset or the Windfall Elimination Provision. Keep in mind, your OPERS benefit will not be reduced by any Social Security benefit you may receive.

The GPO may also affect you if you are eligible for Social Security benefits through your spouse. The GPO is a reduction of Social Security benefits by two-thirds of your OPERS benefit. The WEP may affect you if you qualify for Social Security benefits due to your own work history. The WEP is a modified version of the Social Security benefit calculation.

If you have questions concerning the GPO or WEP, contact your local Social Security office or access its website at ssa.gov.
Payment Plan Changes After Retirement

A monthly retirement benefit payable for your lifetime by OPERS may be modified based on the following life-changing events:

- Death of a beneficiary(ies)
- Marriage or remarriage,
- Divorce, dissolution or annulment of marriage

If you elected to receive a Partial Lump Sum Option Payment (PLOP) at retirement, the PLOP will be accounted for upon the modification and recalculation of your monthly retirement benefit.

Death of Beneficiary(ies)

If you select the Joint Life Plan and your beneficiary dies before you, you will begin to be paid under the Single Life Plan after you submit a copy of the beneficiary’s death certificate.

If you select the Multiple Life Plan and one of your beneficiaries dies before you, you will remain under the Multiple Life Plan. Your benefit will be recalculated to reallocate to you the amount you previously allocated to the deceased beneficiary after you submit a copy of the deceased beneficiary’s death certificate. There will be no change in the benefit allocation for the other beneficiaries. You will remain under the Multiple Life Plan until there are no longer any designated beneficiaries under the plan. At that time, your benefit will change to the Single Life Plan. The change will be effective the month following the beneficiary’s date of death.

Marriage or Remarriage

If you select the Single Life Plan at retirement and later marry or remarry, your benefit may be recalculated under the Joint Life Plan to provide for your new spouse. If you select the Multiple Life Plan, you may add a spouse only due to your marriage or remarriage if you have no more than three beneficiaries designated at the time you marry or remarry. If you select the Multiple Life Plan because you were court-ordered to select a joint survivor annuity and designate your former spouse as a beneficiary, the specified portion that your former spouse is to receive as your beneficiary cannot be changed upon your designating a new spouse as your beneficiary.

You may select the Joint Life Plan because you are unmarried when you apply for retirement and you were court-ordered to select a joint survivor annuity and designate your former spouse as a beneficiary. If you remarry after retirement, you may select the Multiple Life Plan to add your new spouse. Your former spouse remains as a designated beneficiary. The whole percentage that your former spouse receives as your beneficiary will not be changed under the Multiple Life Plan when you designate a new spouse as your beneficiary.

For marriages or remarriages that occur on or after June 6, 2005, you have one year from the date of marriage or remarriage to change your plan of payment to provide for your spouse. If your marriage occurred prior to June 6, 2005, you may change your plan of payment at anytime. You will need to contact us to request the Retirement Benefit Pop Down Request form. The change to the new plan of payment is effective on the date the form is received by our office. Any change in the amount of the benefit will begin on the first day of the month following our receipt of the properly completed form.

In the event your death occurs prior to OPERS’ receipt of your properly completed and valid form, the change to your payment plan will not take effect, and all benefits, including health care coverage, will cease.
Payment Plan Changes After Retirement Continued

Divorce, Dissolution or Annulment of Marriage

If you designate your spouse as your beneficiary under the Joint Life Plan, and a divorce, dissolution, or annulment occurs after your retirement, you may elect to be paid under the Single Life Plan with the written consent of your former spouse or a court order. The change to the Single Life Plan will be effective the first of the month following our receipt of the properly completed Retirement Benefit Pop Up Request form and, if necessary, the appropriate court order. If, after you have changed to Single Life Plan you later remarry, your benefit may be recalculated under the Joint Life Plan to provide for your new spouse.

If you designate your spouse as a beneficiary under the Multiple Life Plan, and a divorce, dissolution, or annulment occurs after your retirement, you may remove your former spouse as beneficiary with the written consent of your former spouse or a court order. You will remain under the Multiple Life Plan. Your benefit will be recalculated to reallocate to you the amount you previously allocated to your former spouse upon our receipt of your properly completed Retirement Benefit Pop Up Request form.

There will be no change in the benefit allocation for the other beneficiaries. The change in your benefit will be effective the first of the month following our receipt of your properly completed Retirement Benefit Pop Up Request form and, if necessary, the appropriate court order. If you later remarry, your benefit may be recalculated under this plan to provide for your new spouse, provided any specified portion to another former spouse, who is a designated beneficiary as required by a court order, remains unchanged. You will have one year from the date of your remarriage to change your benefit to provide for your new spouse.

Returning to Work After Retirement

Age and service retirees may become re-employed by returning to work in an OPERS-covered position after retirement. After a member retires under any of the retirement plans, re-employment in a job that is covered by OPERS or another Ohio retirement system, including service in an elected position, may affect continuing receipt of benefits.

Re-employed retirees must notify their employer that they are receiving an OPERS retirement benefit from OPERS or another Ohio retirement system. You should discuss your re-employment plans with your employer to determine whether there are any restrictions or policies on re-employment. Your current employer is not required to re-hire you after retirement.
Returning to Work After Retirement Continued

Re-employed retirees are subject to the following requirements:

- A retiree who has received a retirement allowance for less than two months when re-employment begins will forfeit the retirement allowance for any month of re-employment during the two-month period. This forfeiture applies even if the retiree waives salary for the two-month period.

- Re-employed retirees will continue to receive their retirement benefit and contribute toward the Money Purchase Plan.

- Employee and employer contributions must begin from the first day of re-employment. However, contributions remitted during the first two months after retirement will not be included in the calculation of the Money Purchase Plan annuity.

- An OPERS retiree who is re-employed in a law enforcement position and contributes toward the Money Purchase Plan for the re-employment period is eligible to contribute only at the regular employee rate, not the law enforcement rate.

- There are special requirements for the re-employment of elected officials.

For more information see the Returning to Work After Retirement booklet or visit the OPERS website.

Retirement Resources

Seminar Options
OPERS has implemented a new education model that is based on member demand and demographics and takes into consideration the education needs based on your stage of membership.

Ready to Retire
If you are a Traditional Pension Plan participant and will be retiring within the next 12 months, this is for you. You will learn about your health care options, retirement benefit, retirement application process and accessing your individual online account.

Member Counseling
Our counselors are available weekdays during business hours at the OPERS office to provide you with information about your OPERS retirement plan. You may request and receive a counseling session by phone or schedule a visit to meet with a counselor at our office during regular business hours. To schedule in-person counseling, call 1-800-222-7377, between 8 a.m. and 4:30 p.m., Monday through Friday.

The OPERS Website – opers.org
Our website is a great resource for retirement information – you can download forms, register for seminars, access email addresses so you can send a question directly to OPERS and link to other relevant websites.

Online Account
To use your OPERS online account, you’ll first need to register by visiting the OPERS website and clicking “Member Login.” After completing some brief information, you will create a user name and password you can use to log into your online account.
Retiring From Public Employment - Traditional Pension Plan

Notes