



# Additional Annuity Program

*For Traditional Pension Plan Contributors and Re-Employed Retirees  
Contributing to a Money Purchase Annuity*



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](http://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.

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# Additional Annuity Program

As workers prepare to make the transition to retirement, many issues emerge. Among the most significant uncertainties is the question of retirement income – will it be enough? As you consider your retirement situation, can you answer that question? If you're uncertain that you'll have enough in retirement, OPERS' Additional Annuity Program may help alleviate your doubt.

## Supplementing Your Retirement Income

OPERS members are living longer in retirement than ever before. Their retirement funds may require a supplemental income to help last through retirement. That is why OPERS created the Additional Annuity Program.

The Additional Annuity Program provides an opportunity to invest money specifically for supplementing retirement income. The program is an account, independent of your OPERS contributions, that allows you to deposit funds while you are a member of OPERS.

Your deposits will purchase investment shares in the OPERS Stable Value Fund. As you work toward

retirement, your account is subject to the daily gains or losses of the OPERS Stable Value Fund, and your potential earnings are tax-deferred until you retire or refund your account. Traditional Pension Plan contributors and re-employed retirees contributing to a Money Purchase Account are eligible to participate in the Additional Annuity Program.

Upon application, you'll choose how you want to take your account – as a lump sum payment or annuitized in monthly payments. Either way, the Additional Annuity Program provides you with supplemental income in retirement.



**The Additional Annuity Program offers Traditional Pension Plan participants and re-employed retirees a voluntary way to save additional money for retirement through OPERS.**

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## A Solid Return on Your Investment

### The OPERS Stable Value Fund

The objective of the OPERS Stable Value Fund is to preserve capital and provide a reasonably predictable return that moves in the general direction of prevailing interest rates. The OPERS Stable Value Fund is composed of securities from the Stable Value asset class, which includes money market instruments, Guaranteed Investment Contracts and fixed income securities. It offers a high degree of security and is specifically designed to protect your original investment.

As with other investment options, your Additional Annuity account will be subject to daily gains or losses. The value of your Additional Annuity account will be based on the number of shares you own and the daily value of the Stable Value Fund, which is net of any fees.

### Monitoring the Performance of the Stable Value Fund

Once you establish an Additional Annuity account, you will be able to check it online after you have registered on the OPERS website. Additionally, you will receive a notice at the end of each quarter stating the current value of your account. You can access the Stable Value Fund's online profile by visiting the Financial section of our website. From there, select "Defined Contribution Plan." A drop-down menu will appear listing the Stable Value Fund. Click "Stable Value Fund" to access the fund's strategy, quarterly summary and expense ratio.



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# Additional Annuity Program

## Making Deposits to the Additional Annuity Program

Once you have decided to deposit funds in the Additional Annuity Program, you'll need to complete and sign the *Additional Annuity Deposit - Traditional Pension Plan Contributors (AAA-T)* form. Send the completed form along with your deposit to OPERS, and your funds will be deposited into your individual account to purchase shares of the Stable Value Fund. Actively contributing members may make deposits of \$15 or more any time with a rollover distribution, personal check, money order or cashier's check payable to OPERS. Inactive members may make a deposit at any time via a rollover distribution only.

Your funds will be invested in the Stable Value Fund on the first business day following the receipt of your deposit. The Internal Revenue Code sets a maximum amount of after-tax dollars that may be deposited each year. The annual limit will be shown on the *Additional Annuity Deposit-Traditional Pension Plan Contributors (AAA-T)* form. Certain restrictions apply based on your salary and OPERS contributions. Amounts rolled over from other investment accounts such as Individual Retirement Accounts (IRAs) or 401(k)s are not subject to these limits.

### There are two ways to make deposits:

#### 1. After-tax deposits

After-tax deposits may be made with a personal check, money order or cashier's check payable to the Ohio Public Employees Retirement System. Please note your Social Security number and "Additional Annuity" on your payment and mail to: [277 E. Town St., Columbus, OH 43215](#).

#### 2. Rollover deposits

Once you have established an account, you may roll funds over to your OPERS Additional Annuity account with no maximum deposit limits. OPERS can accept eligible rollover distributions from the following plans:

- Section 401(a) or 401(k) qualified employer plan
- SIMPLE IRA
- Roth IRA
- Section 403(a) annuity plan
- Simplified Employee Pension (SEP) IRA plan
- Traditional IRA (Section 408)
- Keogh plan
- 403(b) account\*
- 457(b) account\*

*\*403(b) accounts or 457(b) accounts (such as the Ohio Public Employees Deferred Compensation Program) may also be rolled over without limits, provided that the rollover of funds to your OPERS Additional Annuity account is completed within 120 days after retirement or termination of your employment.*

# Additional Annuity Program

## Receiving Funds from Your Additional Annuity Account

### Withdrawing Your Account Before Retirement

You may choose to take your money prior to retirement or termination of public employment as long as your account does not contain excess funds due to a plan change. If your account contains excess funds due to a plan change, you must first terminate public employment.

Upon withdrawing your account, you will have two options:

- You can withdraw your account as a one-time, lump sum payment.
- You can withdraw your account as a lump sum and rollover all or a portion of the payment to an IRA or eligible retirement plan. You'll pay taxes on both the earnings and any tax-deferred deposits.

If you withdraw your money prior to age 59½, the Internal Revenue Service may impose a 10 percent early withdrawal penalty on your earnings and tax-deferred deposits. There may be some exceptions to the 10 percent penalty; please consult your accountant or tax advisor to see if these exceptions apply to you. The tax does not apply if you separate service in or after the year you reach age 55.

To request a refund of your account, complete the *Application for Additional Annuity Lump Sum Payment (AAA-4)* form.

### Withdrawing Your Account at Retirement

According to the Internal Revenue Code Section 401(a)(9), at the time of your retirement or application for your Money Purchase benefit, you are required to make application for the payment of your Additional Annuity account. As mentioned previously, your Additional Annuity distribution can occur in the form of a lump-sum payment or annuitized in monthly payments if the monthly payment for you and your spouse (if married) would be at least \$50.

If your Additional Annuity account contains excess funds due to a plan change, you will only be permitted to withdraw it at retirement or if you refund your OPERS retirement account.

Please contact our Member Services Center at 1-800-222-7377 to request an estimate prior to filing your application if you are considering annuitizing your Additional Annuity account.

We will automatically distribute your account value on April 1 of the calendar year following attainment of the required minimum distribution age, if you have terminated employment and have not applied for your Additional Annuity account.

**Contact our Member Services Center at 1-800-222-7377 to request an estimate prior to filing your application.**

## Notes

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Ohio Public Employees Retirement System  
277 East Town Street  
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