



# The Benefits of Membership

*a comprehensive overview*



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 publication is written in plain language for use by public employees 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. OPERS is not required to provide a health care program for retirees or their dependents and will only do so at the discretion of the OPERS Board of Trustees.

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**Welcome and congratulations** - you are now part of one of our nation's premier public pension systems. For more than 80 years, the Ohio Public Employees Retirement System has been providing Ohio's public employees with peace of mind through financial security and exemplary service. Today, we are proud to be able to offer quality benefits, which may include certain disability and survivor protection, as well as access to the OPERS health care program. New members have the opportunity to select enrollment in one of the OPERS retirement plans based on their individual financial goals.

This Member Handbook is an excellent resource for you as a member of OPERS. It details our retirement plans: the Traditional Pension Plan, the Combined Plan (which is not available to new members) and the Member-Directed Plan, as well as general member benefits. I encourage you to take some time to read through this handbook and plan to keep it for future reference.

At OPERS, we want to be a partner in your future. Please feel free to contact us at 1-800-222-7377 or through our website, [opers.org](https://opers.org), with any inquiries or concerns you may have. Again, welcome to the dedication, service and financial stability OPERS represents. We look forward to serving you for many years to come.

A handwritten signature in cursive script that reads "Karen E. Carraher".

Karen E. Carraher  
Executive Director

## **Our vision**

Our vision is to be your trusted retirement partner delivering responsive, high-quality service every time, all the time.

## **Our mission**

Our purpose is to provide secure retirement benefits for our members.

## **About us and our legal status**

The Ohio Public Employees Retirement System (OPERS) was established by state law in 1935 and operates under the authority of the Ohio General Assembly. Chapter 145 of the Ohio Revised Code and Ohio Administrative Rules governs OPERS. 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. Additional information about Ohio Statutes and Rules can be reviewed by visiting the "About OPERS" section of [opers.org](https://opers.org).

## HOW TO CONTACT US

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### Visiting OPERS

The OPERS office is located at 277 E. Town St. in downtown Columbus. The office is open daily by appointment, Monday through Friday, from 8 a.m. until 4:30 p.m., except holidays. A drop box is also available to deliver sensitive documents or paperwork. Free visitor parking is available for your convenience.

### Calling OPERS

We provide a toll-free number for use by OPERS benefit recipients and members. You may reach us at 1-800-222-7377 between 8 a.m. and 4:30 p.m., Monday through Friday (except holidays) to speak with a member services representative.

### Writing to OPERS

When writing to OPERS please include the last four digits of your Social Security number or your OPERS ID and longhand signature.

Ohio Public Employees Retirement System  
277 E. Town St.  
Columbus, OH 43215-4642

### OPERS website – [opers.org](https://opers.org)

You can also review information and access your personal account on our website, [opers.org](https://opers.org). See below for more information about online account access.

### 24-hour online access to your account

OPERS is proud to provide you with secure, 24-hour account access, seven days a week. View your current account value, service credit and beneficiary information, keep your personal information current and request a retirement estimate by accessing your account online at [opers.org](https://opers.org). If you have not already registered, you will need to follow the simple instructions for getting started. It is easy to get registered.

1. Go to [opers.org](https://opers.org).
2. Click on the “Account Login” button at the top of the home page. You will need your Social Security number or your OPERS ID, and an active e-mail account.

## HOW TO CONTACT US

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### Changes to your address or personal data

Keeping your personal information up to date with OPERS is very important. If we do not have your correct information, you will not receive your account statements or the member newsletters promptly. There are a number of convenient ways for you to let us know if you have a change in address or family status. The easiest and fastest way to make changes to your personal information is by accessing your account online at our website, [opers.org](https://opers.org). You will always receive a confirmation of any changes made online.

You may also make changes by contacting OPERS at 1-800-222-7377, or send your changes to our office at:

Ohio Public Employees Retirement System  
277 E. Town St.  
Columbus, OH 43215-4642

### Release of information

The account information of our members and benefit recipients is confidential and OPERS cannot release this information to a third party without the written authorization of the member or benefit recipient. An *Authorization: Release of Account Information* form is available at [opers.org](https://opers.org) for you to complete and return to OPERS if you wish to authorize the release of your account information. This form must be accompanied with a written request by the third party of what information they need.



*We provide a toll-free number for use by OPERS benefit recipients and members. You may reach us at 1-800-222-7377 between 8 a.m. and 4:30 p.m., Monday through Friday.*



## NEW MEMBERS

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When you begin public employment as a new member of OPERS, you are required to file a *Personal History Record (Form A)* to identify and protect your account. You are also required to complete the Social Security document, *Statement Concerning Your Employment in a Job Not Covered by Social Security* (see page 46 for more information about how your benefit may be affected by Social Security). Your employer submits these forms to OPERS, which initiates the process by which you will choose your retirement plan under OPERS.

Eligible new employees have 180 days from their hire date to select one of the OPERS retirement plans, the Traditional Pension Plan or the Member-Directed Plan. Beginning January 1, 2022, the Combined Plan is no longer a plan selection option for newly hired members. If you do not select a plan within 180 days, you will be enrolled in the Traditional Pension Plan. See “About the retirement plans” on page 15 and “Selecting my OPERS retirement plan” on page 17.

## ELIGIBILITY

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All employees who are paid in whole or in part by the state of Ohio, a county, municipality or any other political subdivision of the state or local government in Ohio, and who are not in a position covered by another state retirement system in Ohio or by the Cincinnati Retirement System, are enrolled in OPERS. Membership for elected officials may be optional (see page 9 for details).

### Exemption

Students working for a college or university where they are regularly attending classes, may be exempt from contributing to OPERS by filing a request for exemption within 30 days of the employment date. However, if you choose to exempt your service and subsequently become a member, this service may be purchased under the Traditional Pension and Combined plans. See “Purchased service credit,” on page 22, for details.



## ELIGIBILITY CONTINUED

### Exclusions

The following individuals are ineligible for OPERS membership:

- Elected officials of public employers who have no employees subject to OPERS coverage
- Individuals performing services under a contract as an independent contractor
- Employees of temporary help services who perform services for public employers
- Individuals serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency
- Persons employed under the federal Job Training Partnership Act
- Members of the Motor Vehicle Salvage Dealers Board or the Motor Vehicle Dealer's Board
- Employees of private contractors who do not continue to perform the same or similar duties under the direction of that contractor who has contracted to take over what was immediately preceding the date of the contract a publicly operated function
- Election workers who earn less than \$600 per calendar year, except in a year with more than one primary or general election, less than \$1,000
- Firefighters, except those who were members before Aug. 3, 1992, and elected to remain members
- Board members of city or general health district boards of health whose compensation is established in Ohio Revised Code Section 3709.02 or 3709.05
- Full-time employees of state colleges/ universities who choose to participate in an Alternative Retirement Plan (ARP)
- Board members of a sanitary district established under Ohio Revised Code Chapter 6115
- Inmates of state correctional institutions
- Patients in hospitals operated by the Departments of Mental Health or Developmental Disabilities
- Patients in the Ohio Veterans' Home and residents of county homes



## LAW ENFORCEMENT AND PUBLIC SAFETY OFFICERS

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OPERS provides special retirement coverage for certain law enforcement and public safety officers who are required to participate in the Traditional Pension Plan. Full-time law enforcement and public safety officers of colleges and universities may be eligible to participate in an Alternative Retirement Plan.

The following individuals, who must be identified by their employer as full-time and, in most instances, have a Peace Officer's Training Certificate, are eligible to contribute as law enforcement or public safety officers:

- Sheriffs and deputy sheriffs
- Township constables or police officers
- Criminal bailiffs or court constables who were deputized by a county sheriff
- State university law enforcement officers
- County narcotics agents
- Undercover drug agents
- Enforcement agents with the Ohio Department of Public Safety
- Park district police officers
- Conservancy district officers
- Municipal corporation police officers not covered by the Ohio Police and Fire Pension Fund
- Police employed by the Ohio Veterans Home
- Special police employed by a state mental health institution
- Special police employed by a state institution for persons with intellectual disabilities
- Regional transit authority police officers
- State highway patrol police officers
- Bureau of Criminal Identification and Investigation investigators
- Casino Control Commission gaming agents
- Department of Taxation investigators
- Special police officers for port authorities
- Special police officers for municipal airports
- Forest-fire investigators, wildlife officers, natural resource officers, and natural resource law enforcement staff officers, with the Ohio Department of Natural Resources
- Ohio House of Representatives sergeant at arms and assistant Ohio House of Representatives sergeant at arms

## LAW ENFORCEMENT AND PUBLIC SAFETY OFFICERS CONTINUED

There are two categories of members within the OPERS Law Enforcement division.

**Law enforcement officers** whose primary duties are to preserve the peace, to protect life and property and to enforce the laws of Ohio.

**Public safety officers** whose primary duties are other than to preserve the peace, protect life and property and enforce the laws of Ohio (including full-time bailiffs or deputy bailiffs appointed by the Hamilton County Municipal Clerk of Courts under Division (A)(3) of Section 1901.32).

Members who are contributing as law enforcement or public safety officers in the Traditional Pension Plan and have non-law enforcement OPERS-covered positions are required to contribute as law enforcement or public safety officers and as non-law enforcement members, and may earn separate benefits for each type of service.



## INDEPENDENT CONTRACTORS

Employers are required to have individuals providing services as an independent contractors, hired Jan. 7, 2013 or later, sign an *Independent Contractor Acknowledgment* form.

A membership determination may be requested within five years of the hire date for individuals signing the *Independent Contractor Acknowledgment*. If an employer is uncertain as to whether an individual is an employee eligible for OPERS membership or an independent contractor, the employer should contact OPERS to request a determination.

The employer is also responsible for unreported employer and employee contributions, plus interest on those contributions, if OPERS determines the individual is not an independent contractor, but is a public employee for their service provided and the determination is requested within five years of the hire date for employees signing the *Independent Contractor Acknowledgment*.

## ELECTED OFFICIALS

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Membership in OPERS may be optional for service as an elected official; however, if you do not choose membership in OPERS you must contribute to Social Security.

Membership in OPERS as an elected official is required if you have an Ohio PERS account through previous elective service or if you are retired from OPERS or another Ohio retirement system. If you are retired under OPERS or another Ohio retirement system and return to work as an elected official, you will be treated as a re-employed retiree (see “Re-employed retirees,” on page 67).

If you wish to join OPERS, you must notify your employer and complete a Personal History Record (Form A). This form is available from your employer. OPERS will contact you regarding your option to contribute to the retirement system for your elective service.

Elected officials who choose to join the System have 180 days from the date membership begins to select one of the OPERS retirement plans (see “Selecting my retirement plan” on page 17). Membership in OPERS will limit your ability to make tax-deferred contributions to an individual retirement account (IRA).

Elected officials who contribute for at least 18 months may purchase credit representing previous elective service occurring prior to July 1, 1991, if they are participating in the Traditional Pension or the Combined plan.

For elected officials, more information concerning these provisions can be found in the leaflet, *Elected Officials*, which is available from the OPERS office or on the “Forms and Documents” page of [opers.org](http://opers.org).

## MEMBERSHIP IN MULTIPLE RETIREMENT SYSTEMS

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OPERS members participating in any of the OPERS retirement plans who have acquired service in the State Teachers Retirement System of Ohio (STRS) or School Employees Retirement System of Ohio (SERS) may retire independently from each system. This allows the member to receive a benefit from each system. Under this option, a member must meet age and service credit requirements, which are specific to each system, to be eligible for retirement and concurrent service credit will not be adjusted or reduced.

Alternatively, OPERS members participating in the Traditional Pension Plan may choose to have their contributions and total service credit in OPERS, SERS and the 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. If a joint retirement benefit is chosen, concurrent service credit in all systems may be adjusted and total credit reduced.



## ALTERNATIVE RETIREMENT PLANS (ARPS)

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All eligible full-time employees of state colleges and universities (including law enforcement and public safety officers and re-employed retirees) are eligible to make an election to participate in an ARP in lieu of membership in OPERS. All ARP elections are irrevocable and will remain in effect while the person is continuously employed with the same college/university. OPERS service credit is not available for any period covered by

an ARP and a mitigating rate is deducted from what would have been the employer share of contributions had they been submitted to OPERS.

This mitigating rate is to offset any negative financial impact to the Traditional Pension Plan. Beginning July 2022, the ARP mitigating rate is set at 2.24 percent.

## MEMBER CONTRIBUTIONS

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As a member of OPERS you are required to make contributions through payroll deduction to the retirement plan you select. The contribution rate for state and local employees, law enforcement and public safety officers in the Traditional Pension Plan can be found on the “New to OPERS” page of [opers.org](https://opers.org).

Federal tax law permits employers to pay or pick up employee contributions to OPERS. This enables employers to remit your contributions on a tax-deferred basis. (Refer to “tax information” on page 74).

For members participating in the Traditional Pension Plan, member contributions are credited to your defined benefit account and invested as determined by the OPERS Board. A statement of account as of the previous Dec. 31, is mailed to these members each year.

For members participating in the Combined and Member-Directed plans, member contributions (less an administrative fee) are credited to the member’s individual defined contribution account and invested as directed by the member.

Statements of account are mailed to these members quarterly. All members can view their account information online with 24-hour access through [opers.org](https://opers.org). Read more about online account access on page 2.



## EMPLOYER CONTRIBUTIONS

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Employers are required to make monthly contributions to the system on the basis of a percentage of earnable salary.

For members participating in the Traditional Pension Plan, a portion of employer contributions may be credited to a health care fund that is invested as directed by the OPERS Board of Trustees to pay for health care related expenses for retirees. Another portion is credited to an employer fund and invested as directed by the Board for the purpose of funding retirement, disability and survivor benefits in the Traditional Pension Plan.

If the OPERS actuary determines that the number and demographic characteristics of members who have elected to participate in the Combined Plan or Member-Directed Plan results in a negative financial impact on the Traditional Pension Plan, a portion of the employer contributions may be withheld and credited to the Traditional Pension Plan. This impact is reviewed periodically.

More information is available by visiting “Selecting A Plan” at [opers.org](https://opers.org), in the “Active Members” section.

For members participating in the Combined Plan, a portion of the employer contributions is deducted for the mitigating rate and another portion may be credited to a health care fund that is invested as directed by the Board to pay for health care-related expenses for retirees. A portion is also credited to an employer fund and invested as directed by the Board for the purpose of funding retirement, disability and survivor benefits in the Combined Plan.

For members participating in the Member-Directed Plan, a portion of the employer contributions may be deducted for the mitigating rate, another portion is credited to the member’s individual account and invested as directed by the member, and another portion may be credited to the member’s Retiree Medical Account (see “The OPERS health care program” on page 61).

## WHAT IS EARNABLE SALARY?

Under Ohio law, contribution amounts are based on an employee's earnable salary. Earnable salary includes amounts such as salary, wages and other earnings paid to an employee as a member of OPERS.

Earnable salary includes, but is not limited to, the following:

- Payments made by the employer in lieu of salary, wages or other earnings for sick leave, personal leave or vacation used by the member.
- Payments made by the employer for the conversion of sick leave, personal leave and vacation leave accrued, but not used, if the payment is made during the year as part of an approved annual conversion program (except for payments to state employees).
- Payments made annually or more frequently as a supplement for longevity of service.
- Payments for overtime worked if paid in the year earned.
- One-time, lump-sum or periodic bonus payments that are based on the employee's basic rate of pay.



*Under Ohio law, contribution amounts are based on an employee's earnable salary.*

## WHAT IS EARNABLE SALARY?

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Earnable salary does **not** include, and is not limited to, the following:

- Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital or other insurance for the member or the member's family, or amounts paid by the employer to the member in lieu of providing this insurance.
- Incidental benefits including lodging, food, laundry, parking or services furnished by the employer, or use of the employer's property or equipment, or amounts paid by the employer to the member in lieu of providing these incidental benefits.
- Reimbursements for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development.
- Payments made at termination of employment for accrued vacation, sick or personal leave or overtime compensation.
- Amounts paid under an agreement to retire.
- Pay differential amounts between a member's civilian pay and military pay while the employee is on active duty in the armed forces.
- One-time, lump-sum payments or bonus payments made periodically, but not related to or not made upon the basis of an individual member's rate of pay.
- Payments made as fees or commissions that are fixed charges or calculated as a percentage of an amount not directly related to work or services performed, including but not limited to, amounts paid to individuals who serve on a fee basis or compensation on a per page, per meeting, per inspection or per emergency response event.
- If an employer or an employee is uncertain as to the treatment of compensation for OPERS purposes, he or she should request a determination by OPERS. The request must be in writing and include all necessary information and documentation as to the compensation and should be sent to:

Ohio Public Employees Retirement System  
277 E. Town St.  
Columbus, OH 43215  
ATTN: Employer Services

# ABOUT THE OPERS RETIREMENT PLANS

OPERS understands each of our members has unique and changing needs when it comes to planning for retirement. OPERS offers three retirement plans to its members to meet these needs: the Traditional Pension Plan, the Combined Plan and the Member-Directed Plan. Beginning January 1, 2022 the Combined Plan is no longer a plan selection option for new members.

## THE TRADITIONAL PENSION PLAN

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The Traditional Pension Plan is a defined benefit plan under which a member's retirement benefit is based on a formula.

The formula is determined by years of service credit and the average of the three or five highest years of earnable salary depending on your retirement transition group, referred to as final average salary (FAS).

OPERS manages the investment of employee and employer contributions to ensure that funds are available for retirement benefit payments. The Traditional Pension Plan also includes disability and survivor benefits, as well as cost-of-living adjustments after retirement and access to the OPERS health care program, if eligible. Additional information about these benefits can be found on page 49.

## THE COMBINED PLAN

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The Combined Plan is a retirement plan with both a defined benefit and a defined contribution component. Under the defined benefit portion of the Combined Plan, the member's retirement benefit is determined by a reduced formula (similar to the Traditional Pension Plan). OPERS investment professionals manage the investment of employer contributions to ensure that funds are available to pay the reduced formula benefit, as well as disability and survivor benefits, cost-of-living adjustments after retirement and access to the OPERS health care program. Additional information on these benefits begins on page 49.

Under the defined contribution portion of the Combined Plan, member contributions are deposited into a member's individual account and invested as directed by the member. The member's retirement benefit under this portion of the Combined Plan is based on member contributions and the gains and losses on those contributions. The member directs the investment by selecting from OPERS' professionally managed investment options.

## THE MEMBER-DIRECTED PLAN

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The Member-Directed Plan is a defined contribution plan under which employee and a portion of the employer contributions are deposited into a member's individual account and invested as directed by the member.

The member's retirement benefit is based on member and employer contributions and the gains and losses on those contributions. Under

the Member-Directed Plan, the member directs the investment by selecting from professionally managed OPERS investment options.

A portion of the employer contribution is credited to a Retiree Medical Account (RMA), which may be used for the payment of qualified health care expenses after retirement or termination of service. Read more about the RMA on page 62.



# SELECTING MY RETIREMENT PLAN

## WHO IS ELIGIBLE TO SELECT A RETIREMENT PLAN?

New members hired after Jan. 1, 2003, are eligible to select one of the OPERS retirement plans. As of January 1, 2022, new OPERS members can elect to participate in the Traditional Pension Plan or the Member Directed Plan. The Combined Plan is closed to new members, but will continue for participants who elected into this plan on or before December 31, 2021.

All eligible members will have a 180-day enrollment period from the date they were hired in which to make their retirement plan selection. If a member does not select a plan within the 180-day enrollment period, they will be enrolled in the Traditional Pension Plan.

Members who are **ineligible** to select one of the retirement plans include:

- Law enforcement and public safety officers
- Re-employed retirees
- OPERS members who were hired before Jan. 1, 2003, and who had more than five years of service credit as of that date.

These employees will be enrolled in the Traditional Pension Plan, with the exception of re-employed retirees who are covered under a Money Purchase Plan (see "Re-employed retirees," page 67).

Full-time college and university employees who elect to participate in the Alternative Retirement Program (ARP) are not eligible for coverage under an OPERS retirement plan.

Eligible individuals attending a police academy have the ability to select one of the OPERS retirement plans.

Individuals who were contributing to the Combined or Member-Directed plan as a student in a police academy, will no longer be eligible to participate in the Combined or Member-Directed plan and must be enrolled in the Traditional Pension Plan when they graduate from the police academy and begin contributing to OPERS as law enforcement officers.

Students should consider this requirement when selecting a retirement plan.

If you are not eligible to select a plan, you will receive a packet that includes details about the OPERS retirement plan in which you are already participating. The features and benefits of the OPERS retirement plans are described in detail throughout this handbook.

# SELECTING MY RETIREMENT PLAN

## HOW TO SELECT YOUR OPERS RETIREMENT PLAN WEBINAR AND VIDEO

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The webinar and video discuss the features, benefits and offer a side-by-side comparison of the OPERS retirement plans.

Members will learn which of the OPERS retirement plans may be best suited for their career and retirement goals.

Additional resources will be discussed to assist members with their plan selection.

The live and interactive webinars will provide members the opportunity to ask questions, to hear questions from other members, and have these questions answered.

To access the video or to see a list of webinar dates, visit the “Selecting A Plan” page under “Active Members” of [opers.org](https://opers.org).

## PLAN COMPARISON CALCULATOR AT WWW.OPERS.ORG

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The Plan Comparison Calculator is a tool to help you compare the OPERS retirement plans. The calculator allows you to input details about your unique situation and it will estimate the benefits provided by each plan at retirement.

The calculator also will provide a side-by-side comparison of the retirement plans.

You can access the calculator by logging into your online account at [opers.org](https://opers.org).

## OTHER PLAN SELECTION COUNSELING OPPORTUNITIES

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OPERS representatives are available by calling 1-800-222-7377, Monday – Friday from 8 a.m. to 4:30 p.m. A representative can assist you over the

phone or you can schedule a virtual or telephone counseling appointment.

## HOW TO ENROLL IN AN OPERS RETIREMENT PLAN

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There are two ways to enroll in one of the OPERS retirement plans. You can select your retirement plan by registering for online account access through our website, [opers.org](https://opers.org).

You can also request and complete the *Retirement Plan Selection* form.

# CHANGING RETIREMENT PLANS

OPERS members eligible to select a plan will have one opportunity to change their retirement plan at any time during their career, regardless of how many times they've changed plans prior to July 1, 2015 and regardless of their amount of total service credit. Beginning January 1, 2022 the Combined Plan is no longer a plan change option.

Once you change your retirement plan, the change is irrevocable and you will not be permitted to change your retirement plan again.

Members who are not eligible to make an initial retirement plan selection are required to participate in the Traditional Pension Plan and are not eligible to change their retirement plan selection.

These members include those who had accrued five or more years of total service credit as of Dec. 31, 2002, OPERS law enforcement and public safety officers (regardless of the amount of accrued service credit) and OPERS retirees and other state retirement system retirees who return to OPERS-covered employment and contribute to a Money Purchase Plan.

A retirement plan change takes effect on the first day of the month following the month the form is received by OPERS. Member and employer contributions for full pay periods after the effective date of the plan change will be credited to the member's new retirement plan.

Changing your retirement plan has important consequences that will impact both the benefits you have accrued under the plan in which you are participating and the benefits you will accrue in your new retirement plan.

When changing plans, in certain circumstances you can purchase service in your new retirement plan based upon contributing service in your prior plan. However, if you initially select or default to the Traditional Pension Plan, your service credit in the Traditional Pension Plan cannot be purchased or transferred to the Member-Directed plan if you later change plans.

**Each of the OPERS retirement plans is a separate qualified retirement plan as determined by the Internal Revenue Service.**

Among other things, that means, except to the extent expressly permitted by the rules governing purchasing service credit, contributions and service credit under the OPERS retirement plans are not combined for purposes of determining eligibility for or calculating benefits (including calculating vesting percentages and years of participation).

Except in certain instances, contributions and service credit accrued under each plan are governed by the terms of that plan. Waiting periods apply for those who change to the Traditional Pension before you can apply for disability or survivor benefits.

Before changing retirement plans, you should meet with an OPERS counselor to make sure you fully understand the consequences of making a change. You also should take time to review the appropriate *Changing Your Retirement Plan* leaflet. You may wish to consult with your own financial advisor concerning your plan change.



# WHAT IS SERVICE CREDIT?

Service credit in the Traditional Pension and Combined plan, or contributing months for Member-Directed Plan participants, represents the period of time during which you are employed by a public employer and making contributions to OPERS. You also may be eligible to purchase service credit and, in limited instances, free credit may be available. Service credit in the Traditional Pension Plan and Combined Plan is an important factor in determining eligibility for and calculation of your retirement benefit and eligibility for the OPERS health care program. Contributing months in the Member-Directed Plan is important for determining the vesting of your employer contributions. Refer to the OPERS leaflet, *Service Credit and Contributing Months*, available on [opers.org](https://opers.org), for specific details about purchasing service credit or contributing months.

## CONTRIBUTING SERVICE

### Under the Traditional Pension and Combined Plans

You earn contributing service credit when your contributions are remitted to OPERS by your employer and posted to your account. If contributions are not remitted during a pay period on your behalf, then no service credit is earned for that pay period. Under the Traditional Pension and Combined plans, service credit is calculated on a monthly basis based on pay periods ending in the month, January through December of each year and is used to determine eligibility for retirement, disability and survivor benefits, as well as any potential eligibility for the OPERS health care program.

You cannot receive more than one year of service credit for any calendar year, even if you are employed concurrently in more than one public job. Neither can you receive a full year of service credit if your length of employment or earnings per month indicates less than full-time service. Earnings are allocated to months depending on the pay period end date. All pay periods ending within a particular calendar month will be consolidated to arrive at earnings for that month. This is true even if a pay period starts in a previous month.

Earnable salary of more than \$150 per month counts as full-time service credit through Dec. 31, 1984. Earnable salary of more than

\$250 per month counts as full-time service credit beginning Jan. 1, 1985 through Dec. 31, 2013. Earnable salary of more than \$600 per month is considered full-time service credit for pension purposes from Jan 1, 2014 to Dec. 31, 2016. Earnable salary of more than \$630 per month is considered full-time service credit for pension purposes beginning Jan. 1, 2017. Earnable salary of more than \$660 per month is considered full-time service credit for pension purposes beginning Jan. 1, 2018 through Dec. 31, 2019. If you work less than 12 months in a year or your earnable salary was less than these amounts, you will receive pro-rated service credit.

Here's a schedule of the increases in the minimum earnable salary through 2029:

Year	Salary
2020	\$673.08
2021	\$684.86
2022	\$696.84
2023	\$709.03
2024	\$721.44
2025	\$734.07
2026	\$746.91
2027	\$759.99
2028	\$773.29
2029	\$786.82

# WHAT IS SERVICE CREDIT?

## CONTRIBUTING SERVICE CONTINUED

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### **Under the Member-Directed Plan**

If you are participating in the Member-Directed Plan, you earn contributing months rather than service credit (referred to as attained years of participation in the chart on page 31) when your contributions are remitted to OPERS by your employer and posted to your account at OPERS. If contributions are not remitted during any reporting period on your behalf, then you will not receive a contributing month for that period. There is no minimum amount of contributions that results in receiving a contributing month.

Employer contributions made to your account are vested based on your contributing months of service in the Member-Directed Plan. One year of participation is defined as 12 contributing months of participation in the plan. The percentage you are vested determines the amount of employer contributions you are entitled to receive either when you refund or when you retire. See the chart on page 31 for specific details.

## PURCHASED SERVICE CREDIT

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You may be eligible to purchase service credit or contributing months with OPERS by direct payments or through your employer by post-tax payroll deduction, subject to certain limitations. While purchased service will be used in the calculation of regular OPERS benefits under the Traditional Pension Plan and the defined benefit portion of the Combined Plan, only certain types of service may be used in the calculation of a law enforcement benefit under the Traditional Pension Plan. For more information please refer to the OPERS leaflet, *Law Enforcement/Public Safety Officers*.

Rollover distributions from another qualified plan may also be used to purchase service credit in the Traditional Pension and Combined plans or, in limited circumstances, contributing months in the Member-Directed Plan. Additionally, members participating in the Traditional Pension or Combined plans may purchase service credit with an in-service, plan-to-plan transfer from a 457(b) or 403(b) plan. All purchases should be made prior to submitting your retirement application

to prevent a delay in benefits. Please contact OPERS if you wish to make a service purchase or complete an existing purchase. OPERS will provide you with a cost statement and advise you of the methods by which you may submit payment. Federal tax law may limit the amount of certain types of service credit purchased in a year. Partial purchases of service are included in the calculation of final average salary for your retirement benefit. You should refer to the *Service Credit and Contributing Months* leaflet or contact OPERS for specific details concerning the purchase of service credit.

If you are registered to access your account online, you can log in and obtain an estimated cost for the following types of service credit: elective, 35 percent additional elective service credit, exempt, leave of absence, out of state, federal, regular military, refunded and school board. Online account access also allows you to check your payoff balance, payment history and payment statements online. Visit our website to learn more.

# WHAT IS SERVICE CREDIT?

## PURCHASED SERVICE CREDIT CONTINUED

### **Under the Traditional Pension and/or Combined plans only**

The following sections set forth the various types of service credit that may be purchased in either the Traditional Pension or Combined plan.

#### ***Military service***

You may purchase up to five years of active military service (which may include Red Cross service in a combat zone) or an amount equal to your total Ohio service credit, whichever is less. If you were captured by the enemy, you may purchase up to five years spent as a prisoner of war. Active duty, including training activities in the Ohio National Guard or a reserve component of the United States armed forces, can also be purchased.

For persons combining accounts and retiring on a joint basis under the Traditional Pension Plan from OPERS and another non-uniformed Ohio retirement system such as STRS or SERS, a maximum of five years of military service may be purchased between OPERS, STRS and SERS.

A copy of the discharge or separation notice (Form DD 214) must be submitted as evidence of the military service or discharge. You must establish a year of full-time, Ohio contributing service before a cost statement can be prepared.

#### ***Out-of-state or federal service***

You may purchase credit for: 1) service with the federal government; 2) service in another state which, had the service been in Ohio, would have been covered by an Ohio retirement system.

The maximum credit that may be purchased is five years or an amount equal to your total Ohio retirement system service credit, whichever is less.

For persons retiring under the Traditional Pension Plan and jointly with another non-uniformed retirement system such as STRS or SERS, a maximum of five years of out-of-state service may be purchased between the non-uniformed retirement systems, OPERS, STRS and SERS.

Service credit used or that will be used in another retirement benefit other than Social Security may not be purchased. You must establish a year of full-time Ohio contributing service before a cost statement can be prepared for the out-of-state or federal service to be purchased.

Certification by the appropriate federal or state authority must be presented to OPERS. Affidavits for proof of out-of-state, federal, or municipal retirement system service credit cannot be accepted. A *Certification of Federal, Out-of-state or Municipal Service* form must be completed for certification of the service to be purchased. This form must include monthly breakdown of earnings to be valid.

#### ***Exempt service***

If you have been a member of OPERS contributing for at least 18 months, you may purchase service credit, which was previously covered by a valid exemption under OPERS. Your employer must complete a *Certification of Unreported Public Service* for certification of the service to be purchased. The form must include a monthly breakdown of earnings to be valid.

# WHAT IS SERVICE CREDIT?

## PURCHASED SERVICE CREDIT CONTINUED

### Under the Traditional Pension and/or Combined Plans only

#### **Leave of absence**

Up to one year of credit may be purchased if you were on an authorized leave of absence for any reason or resigned due to pregnancy or adoption of a child any time after Jan. 1, 1935. You must have worked at least one year in the Traditional Pension Plan or Combined Plan after returning from the leave. If you were off the payroll for less than one year due to an approved leave of absence, you may purchase that service within a 12-month period beginning on the date of the leave with no additional interest. To obtain a cost statement, complete the *Certification of Leave of Absence* form and forward it to your current or former employer.

If your resignation was due to pregnancy or the adoption of a child, we also need a copy of the child's birth certificate or adoption decree.

#### **Plan change service**

If you change from the Member-Directed Plan to the Traditional Pension Plan, or from the Combined Plan to the Traditional Pension Plan, in some instances you may be able to use the vested portion of your individual account in the Member-Directed Plan or your account value in the Combined Plan to purchase equivalent service in the Traditional Pension Plan. For members participating in the Combined Plan as of December 31, 2021, you may be able to use the vested portion of your Member-Directed account balance to purchase equivalent service in the Combined Plan.

Please refer to the *Changing Retirement Plans* leaflets for more detailed information.

#### **School board service**

You may purchase credit for service as a school board member that was performed before June 30, 1991, if you retire within 90 days of the purchase. Your employer must complete

a *Certification of Unreported Public Service* for certification of the service to be purchased.

#### **Elected/Appointed service**

Any elected official may purchase service for non-contributing elected service occurring prior to July 1, 1991, after the official has contributed to OPERS for at least 18 months, provided the service was not subject to Social Security. Your employer must complete a *Certification of Unreported Public Service* for certification of the service to be purchased.

Any elected official, or individual, who has been appointed by the Governor with the advice and consent of the Ohio Senate to serve full-time as a member of a board, commission or other public entity may also purchase 35 percent additional credit under the following criteria:

1. OPERS membership was established prior to Jan. 1, 2001
2. Participation was in the Traditional Pension Plan or Combined Plan
3. Credit must be purchased for full-time service only
4. Full-time terms were NOT subject to Social Security

For those elected officials who became OPERS members on or after Jan. 1, 2001, federal tax law limits the amount of 35 percent additional credit to five years and only if the member has at least five years of OPERS service credit.

If a retirement benefit for an elected official includes 35 percent additional purchased service credit and the calculated benefit amount is greater than the maximum benefit allowed, OPERS will refund all or a portion of the amount paid to purchase the 35 percent additional service credit.

# WHAT IS SERVICE CREDIT?

## PURCHASED SERVICE CREDIT CONTINUED

### Under the Traditional Pension and/or Combined Plans only

#### **Workers' Compensation**

You may be eligible to purchase service credit in the Traditional Pension or Combined Plan for any period during which you were off the payroll because of an injury for which a weekly award through Workers' Compensation was received. Your claim number and a record from the Bureau of Workers' Compensation must be submitted as proof. A maximum of three cumulative years with all Ohio retirement systems may be purchased.

#### **Ohio Police and Fire Pension Fund, Highway Patrol Retirement System or Cincinnati Retirement System**

Service credit may be granted by a direct transfer of contributions to OPERS for an OPERS Traditional Pension Plan member who also has contributions on deposit with, but is no longer contributing to OP&F, HPRS or Cincinnati Retirement System (CRS).

To be eligible to transfer service from OP&F, HPRS or CRS, OPERS must have the most service credit, you must be eligible to retire or, with the transfer, be eligible to retire and agree to retire not later than ninety days after transferring the service.

The only exception is for members who started a transfer prior to Jan. 7, 2013. Those members can continue their purchase absent the requirement to retire not later than 90 days after transferring the service.

If the contributions were refunded, then the service credit must be re-deposited in the retirement system where the member currently contributes. If you are contributing to OPERS,

have the most credit service in OPERS and purchase your redeposit CRS, OP&F or HPRS service, once your payment is received for this purchase, you must retire within 90 days. The OPERS Traditional Pension and Combined plans can accept direct transfers from OP&F, HPRS or the CRS. However, due to Ohio retirement law, these previously mentioned systems can only accept direct transfers from the OPERS Traditional Pension Plan.

A member in the OPERS Combined Plan, if no longer contributing to OP&F or HPRS, may direct transfer contributions from OP&F or HPRS to this system if the following eligibility requirements are met:

1. OPERS must have, at the time of transfer, the most service credit.
2. The member must be eligible to retire or with the transfer, be eligible to retire and agree to retire not later than ninety days after the service credit is transferred.

A member in the Combined Plan should be aware that, although the OP&F or HPRS contributions are in Law Enforcement, the transfer to OPERS will not be as Law Enforcement. Rather, the contributions and service will be treated as Non-Law because OPERS Law Enforcement member's cannot contribute to the Combined Plan.

## PURCHASED SERVICE CREDIT CONTINUED

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### **Under the Traditional Pension Plan only**

#### ***Retirement incentive plan credit***

For members participating in the Traditional Pension Plan, total service credit may include credit purchased by an employer for an eligible employee under a statutorily-authorized retirement incentive plan adopted by the employer. This credit does not apply toward eligibility for the OPERS health care program. The service credit purchased for the employee cannot exceed either of the following: the lesser of an amount specified in the employer's plan or five years, or 20 percent of the employee's established service credit.

If you participate in the Combined or Member-Directed plan, you must change to the Traditional Pension Plan to be eligible to participate in a retirement incentive plan, provided you have a plan change available and would be eligible to apply for age and service retirement under the Traditional Pension Plan.

# WHAT IS SERVICE CREDIT?

## PURCHASED SERVICE CREDIT CONTINUED

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### Under all the OPERS retirement plans

#### ***Interrupted military service***

You may purchase credit or contributing months for time spent in the military that interrupted your public service. You must work for an OPERS-covered employer, enter the military, and return to work for the same public employer within three months of discharge or release from the uniformed services. Your cost to purchase this military service is only the employee contributions that would have been paid on the earnable salary that you would have received had you not gone into the military.

Interest will be added if not paid within the lesser of five years or a period, which is three times the period being purchased beginning from the later of the member's date of re-employment or Oct. 29, 1996. The employer must make the employer contributions on the earnable salary you would have received. A copy of the discharge or separation notice (Form DD214) must be submitted as evidence of your military service and discharge. In addition, a *Certification of Interrupted Military Service* must be completed.

#### ***Unreported public service***

If you have service after Jan. 1, 1935 for which no deductions were taken, it may be possible to obtain service credit or contributing months. If the service was after the date membership

was required, and it was not exempt, the determination whether credit or contributing months may be granted and who will pay the cost will be made after service records are filed with OPERS. Your employer must complete a *Certification of Unreported Public Service* for certification of the service to be obtained. The form must include a monthly breakdown of earnings to be valid.

#### ***Transferred service***

Certain OPERS members with fewer than five years of contributing service as of Jan. 1, 2003, had a one-time opportunity to select one of the new retirement plans. Upon application, these members were eligible to have their accumulated contributions and service credit in the Traditional Pension Plan transferred to their new plan. In the Combined Plan, this transferred credit can only be used to determine eligibility for retirement. It is not used in the calculation of the retirement benefit. However, if transferred credit is purchased in the Traditional Pension Plan following a plan change from the Member-Directed or Combined plan, it will be used to determine eligibility for and in the calculation of a retirement benefit. Refer to the *Changing Your Retirement Plan* leaflets for more detailed information and transferred service in each of the plans.

# WHAT IS SERVICE CREDIT?

## REDEPOSIT OF REFUNDS

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OPERS members who received a refund from the Traditional Pension or Combined plan may redeposit the amount withdrawn. The amount required for redeposit differs for each of the plans. For information concerning eligibility or to request a cost statement for the redeposit, contact the OPERS Member Services Center at 1-800-222-7377.

### **The Traditional Pension Plan**

After returning to public employment and contributing to the Traditional Pension Plan for at least 18 months, or working in a job covered by one of Ohio's state retirement systems for at least 18 months, you are eligible to redeposit the money withdrawn from the Traditional Pension Plan. The redeposit automatically restores the service credit that was lost as a result of the refund. The cost will include the amount refunded, plus interest.

If service has been refunded from SERS or STRS, members in the Traditional Pension Plan have the option of re-establishing that service. It may be purchased directly with the other system or via post-tax payroll deduction with the current OPERS-covered employer if the member is no longer a contributing member of the other system.

### **The Member-Directed Plan**

Members cannot restore or purchase refunded Member-Directed Plan contributing months in any of the three OPERS retirement plans. However, all Member-Directed Plan participants can execute a pre-tax rollover from another qualified retirement plan in any amount, and can also make voluntary after-tax contributions, subject to federal tax law limitations. These deposits do not restore any contributing months previously withdrawn from the Member-Directed Plan. These deposits are invested in your individual account in the same investment options you selected for future contributions. For more details see "Additional voluntary contributions" on page 60. Any funds previously withdrawn from the Retiree Medical Account cannot be restored.

### **The Combined Plan** (applies to members in the plan prior to January 1, 2022).

For members who were participating in the Combined Plan on or before December 31, 2021, after returning to public employment and contributing for at least 18 months, you are eligible to redeposit the money withdrawn from the Combined Plan. Additionally, if you have 18 months of contributing service in the Ohio Police and Fire Pension Fund or the State Highway Patrol Retirement System, this may be used to establish service required for eligibility. The redeposit automatically restores the service credit that was cancelled as a result of the refund. The cost will include the amount refunded from the defined contribution portion of the Plan and, if applicable, the defined benefit portion of the Plan, plus interest.

Former members of the Combined Plan who terminated service and received a refund from the Combined Plan prior to January 1, 2022, may be able to purchase equivalent service in the Traditional Pension Plan if certain conditions are met. Redepositing your refunded service in the Combined Plan will no longer be an option because the Combined Plan is no longer a plan selection option on or after January 1, 2022. If the former member returns to public employment on or after January 1, 2022, and elects to participate in the Traditional Pension Plan, the member may purchase plan change service credit for the amount of service credit that was refunded from the Combined Plan. For more information about this option, refer to the Plan Change Service section of the *Service Credit and Contributing Months* leaflet.

# HOW CAN I NAME A BENEFICIARY?

Prior to your retirement, your beneficiary under each of the retirement plans may be determined in one of two ways. The first way is by automatic succession as established by law. The second is by specific designation, which requires you to name a person, persons, trust, estate or an institution. Members who have account balances in multiple OPERS retirement plans (Traditional Pension, Combined, and Member-Directed plans), are allowed to have a Universal Beneficiary Designation to cover all their retirement plans, which may consist of primary and contingent beneficiary(ies). Your account will be refunded in a lump sum if you designate multiple beneficiaries, a trust, estate or an institution. If you designate two or more beneficiaries to receive a lump sum refund of your account, you must specify the percentage of the lump sum that each beneficiary should receive. If you do not specify a percentage, the lump sum will be divided equally among the beneficiaries. However, if you participated in the Traditional Pension or Combined plan and are survived by one or more eligible children, only monthly benefits may be paid under certain circumstances. An eligible child is any unmarried, natural or legally adopted child under age 22, or any age if the child is determined to be physically or mentally incompetent. For details about survivor benefits, see page 56.

## AUTOMATIC SUCCESSION BY LAW

Under automatic succession, your beneficiary is determined in the following order at your death:

1. Surviving spouse
2. Children (sharing equally)
3. Dependent parents
4. Parents (sharing equally)
5. Your estate

## SPECIFIC DESIGNATION

To make a specific beneficiary designation or change a previous designation, you may go to the OPERS website, [opers.org](http://opers.org), and access your account online or download and complete the *Designation of Beneficiary* form and mail it to OPERS. You may also obtain a form by calling us at 1-800-222-7377.

There are certain circumstances under state law when an event cancels or overrides a specific designation. Marriage, divorce, dissolution of marriage, legal separation or the birth or adoption of a child makes a prior specific designation invalid. If, after one of these events occurs, a new designation is not submitted to us, the beneficiary will be determined by automatic succession.

If you take a refund of your account, your beneficiary designation is automatically canceled.

If you later become a member, automatic succession will apply unless you file a specific designation.

If you are also a member of the State Teachers Retirement System of Ohio (STRS) or the School Employees Retirement System of Ohio (SERS) and you participate in the OPERS Traditional Pension Plan, the last beneficiary designation filed with any of the systems prevails if the beneficiary is eligible for a combined survivor benefit from any of the systems.



# WHAT HAPPENS IF I STOP WORKING?

## REFUNDS

Upon leaving OPERS-covered employment in Ohio, you may apply for and receive a refund.

Please note: If you have service credit or contributing months in more than one OPERS retirement plan, the service and contributing months do not add together between plans to determine your eligibility for the additional amount upon a refund.

The refund amount differs for each of the retirement plans as described below. Taking a refund from all the plans in which you participate cancels your membership in OPERS. You can file a refund application by logging into your online account at [opers.org](https://opers.org).

### Under the Traditional Pension Plan

As a member participating in the Traditional Pension Plan, you will receive your member contributions, interest on those contributions and, if you have five or more years of qualified service credit in the Traditional Pension Plan, an additional amount that is determined based on your years of service credit. If you have at least five years of qualified service credit in the Traditional Pension Plan, the additional amount is 33 percent of your eligible contributions.

If you have at least 10 years of qualified service credit, the additional amount is 67 percent of eligible contributions. Eligible contributions are the contributions you made to the plan and any amounts you paid to purchase certain types of service credit, plus applicable interest. Please note that if you have service credit or contributing months in more than one OPERS retirement plan, the service and contributing months do not add together between plans to determine your eligibility for the additional amount upon a refund.

An OPERS member who is a law enforcement or public safety officer terminating public

employment at age 50 or older and who receives a refund from the Traditional Pension Plan 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.

### Under the Member-Directed Plan

As a member participating in the Member-Directed Plan, you will receive your employee contributions and any investment earnings (or losses) on those contributions. (\*\*See Important Information About Your Investment Account on page 32.) Depending on your length of participation in the plan, you may also receive a portion of the employer contributions, plus any investment earnings or losses, based on the following schedule:

Attained years of participation In the Member-Directed Plan	Percentage vested in employer contributions
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%
See page 62 for the vesting schedule for the Retiree Medical Account (RMA) for Member-Directed Plan participants.	
A refund cancels your years of participation and they cannot be restored or purchased in any OPERS plan.	

# WHAT HAPPENS IF I STOP WORKING?

## REFUNDS CONTINUED

### Under the Combined Plan

As a member participating in the Combined Plan, you will receive your employee contributions and any investment earnings (or losses) on those contributions. (\*\*See Important Information About Your Investment Account below.) If you have five or more years of qualified service credit in the Combined Plan, you may receive an additional amount that is determined based on your years of service credit. If you have at least five years of qualified service credit in the Combined Plan, the amount is 33 percent of your eligible contributions. If you have at least 10 years of service credit, the amount is 67 percent of eligible contributions. Eligible contributions are the contributions you made to the plan (not including any gains or losses on those contributions) and any amounts you paid to purchase certain types of service credit, plus applicable interest (see note below). If you receive a refund on or after January 1, 2022, and subsequently return to OPERS-covered employment, the Combined Plan will no longer be a plan selection option (See the *Returning After a Refund* section within this handbook.)

### Under all the retirement plans

Before a refund is made, the law requires that two months must elapse from the date you terminated public employment as certified by your employer. Payment will be sent by direct deposit to your financial institution by using the banking information provided on your refund

application. If you are a member of State Teachers Retirement System of Ohio (STRS), School Employees Retirement System (SERS), Ohio Police and Fire Pension Fund (OP&F), State Highway Patrol Retirement System (SHP) or Cincinnati Retirement System (CRS), you are not eligible to receive your OPERS refund if you are currently employed under the same public employer who was your last public employer under OPERS. If you are eligible for a monthly retirement benefit and are legally married at the time your refund application is filed, spousal consent is required. OPERS will provide you with the proper form. If you terminate your employment, you are not required to take a refund of your contributions.

You may leave your contributions on deposit with OPERS after you terminate public employment. Depending upon your retirement plan, you may be eligible for a retirement, disability, or survivor benefit. If you leave your account on deposit and you return to OPERS-covered employment, you will resume participating in the last retirement plan in which you had contributions on deposit. If you contributed to more than one retirement plan, refunded one and left another plan on deposit, and then return to OPERS-covered employment, you must contribute to the plan in which you still have service credit/contributing months/contributions. Please refer to these sections of the handbook to find out the eligibility requirements for these benefits after terminating public employment.

### \*\*IMPORTANT INFORMATION ABOUT YOUR INVESTMENT ACCOUNT *(for Member-Directed and Combined Plan participants)*

- Your individual account balance will remain invested and subject to market fluctuations until the date your funds are liquidated (“sold”) from your investment options to process your retirement/refund distribution. Please note, your account balance will not be fixed or “frozen” as of a certain date.
- OPERS cannot guarantee a date by which your investment account balance will be liquidated. We will work with our third-party administrator for the Member-Directed/Defined Contribution portion of the Combined Plan and follow our standard procedures to process your retirement/refund distribution. Unforeseen circumstances can occur that cause delays in processing.
- As a reminder, your account balance remains subject to daily gains and losses associated with the specific investment options you have chosen until your balance is liquidated. If you would like to make a change to your investment option(s) between now and the time your account balance is liquidated, please visit [opers.org](https://opers.org) and log into your online account or call OPERS to manage your defined contribution account.

# WHAT HAPPENS IF I RETURN TO OPERS-COVERED SERVICE AFTER I HAVE REFUNDED?

## RETURNING AFTER A REFUND

In addition, Combined and Member-Directed plan accounts may continue to earn interest or investment earnings (or losses). Member-Directed and Combined plan participants will be charged a monthly administrative fee of \$6 charged on all accounts, regardless of balance. This fee is subject to change.

For account balances log in to your online account at [opers.org](https://opers.org). For more information regarding maintaining your OPERS account, contact the OPERS at 1-800-222-7377 or access the *Terminating Public Employment* leaflet at [opers.org](https://opers.org).

If you return to OPERS-covered service after you have refunded, you may be eligible to make a retirement plan selection. Beginning January 1, 2022, the Combined Plan will no longer be a plan selection option.

Generally, if you have previously refunded service, keep in mind refunded service from the Traditional Pension and Combined plans may only be restored in the retirement plan from which it was originally refunded. If you refunded your time from the Traditional Pension Plan, it can only be restored in the Traditional Pension Plan after you have attained 18 months of contributing service in the retirement plan.

For members participating in the Combined Plan on or before December 31, 2021, Combined Plan credit can only be restored in the Combined Plan after you have attained 18 months of contributing service in that plan. Former members of the Combined Plan who terminated service and received a refund from the Combined Plan prior to January 1, 2022, may be able to purchase equivalent service in the Traditional Pension Plan if certain conditions are met. Redepositing your refunded service in the Combined Plan will no longer be an option because the Combined Plan is no longer a plan selection option on or after January 1, 2022. If the former member returns to public employment on or after January 1, 2022, and elects to participate in the Traditional Pension Plan, the member may purchase plan change service credit for the amount of service credit that was refunded from the Combined Plan.

Years of participation previously refunded from the Member-Directed Plan cannot be restored in any OPERS plan. However, subject to certain limitations, voluntary contributions can be made to the Member-Directed Plan if you have a balance in that plan. See "Redeposit of refunds" on page 28 for a complete discussion of this type of service purchase.

**Note:** The types of service credit that **do qualify** in determining eligibility for an additional amount at the time of refund include: regular contributing service, redeposited service, and interrupted military service. The types of service credit that **do not qualify** in determining eligibility for an additional amount at the time of refund include: time receiving an Ohio Bureau of Workers' Compensation claim; free military service time; purchases of unreported, school board, Early Retirement Incentive Plan, denied salary, out-of-state, federal, Ohio municipal retirement system, leave of absence, military, optional, elective service, 35 percent elective service, exempt; transferred service from the School Employees Retirement System and State Teachers Retirement System, purchased/transferred service from State Highway Patrol Retirement System, Ohio Police and Fire Pension Fund service, or the Cincinnati Retirement System; purchased plan change service; and Traditional Pension Plan service transferred to the Member-Directed or Combined plan.



# WHEN CAN I RETIRE?

## ELIGIBILITY FOR RETIREMENT

Upon attaining age and service retirement eligibility in a retirement plan, you are eligible to apply for and receive retirement benefits. If you have service credit or contributing months in more than one OPERS retirement plan, the service credit and contributing months cannot be added together between plans to determine eligibility for or the calculation of an age and service retirement benefit. Termination of service is required prior to receiving an age and service retirement benefit.

### Under the Traditional Pension Plan

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

UNREDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	Any	30	52	31	55	32
			Any	32		
	65	5	66	5	67	5
Law Enforcement	48	25	50	25	52	25
	62	15	64	15	64	15
Public Safety	52	25	54	25	56	25
	62	15	64	15	64	15
Law and Public Safety	52	25	54	25	56	25

REDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	55	25	55	25	57	25
	60	5	60	5	62	5
Law Enforcement	52	15	52	15	56	15
	N/A	N/A	48	25	48	25
Public Safety	52	15	52	15	56	15
	48	25	48	25	52	25
Law and Public Safety	48	25	48	25	52	25

The requirements for access to the OPERS health care program are different than the retirement eligibility requirements shown above. Please refer to the *OPERS Health Care Program Guide* or [opers.org/health-care](http://opers.org/health-care) for eligibility and program information.

\*To find your retirement group, please refer to your annual statement or log in to your OPERS online account.

# WHEN CAN I RETIRE?

## ELIGIBILITY FOR RETIREMENT CONTINUED

### Under The Combined Plan

Under the Combined Plan, the minimum eligibility requirements to receive a retirement benefit for each retirement group\* are as follows:

UNREDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	Any	30	52	31	55	32
			Any	32		
	65	5	66	5	67	5

REDUCED	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State/Local	55	25	55	25	57	25
	60	5	60	5	62	5

\*To find your retirement group, please refer to your annual statement or log in to your OPERS online account.

### Early retirement under the Traditional Pension and Combined plans

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.

### Under the Member-Directed Plan

Members participating in the Member-Directed Plan are eligible to retire after they reach age 55.

# WHEN CAN I RETIRE?

## MEMBERSHIP IN MULTIPLE RETIREMENT SYSTEMS

At retirement, OPERS members participating in the Traditional Pension Plan may choose to have their contributions and total service credit in OPERS, SERS and the 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

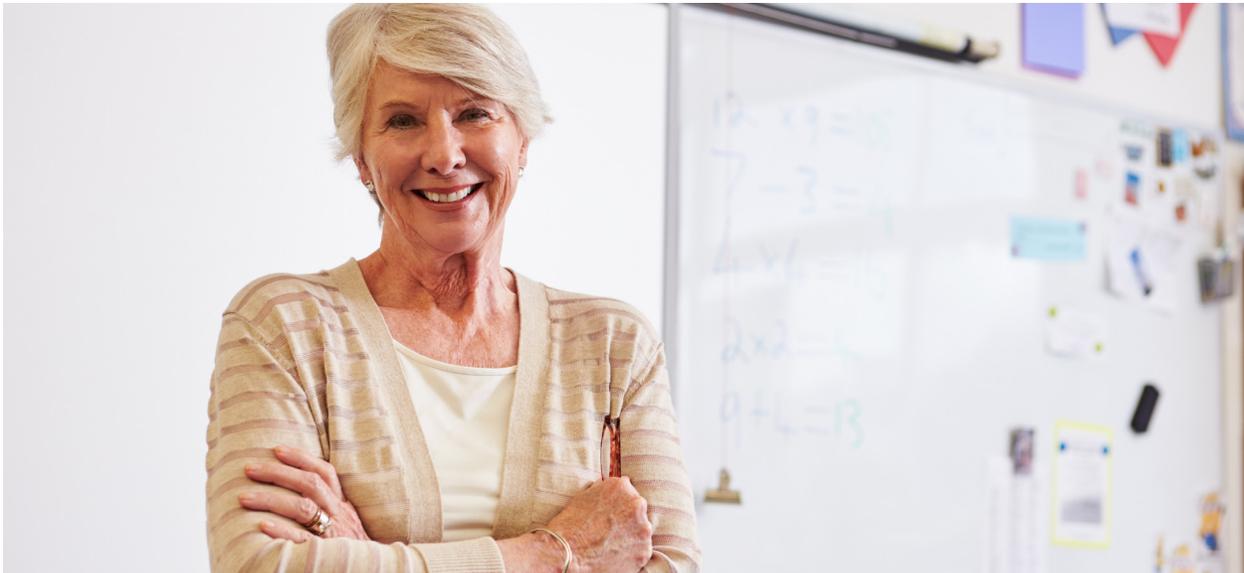
system. Concurrent service credit in all systems may be adjusted and total credit reduced. If you elect not to combine your accounts, a member must meet age and service credit requirements, which are specific to each system, to be eligible for retirement, and concurrent service credit will not be adjusted or reduced.

You will need to contact SERS and/or STRS for information regarding your account(s) with them.

## CONTINUING EMPLOYMENT

Members participating in the Traditional Pension Plan and holding two or more concurrent positions in OPERS, STRS or SERS, may retire from the higher paying position and continue working in the lower paying position without forfeiting a

benefit for any period of time. The higher paying position is determined by evaluating the annual earnings for each position, not a comparison of monthly earnings per position.



*Contact SERS and/or STRS for information regarding your accounts with them.*



# PREPARING TO RECEIVE YOUR PENSION BENEFIT

## RETIREMENT EDUCATION

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Retirement is a very important life event and it is vital that you take time to plan. OPERS offers various pre-retirement education such as in-person seminars, live interactive webinars, recorded online presentations and counseling to assist you.

You will learn what you need to do to prepare for retirement as well as how to retire.

To view current educational offerings, visit the "Member Education Center" on [opers.org](http://opers.org) and click on "Active Members" then select the plan in which you are participating.

## COUNSELING

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OPERS offers three types of counseling depending on your level of need in preparing to receive your pension benefit.

**1. Phone Counseling** - This is perfect for members in the information gathering stage of their retirement planning

**2. Virtual Counseling** - This is a Zoom session which is ideal for members who need a little more detail in their information gathering or

assistance in completing the online retirement application

**3. In-House Counseling** - This is a one-on-one session for members who want extra assistance and feel the need to meet in-person

You may schedule a counseling session through your OPERS online account or by calling 1-800-222-7377.

## OBTAINING A RETIREMENT ESTIMATE

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You may request an estimate of your retirement benefit which will give you a good idea of what to expect when you retire.

**Traditional Pension Plan participants** - OPERS provides an estimate of future retirement benefits each year on the Annual Statement of Estimated Benefits. These statements are generated and mailed every spring but can always be found within your OPERS online account. Members can also obtain a custom estimate through their online account at [opers.org](http://opers.org) or by calling Member Services at 1-800-222-7377.

**Combined Plan participants** - OPERS provides an estimate of future retirement benefit from the defined benefit portion on your Annual Statement of Estimated Benefits. These statements are generated and mailed every spring but can always be found within your

OPERS online account. OPERS provides an estimate of your future retirement benefit from the defined contribution portion on your quarterly account statements. Combined Plan participants within 12 months of retirement should call Member Services at 1-800-222-7377 for an estimate.

**Member-Directed Plan participants** - OPERS provides an estimate of your future retirement benefit on your quarterly account statements. Member-Directed Plan participants within 12 months of retirement should call Member Services at 1-800-222-7377 for an estimate.

Remember, this is just an estimate based on information provided at the time of the request. Your actual benefit amount cannot be determined until you retire and we have received final paperwork from your employer.

## HOW IS THE AMOUNT OF MY RETIREMENT BENEFIT DETERMINED?

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The amount of your retirement benefit is determined by the OPERS retirement plan in which you are participating.

### **Under the Traditional Pension Plan and the defined benefit portion of the Combined Plan**

Benefit payments under the Traditional Pension Plan and the defined benefit portion of the Combined Plan vary in amount depending on your length of public service, final average salary (FAS), age and payment plan selection.

For members in Groups A and B, your FAS is the greater of the average of your three highest years or the last 36 consecutive months of earnable salary. For members in Group C, your FAS is the greater of the average of your five highest years or the last 60 consecutive months of earnable salary.

However, in no case can a benefit exceed 100 percent of the FAS, be greater than the Contribution Based Benefit Cap (CBBC) or the limits set by the Internal Revenue Code Section 415(b).

For more information on retirement benefits, including FAS, as they relate to each specific plan and retirement transition group within those plans, visit [opers.org](https://opers.org) to view *The Retiring from Public Employment* leaflets.

For payment options that apply to any amounts you may have in the defined contribution portion of the Combined Plan, please see “Payment options under the Member-Directed Plan and the defined contribution portion of the Combined Plan” on page 44 and the *Retiring from Public Employment* leaflet for the specific retirement plan.

### **Age and service retirement benefit formula under the Traditional Pension Plan**

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.

## HOW IS THE AMOUNT OF MY RETIREMENT BENEFIT DETERMINED? CONTINUED

### **Age and service retirement benefit formula under the Combined Plan**

For members in Groups A and B, the DB portion of your retirement benefit consists of an annual lifetime allowance equal to 1 percent of FAS, multiplied by the first 30 years of service plus 1.25 percent of FAS for each year, or portion thereof, of service over 30.

For members in Group C, the DB portion of your retirement benefit consists of an annual lifetime allowance equal to 1 percent of FAS, multiplied by the first 35 years of service plus 1.25 percent of FAS for each year, or partial year, for service credit over 35.

If you are in Group A or B and have service in the Traditional Pension Plan or the Combined Plan and decide (and are eligible) to retire with less than 30 years of service credit or at an age younger than age 65, your benefit is calculated at a reduced amount. Group C members can choose to retire with a reduced amount if they have less than 32 years or at an age younger than 67.

### **Under the Member-Directed Plan and the defined contribution portion of the Combined Plan**

Your retirement benefit is based on the value of your individual defined contribution account balance and the payment method(s) you select.

### **Contribution-Based Benefit Cap**

The Contribution-Based Benefit Cap limits the retirement benefits of the members who have not contributed a significant amount to fund their pensions. The CBBC calculation is based on the member's accumulated contributions annuitized and multiplied by a factor established by the OPERS Board of Trustees.

The CBBC formula is then compared to the member's formula benefit (2.2% of FAS multiplied by years of service for the Traditional Pension Plan and 1.0% of FAS multiplied by years of service for the Combined Plan). If the formula benefit is greater than the CBBC formula amount, the member's pension will be capped.

If a member in Group A experiences a reduction in his benefit because of the CBBC, such reduction cannot exceed 5 percent of his benefit. The "cap on the cap" only applies to members in Group A that have earnings of at least \$1,000 per month for each full month of service since Jan. 1, 1987. Any earnings less than \$1,000 in a month will be subject to a full CBBC reduction.

## IMPACT OF COURT ORDERS ON YOUR APPLICATION FOR RETIREMENT

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. a whole percentage) upon OPERS' receipt of the court order and upon your applying for retirement. When OPERS receives a copy of the court order, the retirement system may only accept and process your retirement application if you have complied with the court order by designating your former spouse as a beneficiary on a joint and survivor annuity.

If you are a member of the Combined or Member-Directed plan, and OPERS receives a court order requiring you to designate a former spouse on

a joint and survivor annuity, you are required to select a monthly annuity, based on your entire account balance, for your Member-Directed Plan account and the defined contribution portion of your Combined Plan account and to designate your former spouse as a beneficiary on a joint and survivor annuity.

Should 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** (see payment options below) to designate your current spouse and former spouse as beneficiaries.

## WHAT ARE MY PAYMENT OPTIONS?

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

### 1. 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 total accumulated contributions, purchases, and interest, the remaining balance is paid to the member's beneficiary(ies).

### 2. 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.

### 3. Multiple Life Plan

This is a joint survivor annuity that is paid 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.

## WHAT ARE MY PAYMENT OPTIONS? CONTINUED

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### **Partial Lump Sum Option Payment (PLOP)**

Retiring members may also elect to receive a Partial Lump Sum Option Payment (PLOP). The PLOP is an option that allows a retiree to initially receive a lump sum benefit payment along with a reduced monthly retirement allowance. The lump sum payment cannot be less than six times or more than 36 times the monthly amount that would be payable to the member under the plan of payment selected and will not result in a monthly allowance that is less than 50 percent of the monthly benefit.

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

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 will not have to pay the additional 10 percent tax on this distribution, provided the position from which the member terminated was a law enforcement or public safety position.

### ***Spousal consent***

If you are married at the time you apply for retirement, your spouse must provide written consent to your plan of payment selection, including the selection of the Partial Lump Sum Option Payment, and beneficiary designation. If your spouse does not provide written consent and you are not subject to a court order requiring you to designate your former spouse as beneficiary, your annuity will be paid under the Joint Life Plan without PLOP with your spouse designated as your beneficiary for 50 percent.

If you are subject to a court order requiring you to designate your former spouse as beneficiary and your current spouse does not provide written consent, your benefit will be paid under the Multiple Life Plan, without PLOP, with your current spouse and former spouse designated as your beneficiaries.

### **Qualified Excess Benefit Arrangement (QEBA)**

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

Please refer to the *Retiring from Public Employment* leaflets for detailed information, including sample calculations, regarding payment options under the OPERS retirement plan from which you are retiring.

## WHAT ARE MY PAYMENT OPTIONS? CONTINUED

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### **Under the Member-Directed Plan and the defined contribution portion of the Combined Plan**

At the time you file your application for retirement under the Combined or Member-Directed plan, you will receive a monthly annuity from OPERS based on a percentage of your account balance.

However, if you are subject to a court order received by OPERS and requiring you to designate a former spouse as a beneficiary on a joint and survivor annuity, you will be required to select a joint and survivor annuity for your Member-Directed Plan account and the defined contribution portion of your Combined Plan account based on your entire account balance. You will also be required to designate your former spouse as a beneficiary on a joint and survivor annuity.

The monthly annuity is administered by OPERS and includes joint and survivor options (see the Payment Options previously described for the Traditional Pension Plan and defined benefit portion of the Combined Plan). The PLOP is only available for the defined benefit portion of the Combined Plan.

Members who terminate employment may also leave their account with OPERS and delay applying for retirement until a later date. Combined and Member-Directed plan participants will be charged a monthly administrative fee of \$6 on all accounts, regardless of balance. This fee is subject to change.



## APPLYING FOR RETIREMENT

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### **Under all the OPERS retirement plans**

Your employer must certify the date that you terminate your public employment under any of the OPERS retirement plans. You may obtain the proper retirement application by contacting the OPERS at 1-800-222-7377, or at [opers.org](http://opers.org).

We advise you to work through the end of the month in which you are planning to retire.

Also, retirees are subject to required minimum distribution (see page 73 for details).

### **Under the Traditional Pension Plan and the Combined Plan**

To assure the least possible delay in issuing your first benefit payment and to opt into the Health Reimbursement Arrangement (HRA), your application and all required additional documentation must be submitted at least 60 days before the month in which you stop working (assuming you have attained eligibility on that date). Any purchase of additional service credit must be completed prior to the issuance of your first benefit payment.

After filing your retirement application with OPERS, your benefit will be effective on the first of the month immediately following the later of:

- The last day for which you were paid
- Attainment of minimum age or service credit eligibility required by law (including purchase of additional service credit)
- The purchase of additional service credit (for the Traditional Pension Plan)
- A date that is no more than 90 days prior to OPERS' receipt of your completed retirement application

If you are under the Traditional Pension Plan and your employer has established a retirement incentive plan for which you are eligible, you must retire within 90 days after receiving the service credit under the plan (see page 26 for more information about "Retirement incentive plan credit").

### **Under the Member-Directed Plan**

Your retirement application, along with all necessary paperwork, should be filed with OPERS no later than 60 days prior to your effective retirement date.

After filing your retirement application with OPERS, your benefit will be effective on the first of the month immediately following the later of:

- The last date you were paid
- Attainment of age 55
- The date OPERS receives your completed retirement application

# PREPARING TO RECEIVE YOUR PENSION BENEFIT

## DIRECT DEPOSIT

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Direct deposit of monthly benefit payments is mandatory for payments issued by OPERS under any of the OPERS retirement plans. This helps our benefit recipients by eliminating the risks of theft,

non-delivery or loss of checks.

Direct deposit funds are securely transferred with no risk of delay or loss. Benefit payments are available on the first business day of the month.

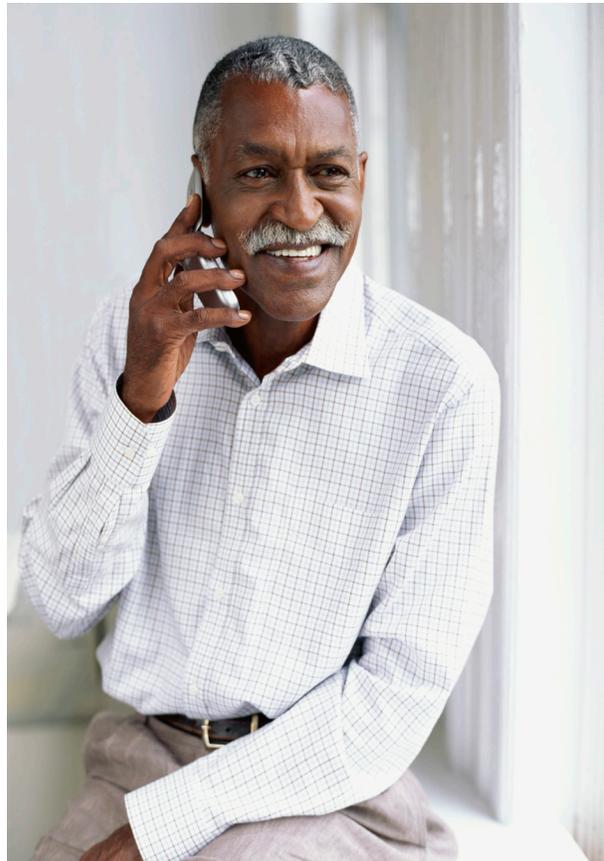
## SOCIAL SECURITY COORDINATION

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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 (GPO) or the Windfall Elimination Provision (WEP). Keep in mind your OPERS retirement 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 also 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 visit [ssa.gov](https://www.ssa.gov).



# CHANGES TO MY PAYMENT OPTION AFTER RETIREMENT

A monthly retirement benefit payable for your lifetime by OPERS may be modified based on the following life-changing events: marriage or remarriage, divorce, dissolution or annulment of marriage and/or death of a beneficiary(ies). 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.

## MARRIAGE OR REMARRIAGE

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If you select the Single Life Plan at retirement, 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 only add a spouse due to your marriage or remarriage if you have no more than three beneficiaries designated at the time you marry or remarry.

However, if you select the Multiple Life Plan because you were court ordered to select a joint survivor annuity and designate your former spouse as 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.

If you are unmarried when you apply for retirement and you are court ordered to select a joint survivor annuity and designate your former spouse as a beneficiary, you may select the Joint Life Plan and designate your former spouse.

Should you remarry subsequent to retirement, you may select the Multiple Life Plan to add your new spouse with your former spouse also remaining as a designated beneficiary.

The whole percentage your former spouse is to receive as your beneficiary will not be changed under the Multiple Life Plan when you designate your new spouse as your beneficiary.

For marriages or remarriages that occur on or after June 6, 2005, you will have one year from your date of marriage or remarriage to change your plan of payment to provide for your spouse.

If your marriage or remarriage occurred prior to June 6, 2005, you may change your plan of payment at any time. 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 us. 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 form, the change to your payment plan will not take effect and all benefits, including Health Reimbursement Arrangement (HRA) deposits, will cease.



# CHANGES TO MY PAYMENT OPTION AFTER RETIREMENT

## DIVORCE, DISSOLUTION OR ANNULMENT OF MARRIAGE

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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.

If, after you have changed to the Single Life Plan, you later remarry, your benefit may be recalculated under the Joint Life Plan to provide for your new spouse. For more information, see “Marriage or remarriage” on page 47.

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 for a former spouse remains unchanged. You will have one year from the date of your marriage to change your benefit to provide for your new spouse.

## DEATH OF BENEFICIARY(IES)

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If you select the Joint Life Plan and your beneficiary dies before you do, you will 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.

For more information on the specific payment plans mentioned on this page, see “What are my payment options?” on page 42.

### DISABILITY BENEFITS

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OPERS members who participate in the Traditional Pension and Combined plans may be eligible for disability benefits under the original plan or the revised plan. Employees who had contributions on deposit with OPERS on July 29, 1992, had a one-time opportunity to select coverage under one of these plans. Those employees hired on or after July 29, 1992, are covered only under the revised plan.

OPERS members who participate in the Member-Directed Plan are not eligible for disability benefits through OPERS. Under the Member-Directed Plan, the vested portion of your individual account would be available through a refund after your OPERS-covered employment is terminated.

While there are features common to both disability plans, a number of provisions are specific to the original plan or revised plan. The following is a summary of features for the two disability plans under the Traditional Pension and Combined plans.



## DISABILITY BENEFITS CONTINUED

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### **Common features applicable to members who applied for benefits on or after Jan. 7, 2013**

1. You must have at least 5.0 years of contributing service credit in the Traditional Pension or Combined plan to apply for disability coverage.
2. For members in the law enforcement division of the Traditional Pension Plan, you are eligible to apply for disability coverage immediately after membership is established for any on-duty illness or injury.
3. A member who applies for a disability benefit is initially evaluated under an own occupation disability standard, meaning the member is physically or mentally incapable of performing the duties of his/her last public employment position.
4. Disability coverage only extends to illnesses and injuries that occur before a member terminates his or her contributing service, as well as illnesses and injuries that result from the member's contributing service but do not become evident for up to two years after the member terminates contributing service, unless at the end of the two-year period the member was physically or mentally incapacitated and unable to file an application as proven by medical records.
5. A disabling condition is considered permanent if it is expected to last for a continuous period of at least one year following the filing of a *Disability Benefit Application*.
6. You must not be receiving a retirement benefit under any of the OPERS retirement plans.
7. Disability coverage does not extend to illnesses or injuries caused by elective cosmetic surgery, other than reconstructive surgery.
8. If approved to receive disability benefits, your benefits may be subject to forfeiture if your disability arose from illnesses or injuries caused by the commission of a felony.
9. For members who apply for a joint disability benefit with OPERS and the State Teachers Retirement System (STRS) and/or School Employees Retirement System (SERS), the disability determination will be made by the retirement system with the most service credit. The system with the most service credit will also pay the benefit. All funds and service credit in the other system(s) will be transferred to the paying system.

## DISABILITY BENEFITS CONTINUED

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### **Specific features**

For specific plan related eligibility please see the *Disability Benefits* leaflet.

### **Applying for disability benefits under both disability plans**

You are responsible for filing the *Disability Benefit Application* along with the *Report of Employer for Disability Benefit Applicant* and *Report of Physician*.

After we have received all three forms and your proof of date of birth, you will be required to have a medical review conducted by OPERS' third party administrator. OPERS will pay the fee for this medical review.

For additional information about applying for disability benefits and what to expect in the process, visit the "Disability" section of [opers.org](https://opers.org).



## RECEIVING DISABILITY BENEFITS

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### Common features

All disability applications are subject to review by the OPERS Board of Trustees. If the Board approves your application, your disability benefit is effective the first day of the month following the latter of 1) last day for which compensation was paid, or 2) the attainment of eligibility.

Prior to payment of a disability benefit, members participating in the Combined Plan must agree to transfer their individual defined contribution account, employer contributions, and any amounts paid to purchase service credit to the Traditional Pension Plan for the payment of benefits. On such a transfer, any amounts the member rolled over into the Combined Plan and any amounts paid as voluntary deposits will be credited to the Additional Annuity Program in the Traditional Pension Plan. All service credit earned under the Combined Plan is treated as if the credit was earned or purchased in the Traditional Pension Plan.

A disability benefit that has been granted, but has not yet begun, will not be paid if the member terminates employment then returns to work with the same employer in the same position (or another position with similar duties) as the position the member held at the time the disability benefit was granted.

Members must terminate public employment by the end of the month following the month of the Board's decision. If members do not terminate public employment within this time frame, their application will be voided, their disability benefit will not be paid and will be forfeited. And, if eligible, members will be required to re-apply for a disability benefit.

Eligibility for the OPERS health care program is effective the first day of the month in which OPERS receives your disability benefit application or your disability benefit effective date, whichever is later. Those with a disability benefit effective date on or after Jan. 1, 2014, will have access to the OPERS health care program for the first five years of their disability based on their continued eligibility and receipt of a disability benefit during that time. Please refer to the *OPERS Health Care Program Guide* regarding eligibility for the OPERS health care program beyond their first five years.

An annual cost-of-living adjustment will be paid after the first 12 months of receiving a benefit. Members receiving an OPERS disability benefit must file an annual *Employment and Earnings Statement* each year to report other sources of income.

## SOCIAL SECURITY DISABILITY INSURANCE BENEFITS

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### **Applicable to members who apply for benefits on or after Jan. 7, 2013**

Members whose disability benefit applications are approved by the OPERS Board and are eligible for Social Security Disability Insurance (SSDI) must apply for SSDI within 90 days of the OPERS Board's approval of the member's disability benefit application. The member must provide

OPERS with a copy of the SSDI application as evidence of compliance with this requirement. Failure to comply with this requirement will result in suspension of the disability benefit until compliance. This requirement does not apply to members in the OPERS Law Enforcement Division. For additional information about how SSDI can impact your benefit please see the *Disability Benefits* leaflet at [opers.org](http://opers.org).

## DISABILITY BENEFIT AMOUNTS AND TAXABILITY

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### **Specific features for members who apply for benefits on or after Jan. 7, 2013:**

#### **Original Plan**

1. Retirement group determination is based on age and service credit at the time of the effective date of disability. For more detailed information on how group determination impacts your disability benefit calculation, please see the *Disability Benefits* leaflet.
2. The disability benefit cannot be less than 30 percent or exceed 75 percent of your FAS.
3. The benefit payment is fully taxable until minimum retirement age, at which time a specified dollar amount, representing the return of taxed contributions, is provided on a monthly tax-free basis. Law enforcement and public safety officers participating in the Traditional Pension Plan who are disabled due to an on-duty injury or illness receive a portion of their disability benefit payments tax-free.

#### **Revised Plan**

1. Retirement group determination is based on age and service credit at the time of the effective date of disability. For more detailed information on how group determination impacts your disability benefit calculation, please see *Disability Benefits* leaflet.
2. The disability benefit amount cannot be less than 45 percent or exceed 60 percent of FAS.
3. The benefit payment is fully taxable as long as it is received. Law enforcement and public safety officers participating in the Traditional Pension Plan who are disabled due to an on-duty injury or illness receive a portion of their benefit payments tax-free.

# OTHER MEMBER BENEFITS

## CONTINUING BENEFITS AND TERMINATION OF BENEFITS

### Common features of Original and Revised Plans

1. A disability benefit may terminate under the following situations: a) if after re-examination you are found to be no longer disabled; b) at the end of your benefit period (Revised Plan only); c) you return to public employment or service as an elected official; d) at your request and you are found to no longer be disabled following re-examination; or e) upon your death. Additionally, OPERS has the right to seek repayment of any disability benefits you received but were not entitled to receive.
2. You may be required to have a periodic medical review. For more information regarding this requirement please see the *Disability Benefits* leaflet.
3. If it is determined that you are no longer disabled, your benefit will be terminated within three months of the Board's decision.
4. Members who applied for disability benefits prior to Jan. 7, 2013, retain OPERS membership status and are considered on leave of absence during their first five years receiving a disability benefit. If you received a disability benefit for less than five years and your disability benefit is terminated, OPERS will certify to your previous employer that you are capable of returning to work. At that time, your employer should restore you to your previous, or similar, position and salary unless you were dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance or conviction of a felony.
5. Members who applied for disability benefits on or after Jan. 7, 2013, retain OPERS membership status and are considered on leave of absence during their first three years receiving a disability benefit or up to five years for members who are receiving rehabilitative services acceptable to the Board's physician. OPERS will certify to your previous employer that you are capable of returning to work if your disability benefit is terminated during the leave of absence period. At that time, your employer should restore you to your previous, or similar, position and salary unless you were dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance or conviction of a felony.
6. Members who applied for disability benefits on or after Jan. 7, 2013, and whose application was approved, will be evaluated under the any occupation standard once their leave of absence expires. The any occupation standard for terminating a benefit is that a member is no longer mentally or physically incapable of performing any position which meets the following criteria:
  - the salary of the position replaces at least 75 percent of the member's inflation adjusted FAS
  - the position is reasonably found in the member's regional job market
  - a position for which the member is qualified to perform based on education or experience.
7. Undertaking employment with a private sector employer may affect your continuing receipt of a disability benefit. You should contact OPERS for an official determination regarding your intent to seek employment in the private sector. Please complete and submit an *Employment Review for a Disability Benefit Recipient* form and include a job description for the position you wish to undertake. Any position you may work or volunteer for while receiving a disability benefit will be considered, once you are reviewed under the any occupation standard.

For additional information regarding the length of time one can receive a disability benefit, see the *Disability Benefits* leaflet, or the "Disability" section of [opers.org](http://opers.org).

## APPEALS OF APPLICATION DENIALS OR TERMINATIONS OF BENEFITS

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You have a right to appeal the Board's denial of your application or termination of your disability benefits. You will have 30 days from the date of notice of the Board's action to appeal the decision. If you choose to appeal, you must submit your written notice of intent to appeal, preferably on a *Disability Benefits Appeal Request* form, within 30 days of notice of the Board's decision.

Next, you must also submit a completed Report of Physician form along with any additional objective medical evidence within 45 days of the date OPERS received your written notice of intent to appeal. If you require additional time to submit your *Report of Physician* form and any additional

objective medical evidence, you may request an extension. You can submit your request for an extension using a *Disability Benefits Appeal Request* form which would give you an additional 45 days to submit a completed Report of Physician form and any additional objective medical evidence.

The submission of your written notice of intent to appeal and request for extension will not extend the payment of your benefit. Unless your appeal is approved, your benefits will cease as originally determined.

For detailed information regarding the appeals process, refer to the *Disability Benefits* leaflet.

## REHABILITATIVE SERVICES PROGRAM

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The goal of the Rehabilitative Services Program is to maximize a disability benefit recipient's employability through clinical and vocational rehabilitative services. If you elect to participate in the Rehabilitative Services Program, the medical and vocational information acquired through the Rehabilitative Services Program may be used in the determination of your continued eligibility for a disability benefit.

### **Selection of Rehabilitative Services Program**

If you would like to participate in Rehabilitative Services Program you must make your selection and be actively engaged in the services no later than six months prior to your third benefit anniversary.

### **Continued medical treatment for non-participants of the Rehabilitative Services Program**

If you choose not to participate in rehabilitative

services, you will be required to engage in continued medical treatment if it is recommended by the Board's physician. You will be notified of this requirement in your Board approval letter. Furthermore, you will be required to submit to us an attending physician statement at each scheduled treatment interval.

For more detailed information regarding this program visit the "Disability" section of [opers.org](http://opers.org).

## SURVIVOR BENEFITS

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For OPERS members participating in the Traditional Pension and Combined plans, in addition to benefits available to you, your survivors may qualify for benefits if you die before age and service retirement or while receiving a disability benefit. Survivors of OPERS members who participate in the Member-Directed Plan are not eligible for survivor benefits through OPERS.

Under the Member-Directed Plan, the vested portion of your individual defined contribution account would be available to your survivors through a refund.

The following is a summary of the survivor benefits available under the Traditional Pension Plan and Combined Plan.

### Eligibility

If a member dies before retirement or while receiving a disability benefit, the member's qualified beneficiaries may be eligible for monthly benefit payments or a refund of the member's account.

As an OPERS member participating in the Traditional Pension or Combined plan, your qualified beneficiary(ies) will be eligible to receive monthly survivor benefits if, at the time of your death, you have met at least one of the following qualifications:

1. Had at least 18 months of contributing service credit under the Traditional Pension Plan or Combined Plan with three of those months occurring within the two and one-half years immediately before death, or
2. Were receiving a disability benefit from OPERS, or
3. Were eligible for retirement under the Traditional Pension or Combined Plan, but did not retire, or
4. If the survivor monthly benefit payable by OPERS will be greater than \$50 a month, or
5. Were contributing as a full-time law enforcement or public safety member. Please refer to the *Law Enforcement and Public Safety Officers* leaflet at [opers.org](https://opers.org) for more information.

## SURVIVOR BENEFITS CONTINUED

If you die while receiving a disability benefit under the original disability plan and your qualified beneficiary(ies) are allowed to select a refund of your account, the amount is reduced by the amount of disability benefits that had been paid to you. There is no reduction in the amount if you die while receiving a disability benefit under the revised disability plan or while you are working. Neither plan's refunds include an additional amount of employer contributions.

Please refer to the *OPERS Health Care Program Guide* or [opers.org](http://opers.org) for information about the OPERS health care program and how it applies to the primary recipient(s) of a survivor benefit.

Qualified beneficiary(ies) are entitled to benefits effective the first of the month following the member's death or at the date of eligibility.

Prior to payment of a survivor benefit, survivors of members who participated in the Combined Plan must agree to transfer the deceased member's employer contributions, individual defined contribution account and any amounts paid to purchase service credit to the Traditional Pension Plan for the payment of benefits. Any amounts the member rolled over into the Combined Plan and any amounts paid as voluntary deposits will be paid to the beneficiary(ies) in a lump sum. For purposes of calculating survivor benefits, all service credit earned under the Combined Plan is treated as if the credit was earned or purchased in the Traditional Pension Plan.

Below is a schedule of monthly benefits for which eligible beneficiary(ies) may qualify.

Number of persons	Percent of member's final average salary if less than 20 years of service credit	Minimum benefit payable
1	25%	\$250
2	40%	\$400
3	50%	\$500
4	55%	\$500
5 or more	60%	\$500

## SURVIVOR BENEFITS CONTINUED

### Benefits payable after eligibility requirements have been met

#### Surviving spouse

If eligibility requirements are met, your surviving spouse may receive a monthly benefit based on 25 percent of your final average salary or \$250, whichever is greater. The percentage increases if you have more than 20 years of service credit at the time of your death.

If, at the time of your death, you had less than 10 years of service credit, your spouse is not eligible to receive monthly benefits until age 62. However, these benefits are payable regardless of the age of the surviving spouse or the number of years of service credit if the spouse was physically or mentally incompetent at the time of the member's death (unable to earn a living due to a disabling condition), or if there are children eligible for monthly benefits. In these two circumstances, the spouse would receive a monthly benefit.

If you were participating in the Traditional Pension Plan or Combined Plan, did not have any children eligible for monthly benefits and you were eligible to receive an age and service retirement benefit, your spouse is eligible to receive a monthly benefit at your death as if you had retired and taken the Joint Life Plan. This option provides for a monthly benefit throughout your spouse's lifetime. If the survivor benefit payable by OPERS would be less than \$50 per month, instead of a monthly payment, OPERS will pay an account refund which includes member contributions, interest, and, if applicable, an additional amount.

The surviving spouse of an OPERS law enforcement or public safety officer killed in the line of duty after April 6, 2007 may receive a monthly benefit even if the officer had less than 10 years of service credit.

The surviving spouse (or other sole dependent beneficiary) who is eligible to receive monthly benefits under the Joint Life Plan may also elect to receive a Partial Lump Sum Option Payment (PLOP).

The PLOP is an option that allows a surviving spouse or other sole dependent beneficiary to initially receive a lump sum benefit payment along with a reduced monthly retirement allowance. The lump sum payment cannot be less than six times or more than 36 times the monthly amount that would be payable to the member under the Joint Life Plan and will not result in a monthly allowance that is less than 50 percent of the monthly benefit.

If PLOP is elected, 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 and may be subject to court orders, if applicable.

Or, the surviving spouse can elect to receive a refund of the deceased member's contributions, plus interest on those contributions, and an additional amount based on the member's years of service (if applicable), provided there are no children eligible to receive monthly benefits. If the deceased member was receiving disability benefits at the time of death, the surviving spouse is not entitled to receive an additional amount on the deceased member's contributions if a refund of contributions is elected. In the case of a disability benefit under the original plan, the total amount paid in disability benefits would be deducted from the deceased member's contributions. In the case of disability under the revised plan, the amount paid in disability benefits is not deducted from the deceased member's contributions.

## SURVIVOR BENEFITS CONTINUED

### Benefits payable after eligibility requirements have been met

#### Child

A child may qualify for monthly benefits if he/she is the member's natural or legally adopted child under age 22 who has never been married; or a child, at any age, who is physically or mentally incompetent at the time of the member's death.

Benefits will terminate upon the earliest of the following: the child's marriage, adoption by someone other than a stepparent, abandonment, death or entry into active military service, or attainment of age 22.

Upon termination of monthly benefits due to one of the events listed, the child is entitled to receive a refund of the remaining balance of the deceased member's contributions, plus interest, provided

there are no other qualified beneficiary(ies) receiving monthly benefits or earlier qualifying designated beneficiaries. The remaining balance of the deceased member's account would not include an additional amount.

#### Dependent parent

A dependent parent is one who received at least one-half of his/her support from the member during the 12 months preceding the member's death. A dependent parent may receive survivor benefits if age 65 or older, or at any age if adjudged physically or mentally incompetent at the time of your death. Payments to dependent parents stop in the event of their marriage or death.

## DEATH BENEFIT

At the death of an age and service retiree or a disability benefit recipient who participated in the Traditional Pension or Combined plan, a lump sum death benefit, based on years of service, is paid to one of the following: the designated beneficiary on an approved *Designation of Beneficiary for Lump Sum Death Benefit* form or an approved retirement application, the first qualified beneficiary under automatic succession, the person responsible for burial, or the estate of the recipient.

DEATH BENEFIT SCHEDULE	
Years of member service credit	Death benefit
at least 5 but less than 10	\$500
at least 10 but less than 15	\$1,000
at least 15 but less than 20	\$1,500
at least 20 but less than 25	\$2,000
25 or more	\$2,500

**For members participating in the Member-Directed Plan, a death benefit is not available through OPERS. In the event of the member's death, the vested portion of the member's defined contribution account is available to the member's beneficiaries.**

## ADDITIONAL VOLUNTARY CONTRIBUTIONS

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### **Under the Traditional Pension Plan**

A member or a re-employed retiree who is contributing to the Money Purchase Plan may deposit additional money or roll over funds into the Additional Annuity Program, which are invested in the OPERS Stable Value Fund where they will be subject to daily gains and losses. Funds will be invested the first day after the deposit. 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. This account may be the basis for an additional annuity or may be refunded. The additional annuity offers the same payment options for annuity payments under the Traditional Pension Plan and the defined benefit portion of the Combined Plan. 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 for your additional annuity, you are required to designate your former spouse as a beneficiary for a specified portion, expressed as a whole percentage, on a joint and survivor annuity upon OPERS' receipt of the court order and upon your applying for your additional annuity.

When OPERS receives a copy of the court order, the retirement system may only accept and process your additional annuity application if you have complied with the court order by designating your former spouse as a beneficiary on a joint and survivor annuity.

Earnings are tax-deferred until the time of distribution. Voluntary after-tax additional annuity deposits are limited by federal tax law to 100 percent of a member's annual income from all

public employers contributing to OPERS, or to the current annual limitation, whichever is less.

You may go to the "Forms and Documents" section of [opers.org](https://opers.org) and download the *Additional Annuity Deposit for Traditional Pension Plan Contributors* form, which includes a limitation worksheet. You also can obtain the form from your employer or an OPERS member services representative. For more details about the program, see the OPERS leaflet, *Additional Annuity Program*.

### **Under The Member-Directed and Combined Plans**

A member participating in the Member-Directed or Combined plan may deposit additional money or rollover funds into their individual defined contribution account. Voluntary after-tax deposits made with checks or money orders cannot be less than \$100 (there is no minimum for a rollover), nor be made more frequently than once a month. The additional contributions will be invested in the same investment options the member selected for their individual defined contribution account and will be subject to investment gains and losses. Additional voluntary after-tax contributions are limited by Internal Revenue Code Section 415(c) to 100 percent of a member's annual income from all public employers contributing to the retirement system or the current annual limitation, whichever is less.

You may go to the "Forms and Documents" section of [opers.org](https://opers.org) and download the proper form, either the *Voluntary Deposit for Member-Directed Plan Participants*, or the *Voluntary Deposit for Combined Plan Participants* forms, which both include a limitation worksheet. You also can obtain the forms from your employer or an OPERS member service representative. The leaflet, *Saving for Retirement*, provides more detailed information.

# OPERS HEALTH CARE PROGRAM UNDER THE TRADITIONAL PENSION AND COMBINED PLANS

While OPERS is not required to provide health care coverage by law, we recognize the important role it plays as part of a secure retirement. Refer to *the OPERS Health Care Program Guide* or [opers.org/health-care](http://opers.org/health-care) for details on the OPERS health care program and eligibility.



## HEALTH CARE UNDER THE MEMBER-DIRECTED PLAN

Under the Member-Directed Plan, a portion of employer contributions is credited to a Retiree Medical Account (RMA). Unlike your individual account, OPERS manages and directs the investment of your RMA. Interest, at a rate determined by the Board, is credited annually to your RMA. Upon distribution of your individual account at retirement or refund, the RMA may be used to reimburse your qualified medical expenses. Claims can be submitted for dates of service that occur on or after your retirement effective date with OPERS. Distributions from your RMA are tax-free.

The amount in your RMA you are entitled to use toward qualified medical expenses is based on your years of participation in the

Member-Directed Plan and your date of hire or plan change effective date (see charts below).

Regular statements are mailed to your home address or you can call toll-free at 1-888-672-9136 to obtain your account balance Monday through Friday from 8 a.m. to 6 p.m. After you begin receiving reimbursements from your RMA, you will receive quarterly statements. In addition, you will receive an *Explanation of Payment* in any month a disbursement occurs.

For more details please see the *Retiree Medical Account for Member-Directed Plan Participants* fact sheet available at [opers.org](http://opers.org) or call 1-888-672-9136.

HIRED PRIOR TO JULY 1, 2015	
Attained years of participation in the Member-Directed Plan	Percentage vested
0 years	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

HIRED ON OR AFTER JULY 1, 2015 PLAN CHANGES* EFFECTIVE ON OR AFTER AUG. 1, 2015	
Attained years of participation in the Member-Directed Plan	Percentage vested
0-5 years	0%
6 years	10%
7 years	20%
8 years	30%
9 years	40%
10 years	50%
11 years	60%
12 years	70%
13 years	80%
14 years	90%
15 years	100%

\* To the Member-Directed Plan



### COST-OF-LIVING-ADJUSTMENT

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

Member-Directed Plan participants retiring after Jan. 7, 2013, will receive a cost-of-living adjustment starting 12 months after their initial benefit payment. Cost-of-living adjustments paid through 2018 will be based on a 3 percent fixed amount. Starting in 2019, cost-of-living adjustments will be based on an allowance equal to a percentage of the CPI, up to 3 percent.

The cost-of-living adjustment is not compounded, it is based on your initial retirement annuity benefit, not the benefit plus accumulated increases. If the CPI used to determine the cost-of-living adjustment is negative during the measurement period, no increase will be granted the following year.



*The annual cost-of-living adjustment is determined by the recipient's retirement group and plan selected.*



## RETURNING TO WORK AFTER RETIREMENT

**The following information is provided to generally inform you about re-employment. Retirees should contact OPERS to receive answers to questions regarding their specific situations prior to re-employment if there is doubt about the effect of re-employment on their retirement benefit.**

After a member retires under any of the OPERS retirement plans, re-employment in a job that is covered by OPERS, including service in an elected position, may affect continuing receipt of benefits. Retirees who become re-employed must notify the employer that they are receiving an OPERS benefit. Retirees should discuss their re-employment plans with their employer to determine if there are any policies or restrictions on re-employment. The current employer is not required to re-hire an employee after retirement.

### **OPERS retirees may become re-employed in OPERS-covered positions**

If you return to employment during the first two months of your retirement, your current retirement allowance will be forfeited for each month in which re-employment occurs during those two months. The penalty will apply even

if you waive your salary for the two-month period of re-employment. Contributions must begin from the first day of re-employment. Re-employed retirees are not eligible to select one of the OPERS retirement plans, but instead, will contribute to the Money Purchase Plan (See “Money Purchase Plan” on page 71 for details).

Employee contributions made to OPERS during the two month forfeiture period will not be included in the calculation of the Money Purchase Plan benefits and will be refunded to the retiree at the termination of the re-employment without interest.

Please refer to the *OPERS Health Care Program Guide* or [opers.org/health-care](http://opers.org/health-care) for information about how the OPERS health care program applies during a re-employment period.

## RETURNING TO WORK AFTER RETIREMENT CONTINUED

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### **OPERS disability benefit recipients and re-employment**

If you are receiving a disability benefit, your benefits will immediately terminate if you return to OPERS-covered employment as an employee or elected official. Joint system disability benefits (OPERS with STRS or SERS) will terminate if the recipient returns to employment under any system that participates in the benefit. The public employer must notify OPERS in writing by certifying and sending a *Notice of Re-Employment or Contract Services of an OPERS Benefit Recipient (Form SR-6)* form available at [opers.org](https://opers.org). Any overpayment of benefits, due to a failure of notice, is the liability of the employer and potentially the retiree. Contributions must be remitted to OPERS during re-employment.

Employment with a private employer or with an employer covered by State Teachers Retirement System of Ohio (STRS) or School Employees Retirement System of Ohio (SERS) may affect continued receipt of disability benefits. Disability benefit recipients should contact OPERS and complete an *Employment Review for a Disability Benefit Recipient* form before becoming re-employed.

### **College/university employees**

OPERS retirees who become re-employed on a full-time basis by a public university or college have the option to participate in OPERS and contribute toward a Money Purchase Plan account or they may elect to participate in an Alternative Retirement Plan (ARP). Re-employed retirees who change their employment status with a public institution or college from part-time to full-time may also be eligible to participate in an ARP.

Your college or university employer will provide you with the necessary forms to make this election. The election to participate in an ARP must be completed within 120 days from the date of re-employment or change in status from part-time to full-time. This election is irrevocable while you remain employed by the public institution or college. A retiree who has received a retirement allowance less than two months will forfeit the retirement allowance for any month of re-employment during that two-month period even if they elect the ARP during this time period.

## RETURNING TO WORK AFTER RETIREMENT CONTINUED

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### **Public hearings for certain re-employment**

Age and service retirees may also be re-employed in a position that is customarily filled by the vote of a board, commission or the legislative authority of a county, municipal corporation or township, provided both the following requirements are met:

- The board, commission or the legislative authority of a county, municipal corporation or township provides public notice at least 60 days before the re-employment is to begin, that the individual is seeking to retire, draw a pension and return to work in the same position; and
- The board, commission or the legislative authority of a county, municipal corporation or township holds a public meeting 15 to 30 days before the re-employment is to begin to discuss the issue of the individual being re-hired in the same position.

The public notice shall include the time, date and location at which the public meeting is to take place. Individuals who have retired from OPERS and return to OPERS-covered employment as elected officials are treated as re-employed retirees. Individuals who have retired from another Ohio state retirement system and become OPERS members as elected officials also are treated as re-employed retirees. However, if OPERS members

are covered for non-elected official service and are also elected officials contributing to Social Security for their elected positions, their elected service has no effect on their OPERS retirement, nor are they OPERS re-employed retirees for subsequent elected service.

There is a limitation for an elected official who retires from OPERS during a term in office and who is re-appointed to the same position during the same term or is elected to the position in the next consecutive term. For these elected officials, the annuity portion of the retirement allowance is suspended and the pension portion of the allowance is forfeited for the term(s) unless:

- The Board of Elections has been notified in writing of the elected official's intent to retire at least 90 days prior to the primary election or the date on which the primary election would have been held.
- The elected official was already retired at least 90 days before the general election.
- The appointing authority has been notified that the official has already retired or intends to retire prior to the end of the term.

For information regarding disability benefit recipients, please refer to the previous section, "OPERS disability benefit recipients and re-employment."

## RETURNING TO WORK AFTER RETIREMENT CONTINUED

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### **Independent contractors**

A retiree cannot continue to receive benefits and work as an independent contractor under a contract for any period of time for the employer from which they retired.

This prohibition is applicable regardless of the number of hours or days you actually worked. A retiree who performs services as an independent contractor for the public employer from which they retired will forfeit the pension portion of their retirement benefit and the annuity portion of their retirement benefit will be suspended for the term of the contract. The annuity portion of the retirement benefit will be paid in a lump sum to the retiree following termination of the contract.

You may continue to receive benefits under a contract for services as an independent contractor for another public employer. However, if this occurs within the first two months of retirement, you will forfeit the pension portion of your retirement benefit and the annuity portion of the benefit will be suspended for the term of the contract.

Independent contractors are not eligible for membership in OPERS. The employer is liable for any pension overpayment resulting from lack of notice to OPERS of re-employment or contract services if there is a benefit overpayment.

### **Other system retirees**

An age and service or disability benefit recipient from another Ohio retirement system, who is not receiving a joint benefit that is inclusive of OPERS service credit, may also be employed in an OPERS-covered position.

Other system retirees must begin contributing to OPERS from the first day of employment and will contribute toward the Money Purchase Plan (see page 71).

A retiree from another system, who has received a retirement allowance for less than two months when OPERS-covered employment commences, will forfeit their retirement allowance from the other system for any month of re-employment during the two-month period. Contributions remitted during these two months are not included in the calculation of the money purchase annuity to be paid at the termination of re-employment.

Retirees of any of Ohio's state retirement systems are subject to similar provisions when returning to work in public service covered by the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS).

### **Joint retirement**

If a retiree is receiving a benefit based on service covered by two or more of the non-uniformed state retirement systems (OPERS, STRS or SERS), they will be subject to the re-employment restrictions applicable to the retirement system under which he/she retired. Contact the retirement system paying your benefit for a determination with respect to any such re-employment.

### **Other employment**

An OPERS retiree may be employed in a position with a private employer and continue to receive benefits.

## RETURNING TO WORK AFTER RETIREMENT CONTINUED

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### **Money Purchase Plan**

Re-employed retirees continue to receive their retirement benefits and are not eligible to select one of the OPERS retirement plans, although re-employed retirees who are full-time employees of state colleges and universities may be eligible to make an election to participate in an Alternative Retirement Plan (ARP) in lieu of membership in OPERS. Re-employed retirees who are contributing to OPERS contribute toward the Money Purchase Plan. All re-employed retiree balances and contributions in the Money Purchase Plan earn interest based on the annual return of the OPERS Stable Value Fund.

Upon termination of re-employment, the retiree will be eligible to apply for either a refund of their employee contributions or a monthly benefit depending upon the retiree's age at the time they apply for the benefit. If the retiree elects to receive the Money Purchase Plan account prior to age 65, they will only be entitled to receive the contributions and allowable interest paid in a lump sum. If the retiree elects to receive the Money Purchase Plan benefit at age 65 or after, the retiree will be entitled to receive a lump sum payment of contributions, allowable interest, plus an additional amount or a monthly annuity benefit.

The Money Purchase Plan offers the same payment plan options for annuity payments under the Traditional Pension Plan and the defined benefit portion of the Combined Plan.

Also, re-employed retirees are subject to required minimum distribution (see page 73 for details). In the event of a retiree's death prior to receiving a Money Purchase Plan benefit, the retiree's beneficiary(ies) would receive a lump sum payment.



## REQUIRED MINIMUM DISTRIBUTION

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According to Internal Revenue Code Section 401(a)(9), a retirement benefit, an account refund, a Money Purchase Plan account (either in a lump sum or as a monthly benefit) and an Additional Annuity Program payment, depending on what you are eligible to receive, MUST be distributed to you by April 1 of the year following attainment

of the required minimum distribution age, if you have terminated service. If you terminate service after you reach the required minimum distribution age, the distribution(s) must occur by April 1 of the year following termination of service.

## TAXES

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### **Tax liability on lump sum payments**

The Internal Revenue Code makes it possible for public employers to pay, or “pick up,” employee contributions to OPERS, enabling the employers to designate employee contributions “picked up” by the employer as employer contributions. Under federal tax law, employer contributions to a qualified pension plan are non-taxable to the employee until such time as the contributions are received as a refund or as retirement benefits.

If your retirement contributions are remitted on a tax-deferred basis, lump sum payments of the contributions will be reported to the Internal Revenue Service on Form 1099R as taxable income for the tax year in which the payment was made. This taxable portion of the lump sum payment is subject to a 20 percent federal withholding tax deduction.

Special tax provisions may be applicable to the reporting of this income. Under each of the three OPERS retirement plans, the taxable portion of a refund is subject to a 10 percent excise tax if you are younger than age 59½. If you were born before 1936, you may qualify for the tax averaging provision for lump sum distributions. IRS Form 4972 has more information on these provisions.

An OPERS member who is a law enforcement or public safety officer terminating public employment at age 50 or older and who receives

a lump sum distribution by a refund or PLOP from the Traditional Pension Plan 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. Recipients receiving a monthly benefit for life from any of the three OPERS retirement plans and beneficiaries receiving a distribution resulting from the death of a member or benefit recipient will not be affected by the 10 percent excise tax.

You may choose to roll over all, or a portion of, your lump sum payment into an IRA or another qualified plan to defer the 20 percent federal tax withholding and the 10 percent excise tax for early withdrawal. You may authorize OPERS to make the rollover for you or, you may choose to forward the lump sum payment to the financial institution. If you choose to forward the payment, you have 60 days from the date of your lump sum payment to roll over the taxable amount. Any eligible amounts may be rolled over and do not affect the annual limit on contributions to your IRA. Certain taxable portions are not eligible for rollover under the Internal Revenue Code required minimum distribution provisions.

You should contact the IRS or your own tax advisor for information concerning special tax provisions as they apply to your OPERS lump sum payments.

## TAXES

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### **Tax liability on periodic benefit payments**

If your contributions were not taxed at the time of contribution, your benefit will be completely taxable effective with the first payment at your tax rate in effect on that date. See “Member contributions” on page 11.

If any of your contributions were previously taxed, OPERS will calculate the taxability of your benefit by using the IRS Simplified General Rule and report the taxable portion of your benefit to the IRS on Form 1099R for each tax year. The Simplified General Rule provides that the retirement benefit is taxable income effective with the first payment of the benefit; however, a calculated portion of each month's benefit is excluded from your taxable income. The excludable, or tax-free portion, which is a specified dollar amount, remains the same even if your retirement benefit is increased. The accumulation of the tax-free portion of your retirement benefit, referred to as retirement cost, cannot exceed your employee contributions on which federal income taxes have been paid. Once the retirement cost is recovered, the entire monthly benefit is taxable.

Recipients receiving a monthly benefit for life from any of the three OPERS retirement plans and beneficiaries receiving a distribution resulting from the death of a member are not affected by the additional 10 percent excise tax discussed in the previous section.

The IRS guidelines for disability benefit recipients are somewhat different than those for other benefit recipients. Additional information on the taxation of disability benefits and a more in-depth discussion of the tax treatment of all

benefit payments may be found in the OPERS publication, *Benefit Recipients' Income Tax Guide*, which is published each tax year, and is available at [opers.org](http://opers.org).

### **Tax withholding**

The taxable portion of a retirement benefit automatically is subject to federal income tax withholding unless you choose, on the appropriate form, not to have tax withheld. If you elect not to have withholding apply to your benefit payments, or if there is not enough federal income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under estimated tax rules if there is not enough federal income tax withheld during the year.

OPERS also will withhold state of Ohio income tax from benefit payments on a voluntary basis. If you are required to pay state of Ohio taxes, you must determine the amount per month you wish to have withheld from your benefit payment. In order to make this determination, you should estimate your state tax liability for the current year.

Remember that retirement credits available for state income tax should be taken into account when making any calculations. OPERS will begin withholding state tax from your benefit the month following the receipt of the properly completed form.

OPERS benefits are subject to local school district income taxes in Ohio. You are responsible for these taxes if your school district has an income tax, as OPERS cannot withhold the tax from your benefit payment.

## INTERNAL REVENUE CODE SECTION 415

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Ohio law incorporates the limitations on contributions and pensions found in Internal Revenue Code Section 415 (IRC 415). For members participating in the Member-Directed Plan, contributions to the plan are subject to the IRC Section 415(c) limit.

For members participating in the Combined and Traditional Pension plans, the retirement benefit paid by OPERS is also subject to the IRC Section 415(b) limit.

## OPERS ACCOUNTS AND COURT ORDERS

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### Impact on refunds

The active accounts of members are not subject to garnishment, attachment, bankruptcy or any other legal process. Generally, a refund of contributions is similarly protected except under the following situations: federal tax levies, certain court-ordered restitution or forfeiture or court-ordered child support or spousal support-withholding. A refund of contributions may also be subject to a division of property order as specified by Ohio Revised Code Sections 3105.80 through 3105.90, allowing OPERS to make direct payments to a former spouse (alternate payee) from a lump sum payment being paid to an OPERS member (participant).

### Impact on monthly benefits

Benefit payments are not subject to garnishment, attachment, bankruptcy or any other legal process except in the following situations: federal tax levies, certain court-ordered restitution or forfeiture or court-ordered child support or spousal support-withholding. Benefit payments may also be subject to a division of property order as specified by Ohio Revised Code Sections 3105.80 through 3105.90, allowing OPERS to make direct payments to a former spouse (alternate payee) from a benefit payment being paid to an OPERS benefit recipient (participant). In the event OPERS receives one of these orders, the amount will be withheld and sent to the agency responsible for collection or, in the case of a division of property order, to the alternate payee.



## POWER OF ATTORNEY AND GUARDIANSHIP

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Generally, OPERS expects members and benefit recipients to perform all account activities under their own power and signature. If assistance is necessary, a member or benefit recipient may provide a power of attorney or durable power of attorney document. The attorney in fact may manage the member or recipient's OPERS account through such activities as authorizing the release of account information, providing and updating bank information for direct deposit of benefits, updating the member's or recipient's address, receiving correspondence on behalf of the member or recipient and making changes to health care coverage.

Additionally, if specifically authorized in the power of attorney document, the attorney in fact may also change retirement plans, select a plan of payment, apply for and receive a refund and designate a beneficiary. However, if there is a conflict between the direction given by the member or benefit recipient and the direction

given by the attorney in fact, OPERS will follow the direction of the attorney in fact until the member or benefit recipient revokes the attorney in fact's power and OPERS receives written notice of the revocation.

You should consult with your own legal counsel about having a power of attorney document drafted and selecting someone to serve as your attorney in fact.

In the absence of a power of attorney document granting specific authority to an attorney in fact, OPERS may require guardianship of an estate for a member or recipient who is under 18 years of age or, if over 18 years of age, who is, or becomes, incompetent. Additionally, the guardian is required to obtain a court order approving a selection of a retirement plan of payment, and the designation of a beneficiary.



## OPERS BOARD OF TRUSTEES

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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 [opers.org](https://opers.org).











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