



## Ohio Administrative Code

### Rule 145-2-16 Conversion or proration of service credit to law enforcement service credit.

Effective: June 1, 2014

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(A) For purposes of this rule and section 145.2914 of the Revised Code:

(1) "Law enforcement service credit" means service earned as a PERS law enforcement officer, as defined in section 145.01 of the Revised Code.

(2) "Public safety service credit" means service credit earned as a PERS public safety officer, as defined in section 145.01 of the Revised Code.

(3) "Regular service credit" means service credit earned as a contributor under section 145.47 of the Revised Code that is not concurrent with any public safety or law enforcement service credit, including service purchased under section 145.31, 145.312, 145.814 of the Revised Code, or for which contributions should have been deducted as described in section 145.483 of the Revised Code. "Regular service credit" does not include any other type of service credit that may be purchased or transferred under Chapter 145. of the Revised Code.

(4) "Notice of the additional liability" is the cost statement provided to the member that specifies the number of years, or portions of a year, the member may convert and includes the amount of service credit that may be prorated under paragraph (B)(1) of this rule, if applicable.

(B) Subject to the requirements described in section 145.2914 of the Revised Code and this rule, a member who has contributed to the retirement system as a PERS public safety officer or PERS law enforcement officer and has regular service credit or public safety service credit that the member would like to be treated as law enforcement or public safety service credit may elect to do one of the following:

(1) To have the total amount of the regular service credit and public safety service credit reduced to an amount of public safety service credit or law enforcement service credit that has no additional liability to the system, which shall be referred to as proration;



(2) To convert up to five total years of regular service credit or public safety service credit, or a combination of both types of credit.

If the member is eligible to retire as a PERS law enforcement officer or will be eligible to retire as a PERS law enforcement officer as a result of the proration or conversion, the member may prorate or convert regular service credit, public safety service credit, or both types of service credit to law enforcement service credit. If the member is eligible to retire as a PERS public safety officer or will be eligible to retire as a PERS public safety officer as a result of the proration or conversion, the member may prorate or convert regular service credit to public safety service credit.

(C) The cost to convert service credit under paragraph (B)(2) of this rule shall be an amount specified by the public employees retirement board that is not less than one hundred per cent of the additional liability resulting from the conversion of a year, or portion of a year, of service as recommended by the actuary for the board. The actuary shall recommend to the board a cost calculation to convert each of the types of service credit described in this rule. The cost calculation shall be based on the final average salary that will be used in calculating the member's monthly benefit as determined at the time the cost statement is prepared. The actuary may recommend modifications to the cost calculations if the actuary determines it is necessary to mitigate any negative financial impact on the retirement system.

(1) The retirement system shall not accept any other payments for the purchase or transfer of service credit after the issuance of the cost statement for proration or conversion of service credit, except for payments made pursuant to an irrevocable, pre-tax payroll deduction agreement.

(2) If a member converts only a portion of the service credit that is eligible for conversion or the member has more than five years of service credit that is eligible for conversion, the service credit that is converted shall be the most recent regular service credit.

(3) A member who elects to prorate under paragraph (B)(1) of this rule shall prorate all regular service credit or public safety service credit.

(4) If a member has regular or public safety service credit that is concurrent with the public safety or



law enforcement service credit and is not eligible for conversion or proration, the accumulated contributions for the concurrent service shall be paid as provided in section 145.332 of the Revised Code.

(5) Service credit converted under this rule shall be considered in determining the members final average salary. Service credit prorated under this rule shall not be considered in determining the member's final average salary.

(6) For service credit prorated under this rule, contributing service credit, as defined in rule 145-4-01 of the Administrative Code, shall be determined based on the lesser of the number of months of contributing service prior to the proration or the number of months of contributing service after the proration.

(E) Not later than ninety days after receiving notice of the additional liability or of the prorated amount of service credit, the member shall agree to retire by submitting to the retirement system an executed cost statement and, if the member had elected conversion, the first partial or total payment for the service credit. The member may make direct payment to the retirement system for the cost of the conversion or the member's financial institution may transmit the amount directly to the retirement system.

(F) If a member has elected conversion, the members effective date of retirement shall be no earlier than the first day of the month following receipt by the retirement system of the first partial payment or total payment, if paid in full in one payment. If the member has elected proration, the member's effective date of retirement shall be no earlier that the first day of the month following receipt by the retirement system of the executed cost statement. In both instances, the members effective date of retirement shall be no later than the first day of the month following the ninetieth day after receipt by the retirement system of the first partial payment or total payment, if paid in full by one payment, or the executed cost statement, whichever is applicable. If the member fails to retire as described in this paragraph, the retirement system shall return the amount paid by the member to the member. If the payment was transmitted to the retirement system by a financial institution, the amount received by the retirement system shall be returned to the financial institution.

(G) Notwithstanding rule 145-1-71 of the Administrative Code, a member who prorates or converts



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service credit and retires as provided in this rule may not withdraw his or her retirement application.

(H) No amount paid under this rule to convert service credit shall be used in calculating the additional payment described in section 145.401 of the Revised Code.