



Ohio Administrative Code Rule 145-2-43 Additional annuity accounts.

Effective: January 1, 2022

(A) A member or contributor who makes a deposit for an additional annuity pursuant to section 145.62 of the Revised Code shall remit the first deposit with a form provided by the public employees retirement system. The retirement system shall not accept a payment for less than fifteen dollars. Deposits shall be credited to the tax year in which the deposit is posted to the account of the member or contributor.

(B) A member or contributor may elect to have an eligible rollover distribution paid directly to an additional annuity account as a direct rollover. Any non-taxable portion of an eligible rollover distribution shall be separately accounted for by the retirement system and shall only be accepted in a direct trustee-to-trustee transfer to the additional annuity account. The following definitions apply to this paragraph:

(1) "Eligible rollover distribution" means any distribution of all or any portion of the balance to the credit of a member or contributor from an eligible retirement plan. An eligible rollover distribution does not include:

(a) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the member or contributor or the joint lives (or joint life expectancies) of the member or contributor and the member or contributor's designated beneficiary, or for a specified period of ten years or more;

(b) Any distribution to the extent such distribution is required under section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C.A. 401;

(c) Any distribution that is made upon hardship of the member or participant; or

(d) The portion of any distribution that is not includible in gross income, unless the distribution is being rolled over to either (i) a traditional individual retirement account or individual retirement



annuity under sections 408(a) or 408(b) of the Internal Revenue Code of 1986, 26 U.S.C.A. 408, or (ii) a qualified trust which is part of a plan which is a defined contribution plan under sections 401(a) or 403(a) of the Internal Revenue Code of 1986, 26 U.S.C.A. 403, that will separately account for the distribution, including the taxable and non-taxable portions of the distribution, in a direct trustee-to-trustee transfer.

(2) "Eligible retirement plan" means any program defined in sections 401(a)(31) and 402(c)(8)(B) of the Internal Revenue Code of 1986, 26 U.S.C.A. 402, from which the member or contributor has a right to an eligible rollover distribution, as follows:

- (a) An individual retirement account under section 408(a) of the Internal Revenue Code;
 - (b) An individual retirement annuity under section 408(b) of the Internal Revenue Code (other than an endowment contract);
 - (c) A qualified trust;
 - (d) An annuity plan under section 403(a) of the Internal Revenue Code;
 - (e) An eligible deferred compensation plan under section 457(b) of the Internal Revenue Code of 1986, 26 U.S.C.A. 457, that is maintained by an eligible employer under section 457(e)(1)(A) of the Internal Revenue Code;
 - (f) An annuity contract under section 403(b) of the Internal Revenue Code; and
 - (g) Effective January 1, 2008, a Roth individual retirement account or annuity described in section 408A of the Internal Revenue Code, subject to the limitations set forth in such Internal Revenue Code provision; provided, however, that the plan is not responsible for assuring that a distributee is eligible to make such a rollover.
- (3) "Direct rollover" means a payment to the additional annuity account from an eligible retirement plan specified by the member or contributor.



(C) A member or contributor shall make application for an additional annuity payment under section 145.64 of the Revised Code or a one-time lump sum payment under section 145.63 of the Revised Code on a form provided by the public employees retirement system. In the event a member or contributor is deceased, the qualifying beneficiary shall make application. Except as provided in this paragraph, a member or contributor may apply for a one-time lump sum payment at any time. If, at the time of application for a one-time lump sum payment, the additional annuity account of the member or contributor includes mandatory employee or employer contributions that were transferred to the account in accordance with rule 145-1-74 or 145-2-18 of the Administrative Code, the member or contributor may only apply for a one-time lump sum payment under the circumstances described in section 145.63 of the Revised Code if the member has terminated service.

(D) Except as provided in this paragraph, monthly additional annuity payments shall commence at the time of issuance of an initial benefit payment, as defined in paragraph (A)(5) of rule 145-1-65 of the Administrative Code. In the case of a member or contributor who indicates on a form provided by the retirement system that the member or contributor will be making additional deposits into their additional annuity account, monthly additional annuity payments shall not be issued until one hundred twenty days following the initial benefit payment or, in the case of an additional annuity commenced in connection with a benefit under section 145.384 of the Revised Code, one hundred twenty days from issuance of the first payment under that section.

(E) All amounts on deposit with the retirement system on December 31, 2007, for an additional annuity, including any interest as may have been allowed by the public employees retirement board under former section 145.23 of the Revised Code, section 145.62 of the Revised Code, or prior versions of this rule, and any deposits made on or after January 1, 2008, shall be invested in the OPERS stable value fund, as described in the statement of investment objectives and policies for the defined contribution fund. The retirement system shall value the amounts described in this paragraph in accordance with the daily values determined for the OPERS stable value fund and acceptable industry practices. The board and the retirement system are not liable for losses or depreciation in the value of the amounts described in this paragraph.

(F) Pursuant to division (B)(6) of section 145.64 of the Revised Code, a member or contributor who fails to select a plan of payment for the monthly additional annuity shall receive monthly annuity payments under a plan of payment that is consistent with the marital status of the member or



contributor.

(G) On application for a payment under section 145.63 or 145.64 of the Revised Code by a member, contributor, or beneficiary whose deposits were transferred to the income fund as described in section 145.41 of the Revised Code, the retirement system shall credit interest and invest the deposits as described in paragraph (E) of this rule.