



## Ohio Administrative Code

### Rule 145-3-40 Service credit for participation in member-directed plan.

Effective: January 1, 2021

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(A) This rule amplifies section 145.814 of the Revised Code and sections 2.03, 2.04, and 6.02 of the member-directed plan document.

(B) For each member who elects to transfer funds from the member-directed plan to purchase service in the combined plan under division (D) of section 145.814 of the Revised Code and section 2.03 of the member-directed plan document, the public employees retirement system shall prepare a statement of cost for service credit to be purchased in the combined plan based on participation in the member-directed plan, at the request of an eligible member. An actuary employed by the public employees retirement board shall determine the additional liability, as defined in section 145.814 of the Revised Code, as described in rule 145-3-23 of the Administrative Code.

(C) An eligible member shall purchase the service credit only by a lump-sum payment of the amount on deposit, as defined in rule 145-1-35 of the Administrative Code, except that a member described in division (D)(1) of section 145.814 of the Revised Code may, pay any additional liability that exceeds the amount on deposit by initiating payroll deduction under rule 145-1-38 of the Administrative Code or by direct partial payment. For plan elections effective on or before July 1, 2015, the payroll deduction shall be initiated or direct partial payment shall be made not later than one hundred eighty days after the effective date of an election to participate in the combined plan under section 2.03 of the member-directed plan document. Service credit purchased under this rule shall be included in the member's total service credit in the combined plan. If the member elects to receive pro-rated service credit, for purposes of section 1.41 of the combined plan document, the period of service upon which contributing service is based shall be the member's earliest service credit available to purchase under this rule.

(D) Any funds remaining in an eligible member's accounts, as defined in section 1.01 of the member-directed plan document, after the purchase of service credit under this rule shall be credited to the member's rollover account in the combined plan and treated as a rollover, except that amounts transferred to the member-directed plan under section 2.02 of the member-directed plan



document shall be credited to the participant contribution account in the combined plan, as if the contributions had been originally transferred under section 2.02 of the combined plan document. A member may also elect, at the time of service purchase, to leave any remaining funds on deposit in the member-directed plan; any funds remaining shall be credited to the member's rollover account, as defined in section 1.31 of the member-directed plan document, and treated as a rollover.

(1) Service credit purchased under this rule cancels the corresponding years of participation in the member-directed plan.

(2) For plan elections effective on or before July 1, 2015, years of participation in the member-directed plan that are not purchased under this rule shall be cancelled immediately upon the expiration of the one hundred eighty day period following the effective date of an election to participate in the combined plan under section 2.03 of the member-directed plan document.