



Ohio Administrative Code Rule 3307:1-12-01 Distributions.

Effective: June 13, 2024

(A) Notwithstanding any provision in Chapter 3307. of the Revised Code or in the rules governing the retirement system to the contrary, distributions to members and beneficiaries shall be made in accordance with section 401(a)(9) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 401, as amended, and applicable regulations thereunder and with the following rules.

(1) The entire interest of a member shall be distributed to such member:

(a) Not later than the required beginning date; or

(b) Beginning not later than the required beginning date, in accordance with applicable regulations, over the life of such member or the lives of such member and a designated beneficiary (or over a period not extending beyond the life expectancy of such member) within the meaning of section 401(a)(9) of the Internal Revenue Code.

(2) The required beginning date means April first of the calendar year following the later of:

(a) The calendar year in which the member attains the required minimum distribution age specified in section 401(a)(9)(C) of the Internal Revenue Code; or

(b) The calendar year in which the member retires.

(3) If distribution of a member's benefit has begun pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code and the applicable regulations and the member dies, any survivor benefits will be distributed at least as rapidly as under the plan of payment selected and effective as of the date of the member's death.

(4) Beneficiary distributions.



- (a) If a member dies before the distribution of the member's interest has begun pursuant to the provisions of section 401(a)(9) of the Internal Revenue Code and the applicable regulations, the entire interest of the member will be distributed by the end of the calendar year which contains the fifth anniversary of the date of such member's death.
- (b) If a benefit is payable to or for the benefit of a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the entire interest of the member will be distributed by the end of the calendar year which contains the tenth anniversary of the date of such member's death.
- (c) However, if a benefit is payable to or for the benefit of an eligible designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed, in accordance with applicable regulations, over the life of such beneficiary or, in the case of an eligible designated beneficiary who is younger than eighteen at the time of the member's death, such other amount of time as set forth in section 401(a)(9)(E)(iii) of the Internal Revenue Code, provided that in all cases, such distributions begin not later than the end of the calendar year immediately following the calendar year in which the member died.
- (d) If the beneficiary is the surviving spouse of the member, distributions shall begin, pursuant to this paragraph, not later than the end of the calendar year in which the member would have attained the required minimum distribution age as specified in section 401(a)(9)(C) of the Internal Revenue Code; provided, however, that if the surviving spouse dies before such distributions begin, the provisions set forth in this paragraph shall be applied as if the surviving spouse were the member.
- (5) Any death benefit amounts payable under Chapter 3307. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code and regulations thereunder.
- (6) Any amount paid to a qualified child as defined in section 3307.66 of the Revised Code shall be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse upon such child ceasing to be a qualified survivor.
- (B) No payment in an amount of two hundred dollars or more shall be made to any person until any



applicable requirements of sections 401(a)(31), 402(c), 402(f), 408A, and 3405 of the Internal Revenue Code or any provision of federal law governing withholding from or rollover of distributions from a qualified trust have been satisfied, provided that:

(1) The retirement system shall give notice of options available to any such person as required by federal law.

(2) The retirement system will permit any such person, except a trust or an estate, to direct that an amount at least equal to the entire payment due from the state teachers retirement system or five hundred dollars, whichever is less, be paid as a direct rollover to one eligible retirement plan or Roth IRA designated by the person. A nonspouse beneficiary of a deceased member may only rollover directly to an individual retirement plan that shall be treated as an inherited individual retirement account or annuity to the extent permitted by section 402(c)(11) of the Internal Revenue Code.

(3) Application by the person to have all or part of a payment paid as a direct rollover shall be on a form provided by the state teachers retirement system which shall contain the name and address of the retirement plan or Roth IRA to which the payment or portion thereof is to be made. The form provided by the system shall further contain the person's representation and certification that, if the person is rolling an amount over to a retirement plan, such retirement plan is an eligible retirement plan.

(4) Any part of a payment that is a required minimum distribution, as that term is defined in section 401(a)(9) of the Internal Revenue Code and the applicable regulations thereunder, is ineligible to be paid as a direct rollover.

(C) When a member applies for the restoration of service credit under section 3307.71 of the Revised Code or the purchase of service credit under section 3307.72, 3307.73, 3307.74, 3307.751, 3307.752, 3307.76, 3307.761, 3307.763, division (D) of section 3307.77, 3307.771 or 3307.78 of the Revised Code, to the extent permitted by federal law, the member may also apply to have the state teachers retirement system accept, in full or partial payment of the cost of such restoration or purchase, pretax funds transferred to the state teachers retirement system as a direct rollover on and after July 2, 2002 from a plan or account eligible under the terms of the Internal Revenue Code to roll funds over to a trust qualified under the terms of section 401(a) of the Internal Revenue Code provided the funds



were not commingled in the individual retirement plan with funds from any source other than a trust qualified under section 401(a) of the Internal Revenue Code. Acceptance of a direct rollover under this paragraph shall be subject to the following:

- (1) Application shall be on a form approved by the retirement system;
- (2) Application shall be subject to determination by the retirement system of the amount that will be accepted;
- (3) The amount accepted by the retirement system shall in no case exceed the cost of restoration or purchase determined by the system.

(D) For purposes of section 3307.563 of the Revised Code, interest rates on amounts to be paid under section 3307.56 or 3307.562 of the Revised Code shall be determined by the board not to exceed four per cent, compounded annually, for members with less than three full years of qualifying service credit and not to exceed six per cent, compounded annually, for members with three or more full years of qualifying service credit. Interest for all years withdrawn shall begin to accrue in the fiscal year following deposit. No interest will be payable if a former member applies to withdraw an account consisting only of contributions made during the current fiscal year. Interest stops accruing as of the end of the month immediately preceding withdrawal.

(E) For purposes of division (A)(3)(b) of section 3307.563 of the Revised Code, contributions restored under section 3307.712 of the Revised Code shall be considered the same as contributions restored under section 3307.71 of the Revised Code to the extent that the amount paid to restore the credit included amounts received by the member under division (A)(3)(b) of section 3307.563 of the Revised Code.

(F) Pursuant to division (A)(2) of section 3307.56 of the Revised Code, consent of a spouse shall not be required for withdrawal:

(1) If the retirement system receives the written statement of a physician certifying that the spouse is medically incapable of acknowledging the request for withdrawal by the applicant, and receives consent by and through a duly appointed guardian, as specified by rule 3307-7-01 of the



Administrative Code or

(2) If the affidavits of the applicant and at least two other persons, one of whom must be unrelated to the applicant, are received attesting that the whereabouts of the spouse are unknown.

(G) If a superannuate fails to elect a benefit as provided in section 3307.352 of the Revised Code by February first in the calendar year immediately following the later of the calendar year of the superannuate's attainment of the required minimum distribution age as specified in section 401(a)(9)(C) of the Internal Revenue Code or the calendar year of retirement, the state teachers retirement board shall make a lump sum distribution to the superannuate no later than the required beginning date for the superannuate.