

742-3-07

Optional plan of payment.

- (A) Persons filing applications for retirement with police and firemen's disability and pension fund (now known as police and fire pension fund or OP&F) on or after February 29, 1980, may choose one of the optional plans of payment described in division (A) of section 742.3711 of the Revised Code only upon retirement. Persons who retired on or before February 28, 1980, may choose one of the optional plans of payment described by division (A)(1) or (A)(2) of section 742.3711 of the Revised Code only by filing a "Request for Annuity Statement" before December 26, 1984, and by filing a "Final Annuity Statement" before September 26, 1985.
- (B) The selection of an optional plan of payment and nomination of a beneficiary must be on a form approved by the board of trustees of OP&F. Prior to the "Effective Date" (as defined in paragraph (J) of this rule), the selection of an optional plan of payment and nomination of beneficiary may be revoked or changed. A member's selection of an optional plan of payment and nomination of a beneficiary will be processed by OP&F, subject to the limitation set forth in section 742.3711 of the Revised Code, as more fully described in paragraph (I) of this rule.

Upon the "Effective Date", the choice of a plan of payment and a beneficiary are irrevocable, subject to the limitations provided for in section 742.3711 of the Revised Code and may be changed only for the conditions stated in law, as more fully described below.

- (C) The selection of an optional plan of payment and the nomination of a beneficiary become effective:
- (1) In the case of a person filing an application for retirement with police and firemen's disability and pension fund (now known as OP&F) on or after February 29, 1980, on the effective date of retirement provided that the first adjusting or final regular benefit payment has been accepted, as outlined in paragraph (D) of rule 742-3-08 of the Administrative Code, and the retirant has not exercised his right with the consent of the beneficiary to cancel the plan within one year of the effective date of retirement as authorized under division (E) of section 742.3711 of the Revised Code;
 - (2) In the case of a plan reselection following marriage or remarriage, on the first of the month following the month in which the application for reselection is received by OP&F;
 - (3) In the case of a plan selection by a member who filed a retirement application with police and firemen's disability and pension fund (now known as police and fire pension fund) on or before February 28, 1980, on the date the retirant's "Final Annuity Statement" was received by the police and firemen's

disability and pension fund, provided that the board may, upon good cause shown, allow a member to cancel the selection of an optional annuity plan if the member requested such a cancellation before the end of the month in which the adjusted payment is made.

- (D) For purposes of "notice" of the death of a beneficiary nominated under division (A)(1), ~~or (A)(2), or (A)(4)~~ of section 742.3711 of the Revised Code, OP&F shall cancel such nomination upon receipt of a phone call provided appropriate documentation is provided to OP&F within ninety days of such phone call. In the event appropriate documentation is not provided within such ninety day time period, OP&F shall reinstate the nomination of the beneficiary until such time as OP&F receives the appropriate supporting documentation on the death of the beneficiary.

~~Upon subsequent marriage or remarriage, the retirant may elect to cancel the single life annuity allowance plan and elect an optional plan of payment under division (A)(1) or (A)(2) of section 742.3711 of the Revised Code, provided that the beneficiary nominated be the retirant's spouse.~~

- (E) Upon the marriage or remarriage of a retirant who retires on or after February 29, 1980, and who had selected any plan of payment other than that set forth under division (A)(3) of section 742.3711 of the Revised Code, the retirant may elect to cancel the plan of payment selected at retirement and to elect an optional plan of payment under division (A)(1) or (A)(2) of section 742.3711 of the Revised Code, provided that the beneficiary nominated be the retirant's spouse. In cases where the member has elected multiple beneficiaries under division (A)(4) of section 742.3711 of the Revised Code, Rule 742-3-27/reselection of beneficiaries upon remarriage shall apply.

- (F) The allowance payable under the optional plan of payment selected or reselected under this rule shall be based on the annuity factors tables in effect and the ages of the retirant and beneficiary at the time of plan selection.

- (G) Except as provided in paragraph (F) of rule 742-7-08 of the Administrative Code, upon the death of a person who selected a joint and survivor annuity plan of payment or a life annuity certain and continuous, the nominated beneficiary is entitled only to the monthly allowance calculated at the time of plan selection. Any increases in the retirant's pension after the effective date of the selection does not serve to increase the annuity payment payable to the beneficiary unless the cost-of-living increase was paid to the retirant under section 742.3711 or section 742.3716 of the Revised Code.

- (H) If a member of the fund who has an application for retirement pending with OP&F dies after severing police or fire employment, but before negotiating his/her first

pension or benefit payment, then OP&F shall act on his/her application for retirement, unless section 742.3711 of the Revised Code or any successor provision prohibits otherwise. If OP&F acts favorably on the application for benefits then the surviving beneficiary nominated by the decedent under section 742.3711 of the Revised Code shall be paid a monthly annuity under the optional payment plan selected by the decedent. If the decedent had selected no payment plan, single life annuity plan, or a plan of payment that provided less than fifty per cent to the spouse and no written spousal consent was provided in the form required by section 742.3711 of the Revised Code for the selection of a single life annuity plan or a plan of payment that provided less than fifty per cent to the spouse, then either the spouse, or contingent dependent beneficiary if there be no surviving spouse, shall be paid an annuity if otherwise eligible under section 742.3714 of the Revised Code or the spouse shall be paid an allowance under division (A)(2) of section 742.3711 of the Revised Code continuing one-half of the retirant's lesser retirement allowance.

- (I) If a married member selects a retirement allowance under a single life annuity plan or under division (A)(2) of section 742.3711 of the Revised Code continuing less than one-half of the lesser retirement allowance to the surviving spouse or under division (A)(3) of section 742.3711 of the Revised Code, OP&F shall process the application based on a fifty per cent plan of payment payable to the member's spouse until the member's spouse submits a written statement in the form required in section 742.3711 of the Revised Code consenting to the member's selection of a payment plan which continues, if anything, less than one-half of the lesser retirement allowance to the surviving spouse for life. If the member fails to file the written consent by the "Effective Date", OP&F shall pay the retirement allowance in accordance with division (A)(2) of section 742.3711 of the Revised Code.

As provided by division (D)(3) of section 742.3711 of the Revised Code, the board may waive the spousal acknowledgment required under division (D)(2) of section 742.3711 of the Revised Code upon receipt of any of the following:

- (1) The affidavit of the applicant certifying that notice was given to the spouse and explaining the method or methods used by the applicant to inform the spouse of the choice of an annuity or an optional plan providing the spouse with a benefit of less than fifty per cent after the death of the retirant, provided that OP&F receives from the member a signed indemnification agreement in favor of OP&F for any losses or damages suffered by OP&F resulting from its reliance on inaccurate statements provided for in such affidavit or written statement that served as a basis for the waiver under division (D)(3) of section 742.3711 of the Revised Code and such indemnification agreement is in a form satisfactory to OP&F; or
- (2) The written statement of the spouse's physician certifying that the spouse is

medically incapable of consenting to the plan of payment elected by the applicant; or

- (3) The affidavits of the applicant and at least two other persons, one of whom must be unrelated to the applicant, attesting that the whereabouts of the spouse is unknown, provided that OP&F receives from the member a signed indemnification agreement in favor of OP&F for any losses or damages suffered by OP&F resulting from its reliance on inaccurate or incorrect statements provided for in such affidavit or written statement that served as a basis for the waiver under division (D)(3) of section 742.3711 of the Revised Code and this paragraph (I) and such indemnification agreement is in a form satisfactory to OP&F.
- (J) For purposes of determining the priority of court orders issued prior to the effective date of the member's retirement under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that require the member to elect a plan of payment set forth in division (A)(4) of section 742.3711 of the Revised Code and designate a former spouse as beneficiary, OP&F shall process such court orders in the order in which they are received by OP&F. In no event shall the member's lesser allowance or portion of the lesser retirement allowance be paid to more than four surviving beneficiaries.
- (K) For purposes of this rule, "Effective Date" or "effective date of retirement" shall mean the later of the date on which the member can no longer withdraw his/her retirement application, as outlined in rule 742-3-17 of the Administrative Code, or the date on which the member is no longer receiving an "interim benefit", as defined in rule 742-3-08 of the Administrative Code.

Effective: 10/26/2006

CERTIFIED ELECTRONICALLY

Certification

10/26/2006

Date

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