

145-2-16

Conversion of service credit to law enforcement service credit.

(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 including service purchased under section 145.31, 145.312, 145.814, 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 has agreed to convert.

(B) A member who has contributed to the retirement system as a PERS public safety officer or PERS law enforcement officer may convert up to five total years of regular service credit or public safety service credit, or a combination of both, if the member meets the requirements described in section 145.2914 of the Revised Code and this rule. 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 conversion, the member may convert regular service credit, public safety service credit, or both 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 conversion, the member may convert regular service credit to public safety service credit.

(C) The cost to convert service credit 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.

(D)

(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 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 eligible service credit that is not concurrent with any public safety or law enforcement service credit.

(3) Service credit converted under this rule shall be considered in determining the member's final average salary.

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

(F) The member's 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. The member's 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. If the member fails to retire before the ninetieth day after the first partial payment or total payment is received, 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 deposited in accordance with section 145.62 of the Revised Code or returned to the financial institution.

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

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CERTIFIED ELECTRONICALLY

Certification

09/29/2011

Date

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