

Terminating Public Employment

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Terminating Public Employment

As a member of the Ohio Public Employees Retirement System (OPERS), you have options when it comes to terminating public employment. Regardless of the OPERS retirement plan in which you participate, you may leave your

account on deposit with OPERS or take a lump-sum refund upon leaving an OPERS-covered position. Each option will have an impact on your status with OPERS.

Leaving Your Account on Deposit

When you terminate public employment, you may leave your account on deposit with OPERS until you choose to take a refund of your account, receive a retirement benefit, attain age 70½ or until your death. If you leave your account on deposit, be sure to keep your personal information current with OPERS. You can go to www.opers.org and register to use My Account, a personal online account, to update your contact information and view your account online.

If you leave your account on deposit after terminating employment, you may have the opportunity to receive certain benefits upon reaching the eligible age criteria. Under the Traditional Pension and Combined Plans, these benefits may be impacted by your years of service credit. In addition, your employee contributions continue to earn interest or earnings depending on the retirement plan in which your contributions are on deposit.

Leaving Your Account on Deposit Under the Traditional Pension or Combined Plans

- With at least 60 contributing months of service credit in the plan, you have earned a reduced retirement benefit for each retirement group.* If you are in Group A and B, you may apply to receive a reduced retirement benefit at age 60. If you are in Group C, you may apply to receive a reduced retirement benefit at age 62.
- With 18 months of contributing service credit in the plan and with three of those months occurring two-and-a-half years immediately before death, you have earned survivor benefit protection for qualified survivors.
- With at least 60 contributing months in the plan, if you become permanently disabled within two years of termination of plan participation, you may file for disability benefits. Disability coverage only extends to illnesses and injuries that occur before you terminate your contributing service, as well as illnesses and injuries that result from your contributing service, but do not become evident for up to two years after the you terminate contributing service.
- Under the defined benefit component of the Combined Plan, you continue to earn interest on amounts paid to purchase service credit.
- Under the Traditional Pension Plan, you continue to earn interest on your employee contributions and amounts paid to purchase service credit. The interest granted each year is the interest rate in effect at that time. The rate is set annually by the OPERS Board of Trustees.
- To be eligible for OPERS retiree health care, you will need to have 20 years of qualifying service credit and be at least age 60 or at any age with 30 years of service, if your retirement effective date is Jan. 1, 2015 or later.

*To find your retirement group, please refer to your annual statement.

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Leaving Your Account on Deposit (continued)

Leaving Your Account on Deposit Under the Member-Directed or Combined Plans

- You can continue to direct your individual defined contribution account in the OPERS Investment Options you select.
- Your individual account continues to be subject to investment gains or losses.
- As a Member-Directed or Combined Plan participant, if you are no longer contributing to the plan, you are charged a monthly administrative fee of \$5, regardless of the account balance. This fee is subject to change. The OPERS Board of Trustees will review the fees annually and make adjustments in future years as necessary. This fee will first be deducted from your investment account beginning with member contributions. If those amounts are depleted, the fee will be deducted from employer Contributions (Member-Directed Plan only) and then voluntary contributions and roll over deposits.

At retirement, you may select from the following payment options for your individual account:

- Annuitize 100 percent of your account to receive a monthly benefit
- Annuitize a partial amount and elect to have the remaining account balance rolled over to another company, or sent to you directly with taxes withheld
- Have your entire account balance rolled over to another company, or sent to you directly with taxes withheld

Refunding Your Account

Certain elements of the refund process are unique to the Traditional Pension, Member-Directed, and Combined Plans. However, some requirements apply to all three plans for a refund to be issued:

- Three months must pass from the date you terminated public employment as certified by your employer.
- You may not return to public employment during those three months or before your refund is issued. If you return to public employment before the refund is issued, you are not eligible to receive a refund.
- If you are eligible to retire and are legally married at the time you request a refund, spousal consent is required. OPERS will provide you with a spousal consent form.

By completing the *Retirement Plan Refund Application*, you will receive your payment based on the instructions you provide. To apply for a refund, access your online account at www.opers.org.

The Traditional Pension Plan

If you are participating in the Traditional Pension Plan, you may receive your employee contributions, interest on those contributions and, if you have five or more years of qualified service credit, an additional amount that is determined based upon your years of service credit.

For at least five years of qualified service credit, the additional amount is 33 percent of your eligible contributions. If you have at least 10 years of qualified service credit, the additional amount is 67 percent of your eligible contributions.

Eligible contributions are the contributions you made to the plan and any amounts you paid to purchase certain types of service credit, plus applicable interest.

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Refunding Your Account (continued)

Refund eligibility may be impacted if you are a member of State Teachers Retirement System of Ohio (STRS) and/or School Employees Retirement System of Ohio (SERS). If you have an account with the STRS Defined Benefit Plan and/or SERS, you are not eligible to receive your OPERS refund if you are currently contributing to STRS and/or SERS under the same public employer who was your last public employer under OPERS.

The Member-Directed Plan

As a participant in the Member-Directed Plan, you may receive your employee contributions and any corresponding investment earnings or losses (please note that account balances fluctuate daily). You may also receive a portion of your employer contributions, plus any investment gains or losses, depending on the number of years you have attained in the plan (*see chart below*). Your non-vested employer contributions are forfeited upon an account refund.

Attained Years of Participation	Percentage Vested in Employer Contributions
Less than 1 year	0%
1 Year	20%
2 Years	40%
3 Years	60%
4 Years	80%
5 Years	100%

Retiree Medical Account (RMA)

If you are a Member-Directed Plan participant, you are also eligible to use the vested funds in your Retiree Medical Account (RMA) for qualified health care expenses after you receive a distribution of the funds in your investment account. The amount in your RMA that you are entitled to use is based on your years of participation in the Member-Directed Plan and your date of hire or plan change effective date (*see charts at the right*). For more information about the RMA, please refer to the *Retiree Medical Account for Member-Directed Plan Participants* fact sheet at www.opers.org.

Hired prior to July 1, 2015

Attained Years of Participation	Percentage Vested in Retiree Medical Account
Less than 1 year	0%
1 Year	20%
2 Years	40%
3 Years	60%
4 Years	80%
5 Years	100%

Hired on or after July 1, 2015 Plan changes* effective on or after Aug. 1, 2015

Attained Years of Participation	Percentage Vested in Retiree Medical Account
0-5 Years	0%
6 Years	10%
7 Years	20%
8 Years	30%
9 Years	40%
10 Years	50%
11 Years	60%
12 Years	70%
13 Years	80%
14 Years	90%
15 Years	100%

*to the Member-Directed Plan

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Refunding Your Account (continued)

The Combined Plan

If you are participating in the Combined Plan, you may receive a refund from both the defined benefit and defined contribution portions of the plan.

The refund of the defined contribution portion includes your employee contributions and any investment earnings or losses on those contributions (please note that account balances fluctuate daily). If you have five or more years of qualified service credit in the defined benefit portion, you may receive an additional amount that is based upon your years of qualified service credit. If you have at least five years of qualified service credit, the additional amount is 33 percent of your eligible contributions. If you have at least 10 years of qualified service credit, the additional amount is 67 percent of your eligible contributions. Eligible contributions are the contributions you made to the plan (not including any gains or losses on those contributions) and any amounts you paid to purchase certain types of service credit, plus applicable interest.

Tax Consequences

All or a portion of the refund may be eligible for a rollover into an individual retirement account (IRA) or a qualified retirement plan. When you apply for a refund online, you'll also have access to a *Special Tax Notice Regarding OPERS Payments*. If you have any questions regarding the taxability of your refund, please contact OPERS or consult your financial advisor.

Garnishment of Refunds

With certain exceptions, OPERS accounts are not subject to garnishment, assignment, attachment, bankruptcy, or any other legal process. Generally, a refund is similarly protected except under the following circumstances:

- Federal tax levies;
- Certain court-ordered restitution withholding;
- Court-ordered child support withholding;
- Court-ordered spousal support withholding; and
- A division of property order as specified by Ohio domestic relations law (Ohio Revised Code Sections 3105.08 through 3105.90).

In the event OPERS receives one of these orders and a refund is due, the appropriate amount will be withheld and sent to the agency responsible for collection or, in the case of a division of property order, the alternate payee under the order. OPERS has more detailed information available regarding division of property and withholding orders. Visit www.opers.org and select the "Legal" link.

Returning to Public Employment After Refunding

If you later return to OPERS-covered employment after taking a refund, you may be eligible to make a new retirement plan selection. OPERS members who receive a refund from the Traditional Pension Plan or the Combined Plan may redeposit the amount withdrawn to the same plan from which the member refunded. The amount required to be redeposited differs for each plan. Please refer to the *Service Credit and Contributing Months* booklet for more detailed information concerning redepositing refunded contributions.

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Notes



The 11-member OPERS Board of Trustees is responsible for the administration and management of OPERS. Seven of the 11 members are elected by the groups that they represent (i.e., college and university non-teaching employees, state, county, municipal, and miscellaneous employees, and retirees); the Director of the Department of Administrative Services for the State of Ohio is a statutory member, and three members are investment experts appointed by the Governor, the Treasurer of State, and jointly by the Speaker of the Ohio House of Representatives and the President of the Ohio Senate.

For a current listing of OPERS Board members, please visit www.opers.org.

It is your responsibility to be certain that OPERS has your current address on file. If OPERS is not made aware of address changes, we cannot guarantee that you will receive important information pertaining to your OPERS account.

This booklet is written in plain language for use by members of the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney. OPERS is not required to provide health care coverage to retirees or their dependents and will only do so at the discretion of the Board of Trustees.

