
Appendix H

Retirement Plans for Legislators

Photographs by Kristin Rhee, LSC



Ohio Veterans Memorial Plaza,
Capitol Square

Types of Retirement Plans

As stated in [Chapter 3](#), OPERS currently offers three plans for retirement: the Traditional Plan (a defined benefit plan), the Member Directed Plan (a defined contribution plan), and the Combined Plan. A new OPERS member must elect a plan within 180 days after beginning employment. A member who fails to make this election is placed in the Traditional Plan, summarized below. A member may switch to a different plan one time during the member's career. Over 75% of OPERS members are enrolled in the Traditional Plan. This plan is described in more detail below.

Under the Member Directed Plan, the member directs the investment of the contributions in the member's account; benefits are based solely on the success of those investments. The plan does not provide distinct disability or survivor benefits. The Member Directed Plan includes an individual retiree medical account from which retiree medical expenses and health insurance premiums may be paid. More information about the Member Directed Plan is available at www.opers.org/members/Member-Directed/index.shtml.

The Combined Plan, likely to be closed to new members in 2022, includes elements of both the Traditional Plan and Member Directed Plan. Under this plan, the member directs only the investment of the member's contributions, while OPERS invests the House or Senate contributions. Benefits are based on a combination of (1) the success of the investments and (2) the member's age, years of service, and final average salary. Disability, survivor, and retiree health care benefits are provided to the same extent as under the Traditional Plan. More information about the Combined Plan can be found at www.opers.org/members/Combined.

Traditional Plan

Under the Traditional Plan, a member receives a retirement benefit based on age, years of service, and final average salary. This plan includes disability and survivor benefits and may include retiree health care coverage.

Member Groups

Eligibility to retire is determined by which group applies to the member – A, B, or C. The following table lists the OPERS members in each group and summarizes age and service retirement eligibility requirements for the groups.

Traditional Plan Member Groups		
Group	Members	Retirement Eligibility
Group A	A member who, on or before January 7, 2018, met eligibility requirements that were in effect before January 7, 2013.	<p>Unreduced benefit: at age 65 with at least five years of service credit or at any age with 30 years of service credit.</p> <p>Reduced benefit: as early as age 55 with 25 years of service credit or age 60 with 5 years of service credit.</p>
Group B	A member who, no later than January 7, 2023, will meet eligibility requirements that were in effect before January 7, 2013, or a member who had at least 20 or more years of service credit as of January 7, 2013.	<p>Unreduced benefit: at age 66 with at least 5 years of service credit, at age 52 with 31 years of service credit, or at any age with 32 years of service credit.</p> <p>Reduced benefit: as early as age 55 with 25 years of service credit or age 60 with 5 years of service credit.</p>
Group C	All other Traditional Plan members.	<p>Unreduced benefit: at age 67 with at least 5 years of service credit or at age 55 with 32 years of service credit.</p> <p>Reduced benefit: as early as age 57 with 25 years of service credit or age 62 with 5 years of service credit.</p>

Benefit Formula

The Traditional Plan retirement benefit is determined by a formula. The formula is based on the member’s group, years of service, and final average salary (FAS).

Groups A and B receive an annual lifetime allowance equal to 2.2% of FAS per year for each of the first 30 years of service credit, plus 2.5% of FAS for each year of service credit over 30 years. Members in Group C do not receive the 2.5% multiplier until after 35 years of service. Thus, for members in Group C, the unreduced retirement benefit consists of an annual lifetime allowance equal to 2.2% of FAS, multiplied by the first 35 years of service plus 2.5% of FAS for each year of service over 35 years.

FAS is determined as the average of the three highest years of earnable salary for members in Groups A and B and the five highest years of earnable salary for Group C members.

The retirement benefit may be a retirement allowance or lump sum amount and a smaller monthly allowance.

Additional Service Credit

A member of the General Assembly, as an elected official, has the option of purchasing, prior to retirement, additional service credit in an amount not exceeding 35% of his or her service credit earned as an elected official, subject to limitations specified in federal law. Additional service credit may also be purchased for a variety of prior service, including military service, police, fire, or highway patrol service, and out-of-state, federal, or Ohio municipal retirement system service. After 18 months of new contributing service, a member may also purchase credit for prior noncontributing service (also called “exempt service”) and service for which the member withdrew his or her accumulated contributions. Charges for purchased credit vary depending on type of service, but in most cases reflect the actuarial cost to OPERS of providing the credit.

Cost-of-Living Adjustment

OPERS is authorized to pay an annual amount as a cost-of-living adjustment (COLA) to recipients of retirement allowances, disability benefits, and survivor benefits. For recipients whose benefits began before January 7, 2013, the COLA is 3%. The COLA for recipients with benefits beginning on or after that date is the percentage increase in the Consumer Price Index (CPI), not exceeding 3%.

Disability Benefit

OPERS members are eligible under the Traditional Plan for one of two disability benefit programs: the original plan or the revised plan. Employees who had contributions on deposit with OPERS on July 29, 1992, had a one-time opportunity to select coverage under either program. General Assembly members who became OPERS members after July 29, 1992, are covered under the revised plan.

OPERS pays disability benefits to a member with at least five years of total service credit who becomes permanently disabled. Under the original plan, a disability application must be filed before age 60 for Group A and B members, and before age 62 for Group C members. The amount of the allowance is based on FAS, years of OPERS service, and the length of time between the effective date of disability retirement and age 60 or 62. The benefit cannot be less than 30% nor exceed 75% of FAS.

The revised plan permits a member to apply at any age. The benefit amount is based on the greater of (1) 45% of FAS or (2) 2.2% of FAS multiplied by years of total service credit, not exceeding 60% of FAS.

Survivor Benefits

The accumulated contributions of an OPERS member under the Traditional Plan who dies before age and service retirement may be paid to a beneficiary or beneficiaries the member has designated on a form provided by OPERS. (Certain events, such as marriage, divorce, or the birth of a child, automatically revoke a previously made designation.) If there is not a designated beneficiary, the beneficiary is determined by succession established by state law.

In lieu of payment of a deceased OPERS member's accumulated contributions, qualified survivors may be eligible to receive monthly survivor benefits. This occurs if, at the time of death, the OPERS member met one of the following qualifications:

- Was eligible for retirement;
- Was receiving a disability benefit; or
- Had at least 18 months of Ohio service credit with three of those 18 months occurring within the two and one-half years immediately before death.

OPERS also provides a lump sum death benefit upon the death of a retiree or disability recipient, the amount of which depends on the length of the member's service.

Retiree Health Care Coverage

OPERS has authority to provide health care coverage for retirees and to establish eligibility requirements for coverage. Any premiums are paid through deductions from the member's retirement benefit.

Withdrawal of Contributions

On leaving public service, a member in the Traditional Plan may withdraw his or her contributions and a limited amount of interest on those contributions; however, the withdrawal will have federal tax consequences.

A member who has at least five years of service credit at the time of withdrawal may also receive a portion of the contributions made by the House or Senate on the member's behalf. Members who withdraw their contributions forfeit entitlement to future benefits.

For more information on the Traditional Plan, visit the OPERS Traditional Plan webpage, available at www.opers.org/members/Traditional/index.shtml.

Reemployed Retirees

An OPERS member under any of the plans is permitted to retire and subsequently be reemployed in a position covered by OPERS or another of Ohio's state retirement systems. However, if the reemployment begins less than two months after the date of retirement, the retiree forfeits the retirement allowance for any month the retiree is employed prior to the expiration of the two-month period.

The Revised Code provides that an elected official who retires and is then elected or appointed to the same office for the remainder of the term or for the next term forfeits the retirement allowance until reemployment terminates. However, the allowance is not forfeited if the official filed a notice of intent to retire with the board of elections at least 90 days before the primary election for the official's current term of office. In a 1982 opinion (82-080), however, the Ohio Attorney General concluded that a member of the General Assembly cannot retire under OPERS between consecutive terms in the General Assembly.

Obtaining Additional Information

For information on OPERS membership, benefits, and service credit, a member of the General Assembly may obtain a copy of the OPERS Member Handbook on the OPERS website (www.opers.org/pubs-archive/members/2019-07-16-Member-Handbook.pdf) or by contacting OPERS at (800) 222-7377. A brochure specifically describing how OPERS impacts elected officials is available at www.opers.org/pubs-archive/leaflets/2019-03-ISL-H-Elected-Officials.pdf. For help choosing a retirement plan, a member may visit the “Selecting Your Retirement Plan” section of the OPERS website (www.opers.org/members/Plan-select/index.shtml).