



STATE TEACHERS RETIREMENT SYSTEM OF OHIO

275 East Broad Street
Columbus, OH 43215-3771

Divorce and STRS Ohio Benefits and Rights

A Guide for STRS Ohio Members and Attorneys

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This brochure is a summary written in plain language for use by STRS Ohio members. It is not intended as a substitute for the Ohio Revised Code or the Ohio Administrative Code or for any state or federal law or regulation, nor will its interpretation prevail should a conflict arise between it and any law or regulation. More information may be obtained by contacting STRS Ohio toll-free at 888-227-7877.

This general information about STRS Ohio benefits and rights and divorce is provided to assist members and their attorneys and is not legal or tax advice.

OVERVIEW OF BENEFITS AND FUNDING

Contributions to STRS Ohio

The State Teachers Retirement System of Ohio (STRS Ohio) was created under Chapter 3307 of the Ohio Revised Code (R.C.). The system is a qualified trust under Section 401(a) of the Internal Revenue Code. Participation in STRS Ohio is mandatory for all teachers in Ohio's public schools, colleges and universities (except for those teachers who participate in an alternative retirement plan) under the terms of Section 3307.26, R.C. and is in lieu of participation in Social Security. Teachers who become members of STRS Ohio on or after July 1, 2001, have the option to participate in the Defined Benefit Plan, the Defined Contribution Plan or the Combined Plan.

Under the terms of Section 3307.27, R.C., teacher contributions can be made on a pretax basis if the employer has satisfied the rules for treating these contributions as "picked-up" contributions in accordance with the requirements of Section 414(h) of the Internal Revenue Code. In the event an employer has a pickup plan, a teacher pays federal tax in a given year on his or her salary after STRS Ohio contributions are withheld and recognizes the teacher contributions picked up by the employer as income only when he or she receives a distribution of contributions, either as the result of a benefit commencing or as the result of a refund when covered service is terminated.

In general, there are two basic types of pension plans — a defined contribution plan and a defined benefit plan. STRS Ohio administers both types of plans and a combined plan. A defined benefit plan is a plan under which the participant is eligible for a specified retirement benefit according to a plan formula — for example, 70.4% of the final average salary (average of the five highest earnings years) for a participant with 32 years of service. The employer and employee make regular contributions to the plan in accordance with actuarial projections of the sums needed to fund the benefit. A defined contribution plan may be compared to a savings account. Such a plan calls for the establishment of a separate account for each participant. Employer and employee contributions are credited to each individual account at the rate specified by the plan, and participants make allocation choices that are used to measure and determine the funds that have accumulated in their accounts when payment becomes due.

The most significant difference between defined benefit and defined contribution plans is in how they allocate investment risk. Under a defined contribution plan, the individual participant bears the burden of disappointing investment results and enjoys the benefit of any investment gains because the pension payable at retirement depends entirely on the amount in the account when benefits are paid. Under a defined benefit plan, the plan bears the investment risk because the pension paid at retirement is payable at the specified rate regardless of investment results. A combined plan combines some features of both the defined benefit and the defined contribution plans.

STRS Ohio Defined Benefit Plan

The STRS Ohio Defined Benefit Plan is described in Sections 3307.50 to 3307.79, R.C. The Defined Benefit Plan is a comprehensive plan that provides benefits during a teacher's career and in retirement. Members participating in the Defined Benefit Plan are eligible for the specified benefits set forth in Sections 3307.58, 3307.59 and 3307.60, R.C., (service retirement); Sections 3307.62, 3307.63 and 3307.631, R.C., (disability benefits); and Sections 3307.562 and 3307.66, R.C., (survivor benefits). The provisions for the Defined Benefit Plan do not provide for the posting of interest on teacher contributions or the crediting of employer contributions to the account of any individual member.

The terms of Sections 3307.14 and 3307.26, R.C., provide that teacher contributions stand to the credit of each individual contributor in the Teachers' Savings Fund for teachers participating in the Defined Benefit Plan. Employers are required to withhold employer contributions from each payroll under Section 3307.28, R.C.; however, because employers are required to certify earnings and contributions for individual members participating in the Defined Benefit Plan only once per year, contributions are posted to the credit of individual members only once per year. The posting occurs following receipt of the annual report of the employer, due in August, after the end of the academic year in June.

If a teacher leaves public teaching in Ohio, the teacher may apply to withdraw his or her accumulated account under Section 3307.56, R.C. Although interest is not posted to individual accounts, an account withdrawal consists of member contributions plus any additional amount payable under Section 3307.563, R.C. Any additional amount payable under Section 3307.563, R.C., depends on years of qualifying service credit and the rates of interest established by the State Teachers Retirement Board. Payment under Section 3307.56, R.C., cancels all service credit and all future rights to benefits.

Interest for all years begins to accrue in the fiscal year following deposit. STRS Ohio's fiscal year begins July 1 and ends on June 30. No interest is payable if a member withdraws his or her account in July and contributed to STRS Ohio for only the year just ended. Interest stops accruing the month before account withdrawal.

Section 3307.14, R.C., requires that when a member in the Defined Benefit Plan begins to receive retirement benefits, the teacher's individual accumulated account must be transferred to the Annuity and Pension Reserve Fund. The difference between the teacher's accumulated account and the reserve actuarially necessary to guarantee payment of the benefit is then transferred to the Annuity and Pension Reserve Fund from the Employers' Trust Fund. In this way, a member granted a benefit under the Defined Benefit Plan actually receives a benefit supported by employer contributions and investment gains. Rights to an allowance, annuity or pension under the Defined Benefit Plan arise only at the time benefits are granted under the terms of Section 3307.42, R.C.

Once eligibility requirements are met, members in the Defined Benefit Plan also have survivor and disability benefits while they teach. Currently, STRS Ohio offers access to health care coverage at retirement to eligible retirees. At retirement, members may select a plan of payment from among several different actuarially equivalent plans. Each plan provides lifetime benefits for the member, and the plans vary in the benefits provided to survivors. If a member is married at the time he or she files for retirement, the member's spouse must sign a spousal consent confirming the selection of a plan of payment that does not protect the spouse with at least one-half of the member's benefit. After retirement, a plan of payment can only be changed under very limited circumstances.

STRS Ohio also offers a Partial Lump-Sum Option Plan (PLOP) for retirees in the Defined Benefit Plan. A PLOP allows a member to take from six to 36 times the monthly Single Life Annuity benefit in a lump sum at retirement. Monthly benefits still begin with the retirement date and are payable for life, but they are reduced to reflect the amount taken in a lump sum. The PLOP payment is made no earlier than 91 days after the retirement date or the date all necessary information has been received on the retiree's account and the retirement benefit is finalized, whichever is later. Special tax provisions may apply to the payment of a PLOP. A plan of payment for the member's lifetime benefits must be selected for determining the payment of the remainder of the lifetime benefit.

STRS Ohio Defined Contribution Plan

Under the Defined Contribution Plan, created pursuant to Section 3307.81, R.C., a member's retirement income is based on the performance of allocation choices made by the member for the teacher and employer contributions in his or her account. Members may allocate their contributions among various investment choices managed by STRS Ohio. Retirement, survivor and disability benefits are limited to the value of the member's account. Access to STRS Ohio health care coverage upon retirement is not provided.

Under the Defined Contribution Plan, a member contributes a percentage of his or her compensation under Section 3307.26, R.C., and employers are required to contribute a percentage of each payroll under Section 3307.28, R.C. The entire amount of teacher contributions is allocated to the member's account and a percentage of the employer contribution, as determined by the State Teachers Retirement Board, is also allocated to the member's account. Members in the Defined Contribution Plan may allocate their account among different

allocation choices that are used to measure and determine the funds that have accumulated in their account when a payment is made. In the meantime, members are able to determine the value of the accumulation on any given day as if the account were withdrawn that day.

Members in the Defined Contribution Plan who have ceased covered employment are eligible to access their account balance at age 50. They can take a lifetime annuity with or without continuing payments to one or more survivors. If a member is married at the time he or she files for retirement, the member's spouse must sign a spousal consent to confirm the selection of a plan of payment that does not protect the spouse with at least one-half of the member's benefit. After retirement, a plan of payment can only be changed under very limited circumstances. Members may also withdraw the entire account in a lump sum at any age if they have ceased covered employment. Spousal consent for withdrawal is required under certain conditions.

Teachers who elected the Defined Contribution Plan, have the option to remain in the plan or to select the Defined Benefit Plan or Combined Plan in their fifth year of membership.

STRS Ohio Combined Plan

The Combined Plan created under the terms of Section 3307.81, R.C., allows a member to create a portion of his or her retirement income through the performance of allocation choices made by the member for the teacher contributions, while employer contributions pay for a combination of service retirement, disability and survivor benefits. Access to STRS Ohio health care coverage is currently available to eligible retirees.

Under the Combined Plan, a member contributes a percentage of his or her compensation under Section 3307.26, R.C., and employers are required to contribute a percentage of each payroll under Section 3307.28, R.C. The entire amount of teacher contributions is allocated to the member's defined contribution account. Employer contributions are allocated to a defined benefit portion of the plan to pay for a combination of service retirement, disability and survivor benefits. Members in the Combined Plan may allocate the teacher contributions in their accounts in the defined contribution fund among different allocation choices that are used to measure and determine the funds that have accumulated in their account when a payment is made. In the meantime, members are able to determine what the accumulation would be on any given day as if the account were withdrawn that day.

Members in the Combined Plan are eligible for survivor and disability benefits. In the event a member participating in the Combined Plan becomes disabled or dies before retirement, the teacher contributions and the earnings accumulated in the defined contribution account are combined with the employer contributions that fund the defined benefit portion of the plan to provide disability and survivor benefits.

Members under age 50 who cease covered employment and choose to withdraw are only eligible for a lump-sum withdrawal of both the defined contribution account balance and the net present value of benefits under the defined benefit portion. While the defined benefit portion of the account cannot be accessed until at least age 60 and following termination of service, the defined contribution account balance may be accessed at age 50 if covered employment ends. Spousal consent for withdrawal is required under certain conditions.

Retirement benefits are separately calculated and payable from the defined benefit and defined contribution portions of the account. Several different actuarially equivalent retirement plans of payment, including a PLOP, are available for each portion of the account. If a member is married at the time he or she files for retirement, the member's spouse must sign a spousal consent to confirm the selection of a plan of payment that does not protect the spouse with at least one-half of the member's benefit. After retirement, a plan of payment can only be changed under very limited circumstances.

Teachers who elected the Combined Plan have the option to remain in the plan or to select the Defined Benefit Plan or Defined Contribution Plan in their fifth year of membership.

DIVISION OF MARITAL PROPERTY UPON TERMINATION OF MARRIAGE

STRS OHIO BENEFITS AND RIGHTS ARE SUBJECT TO DIVISION OF PROPERTY ORDERS (DOPOs) AND ORDERS FOR INCOME WITHHOLDING FOR SUPPORT

When a marriage ends, one of the issues that must be resolved by the parties is division of marital property. Since pension plans are often one of the largest assets accrued during a marriage, the courts usually consider their value when marital property is divided. Rights accrued in private pension plans subject to the federal Employee Retirement Income Security Act (ERISA) are subject to Qualified Domestic Relations Orders (QDROs), which direct the private pension plan administrator to divide the participant's pension account so that the pension account can be distributed in whole or in part to the former spouse of the participant under a QDRO. However, under Section 4(b)(1) of ERISA, government plans, like STRS Ohio, are exempt from ERISA.

Section 3307.41, R.C., provides that STRS Ohio benefits and rights are not assignable and not subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or any other process of law whatsoever, except as specifically provided. The only exceptions in Section 3307.41, R.C. that relate to mechanisms for the division of marital property are: (1) to permit STRS Ohio to honor orders for income withholding for support, and (2) to permit STRS Ohio to honor division of property orders or "DOPOs." Under Section 3307.41, R.C., STRS Ohio cannot honor QDROs. Neither orders for income withholding for support nor DOPOs operate in the same way as QDROs in private pension plans.

If a benefit is being paid, STRS Ohio will give immediate effect to an order for income withholding for support issued in accordance with Section 3115.501 or Chapters 3119, 3121, 3123 or 3125, R.C., that requires STRS Ohio to deduct a specified amount from the benefit and make payment of the deduction to the Ohio Office of Child Support. If no benefit or refund is currently payable to the STRS Ohio member at the time the order is issued and received by STRS Ohio (for example, while a member is actively employed), STRS Ohio will give the notice required by law before beginning a benefit or processing a refund. Unless STRS Ohio receives a new order issued under the provisions noted above during the notice period, STRS Ohio cannot withhold anything and must proceed with payment of the benefit or refund to the member at the end of the notice period.

Orders for income withholding for support are made on the printed forms of the court or child support enforcement agency (CSEA) that orders withholding. Because Section 3307.41, R.C., prohibits assignment of benefits and rights, except as specifically provided, if a portion of a benefit is being withheld and forwarded to the Ohio Office of Child Support, STRS Ohio reports the entire benefit as paid to the member for income tax purposes.

In the case of income withholding for support, the federal Consumer Credit Protection Act (CCPA) sets the maximum amount that may be withheld, and Ohio law requires that this maximum be followed. Because the CCPA limit is 60% if the obligor does not support a second family and does not owe arrearages, STRS Ohio uses 60% as the maximum amount that may be withheld from a benefit payment pursuant to an order for income withholding for support.

Since Jan. 1, 2002, an Ohio court that grants a termination of marriage may issue a division of property order (DOPO) that directs STRS Ohio to pay a portion of a retirement benefit, lump-sum payment or account refund payable now or in the future to a former spouse. Under a DOPO, the member is called the "participant," and the former spouse is called an "alternate payee." The amount that can be paid to an alternate payee is limited to 50% of the total benefit or refund payment, and payments under the DOPO cease upon the earlier of the death of the member, death of the alternate payee or upon the termination of the STRS Ohio benefit. If a participant's benefit or lump-sum payment is or will be subject to more than one DOPO or a DOPO and an order for income withholding for support, the aggregate amount withheld from the benefit or payment and any STRS Ohio

administrative fee cannot exceed 50% of the benefit or lump-sum payment. (Note: An exception of 60% of the benefit may be ordered paid under an order for income withholding for support.) The amount of the benefit or refund paid by STRS Ohio under a DOPO to an alternate payee is reported for income tax purposes as income to the alternate payee.

The DOPO provisions do not change the plans of payment that are available to retiring members. Since Nov. 1, 2006, members may select an optional retirement plan of payment that names up to four joint and survivor beneficiaries to receive monthly benefits after the retiree's death. Optional plans of payment for retirements commencing before Nov. 1, 2006, allow only one beneficiary to be named to receive continuing benefits. However, no survivorship benefits are payable to a former spouse under a DOPO. To receive continuing benefits following a member's death, the former spouse must be named as a joint and survivor beneficiary on the plan of payment selected by the member at retirement. If a joint and survivor benefit to a former spouse is required by divorce decree or dissolution, the decree must clearly state the amount the member is required to select for the beneficiary.

STRS Ohio is authorized to issue an annual cost-of-living adjustment (COLA) to an alternate payee receiving a benefit under a DOPO when a COLA is granted to the STRS Ohio benefit recipient. Ohio law gives the State Teachers Retirement Board the authority to grant a COLA to benefit recipients. New benefit recipients are eligible to receive a COLA beginning on the fifth anniversary of their retirement date. Cost-of-living increases granted on or after July 1, 2017, are currently set at 0%. No later than the next actuarial experience review, anticipated to be completed in 2022, the Retirement Board will evaluate whether an upward adjustment to the cost-of-living increase is payable without materially impairing the fiscal integrity of the retirement system.

Orders for income withholding for support have priority over payments to an alternate payee under a DOPO.

DOPOs, withholding orders, and joint and survivor plans of payment are three available mechanisms for handling an STRS Ohio account in the division of marital property; however, there are also other mechanisms parties may use. Other parties have chosen to deal with the property division issue by way of a court entry that awards the nonmember spouse some other (and presumably offsetting) asset, or by a court entry that directs the member to pay some portion of his or her benefit payment to a former spouse or particular bank account once benefits to the member begin. Whether any of these or other available mechanisms meet a member's needs appears to depend on the age of the parties, the retirement service credit, the parties' tax needs and other factors. STRS Ohio suggests that members whose marriages are ending should consult with their attorneys and/or accountants to determine the mechanism that best fits their situations.

DIVISION OF PROPERTY ORDER

As discussed on Pages 5 and 6, an Ohio court that grants a marriage termination can issue a division of property order (DOPO) to one or more of the five Ohio public retirement systems, including STRS Ohio, and to entities providing alternate retirement plans under Chapter 3305, R.C. A DOPO requires STRS Ohio to pay a portion of a retirement benefit, lump-sum payment or account refund that is payable now, or in the future, to a member's former spouse (the "alternate payee") when the benefit, lump-sum payment or refund payment is made to the member (the "participant").

A division of property order can only be ordered by a court on the DOPO form adopted by Ohio Administrative Code Rule 3307-9-01. A copy of the DOPO form used by the courts is enclosed in this packet, but members and their spouses will need to consult their lawyers or the court about how to proceed. STRS Ohio cannot provide legal advice to members and/or spouses.

Some of the requirements and restrictions of the DOPO provisions in the law follow:

The Order

The DOPO must be issued by a court in the State of Ohio and meet all of the requirements specified in Sections 3105.80 to 3105.90, R.C. The requirements include:

- Name and address of each retirement system that is subject to the order (A separate order must be issued to each retirement system.);
- Name, last four digits of the Social Security number and current address of the participant and the alternate payee;
- The date the divorce, dissolution or legal separation was granted;
- The amount to be paid to the alternate payee as one of the following:
 - (1) As both a monthly dollar amount should the participant elect a periodic benefit and as a one-time lump-sum payment should the participant elect a lump-sum payment; or
 - (2) As a percentage of a fraction applied to the monthly benefit or lump-sum payment with the numerator of the fraction being the number of years the participant was both a contributing member of a public retirement system and married to the alternate payee, and the denominator of the fraction being the participant's total years of service credit determined by the public retirement system at the time the participant elects to take the benefit or lump-sum payment;
- If the member participates in the STRS Ohio Defined Contribution Plan, the amount to be paid to the alternate payee must be provided as under (2) above (percentage of a fraction);
- If the benefit to be divided is a reemployed retiree annuity or lump-sum payment under Section 3307.352, R.C., the amount to be paid to the alternate payee must be provided as under (1) above (monthly or one-time dollar amount); and
- If the participant is eligible for more than one benefit or lump-sum payment (for example, service retirement benefit and reemployment benefit), the amount, if any, to be paid to the alternate payee from each benefit or lump-sum payment must be specified. In certain instances, more than one DOPO filed on the same date may be required to properly specify amounts payable to an alternate payee for each benefit type. Contact STRS Ohio for additional information.

STRS Ohio must determine whether the DOPO complies with Sections 3105.80 to 3105.90, R.C. DOPOs that do not comply with these sections will be returned to the issuing court within 60 days after receipt by STRS Ohio. Orders that do comply with Sections 3105.80 to 3105.90, R.C., are retained by STRS Ohio to administer when the participant applies for payment.

The amount that can be paid to the alternate payee and any administrative fee charged by STRS Ohio is limited to 50% of the total gross amount of the refund or benefit payment. Tax liability is allocated between the parties under a DOPO, and the participant and the alternate payee will each receive a 1099-R form. Payments to an alternate payee under a DOPO end upon the earliest of the death of the member, death of the alternate payee or termination of the STRS Ohio benefit.

More Than One DOPO or DOPO and Support Order on Same Account

If a participant's benefit or lump-sum payment is or will be subject to more than one DOPO or is also subject to an order for income withholding for support, STRS Ohio will establish priority based on the date the DOPO is received and retained and may reduce amounts payable to an alternate payee based on this priority.

The alternate payee will be notified in writing at the time payment begins to the participant if the full amount specified by a DOPO is unavailable due to percentage limitations or due to withholding orders or earlier DOPOs.

Several orders may be applied to the same account; however, an order for income withholding for support issued by a court or child support enforcement agency takes precedence over any DOPO filed with STRS Ohio before or after benefits begin.

If a participant's benefit or lump-sum payment is or will be subject to more than one DOPO or a DOPO and an order for income withholding for support, the aggregate amount withheld from the benefit or payment and any STRS Ohio administrative fee cannot exceed 50% of the benefit or lump-sum payment. (Note: An exception of 60% of the benefit may be ordered paid under an order for income withholding for support.)

Before Payment to an Alternate Payee

Alternate payees are required under the DOPO to keep STRS Ohio informed in writing of their current mailing addresses.

STRS Ohio will notify the member and alternate payee when a DOPO has been retained and when benefits begin to an alternate payee if the DOPO was retained before payment of a benefit or refund to the member.

If a DOPO has been retained, STRS Ohio will provide an alternate payee an estimate of alternate payee's benefit or refund amount upon request. Assumptions will be noted in the estimate, and a copy of the estimate and letter sent to the alternate payee will be provided to the member.

STRS Ohio charges an administrative fee as authorized by Section 3105.84, R.C., for any benefit or payment that is subject to a DOPO to defray the cost of administering the DOPO. The fee shall be equal to the lesser of \$400 or one percent of the amount the participant is or would be eligible to receive as a lump-sum payment under the plan in which he or she participates. The fee shall be deducted before the calculation of the limit specified by Section 3105.85, R.C., and shall be divided between the plan participant and alternate payee.

Payment of Benefit to Alternate Payee

If a benefit is subject to a DOPO that was retained by STRS Ohio, the effective date of an alternate payee's benefit will be on the effective date of the member's benefit as long as the DOPO was retained by STRS Ohio 30 days before that date; if the member is receiving benefits at the time the DOPO is retained by STRS Ohio, an alternate payee's benefit will be effective as soon as administratively practical.

When a member applies for a benefit, STRS Ohio will send an alternate payee an application to obtain the information needed to begin payments under the DOPO. The application is mailed to the last address on record for the alternate payee.

If the DOPO is retained before benefits begin, calculation of an alternate payee's benefit is based on the plan of payment selected by the member upon retirement. If the DOPO is retained after benefits begin, the benefit to the alternate payee is based on the benefit the participant was receiving at the time the decree of divorce, dissolution or legal separation was granted.

Alternate payees are not entitled to participate in the STRS Ohio Health Care Program or eligible for any other benefits.

Alternate payees will receive their monthly benefit payments by direct deposit only. An alternate payee's benefit payments begin after the member's benefit becomes final; an alternate payee will not receive partial payments like the member; however, the alternate payee will receive a catch-up payment, if appropriate.

An alternate payee's benefit amount may be reduced or changed for several reasons, including but not limited to the following: (1) STRS Ohio receives an order for income withholding for support before or after benefits begin; (2) another alternate payee with higher priority presents himself or herself after the benefit effective date; (3) recalculation of the member's initial benefit occurs; (4) benefit payments specified in the DOPO are terminated to the participant; (5) the participant or alternate payee dies; (6) the ordered amount exceeds 50% of the member's total benefit; or (7) an amended DOPO is received.

Federal, state and local taxes on the alternate payee's benefit will be the responsibility of the alternate payee. Federal taxes will be withheld from an alternate payee's benefit unless the alternate payee requests that no taxes be withheld, and Ohio state tax can be withheld at the request of the alternate payee.

Payment of Account Refund to Alternate Payee

If an account refund is subject to a DOPO that has been retained by STRS Ohio and the member applies for withdrawal, STRS Ohio will mail the alternate payee an application (once the member's withdrawal payment has been issued) to obtain the information needed for payment to the alternate payee. The application is mailed to the last address on record for the alternate payee and the alternate payee must promptly sign and return the application to STRS Ohio.

With Defined Benefit Plan withdrawals, interest on accumulated contributions stops accruing the month before the member's payment is issued. With defined contribution account withdrawals, the value of the account is determined the day the account is closed.

If the member cancels his or her application for withdrawal, no alternate payee withdrawal application will be processed and the alternate payee will be notified. An alternate payee who receives a refund generally has the same tax options the member has: the payment may be paid in a direct rollover or the payment may be paid directly to the alternate payee.

Payments of refunds to alternate payees will be by check only. If the funds are rolled over to an eligible plan, a check will be issued to the eligible plan trustee. Payments of taxable amounts to alternate payees are subject to mandatory federal tax withholding unless the funds are rolled over.

QUESTIONS AND ANSWERS

DIVORCE AND STRS OHIO BENEFITS AND RIGHTS

The following are answers to the most frequently asked questions pertaining to members and retirees of STRS Ohio.

1. What is the current value of my STRS Ohio account?

Generally, valuation is a matter that only the parties, their lawyers and the court can address. STRS Ohio can provide information only as to payments under one of the specific provisions of Chapter 3307, R.C.

Members participating in the Defined Benefit Plan who are not yet retired receive an annual statement each October that shows their accumulated contributions, service credit and other information as of the end of the academic year — the preceding June 30. Upon request, STRS Ohio can provide this statement of the balance standing to the member's credit in the Teachers' Savings Fund under Section 3307.14, R.C., to the member or to a third party with the member's written authorization. This statement also includes an estimate of the withdrawal amount under Sections 3307.56 and 3307.563, R.C., (which includes teacher contributions in the member's accumulated account and may include interest and matching funds) if covered employment ended and the member withdrew his or her account. Because employers do not inform STRS Ohio of a teacher's contributions and service credit until after the end of the academic year, STRS Ohio cannot provide any information about contributions and service credit for the current academic year. Members may also access their account information and estimate benefits by accessing their Online Personal Account via the STRS Ohio website at www.strsoh.org.

Members participating in the Defined Contribution Plan and the Combined Plan who are not yet retired can access current account balances in the Online Personal Account area at www.strsoh.org.

For retirees in the Defined Benefit Plan, the Defined Contribution Plan or the Combined Plan, STRS Ohio can provide the member, or a person to whom the member has authorized release of information, the current monthly benefit being paid. This information can also be found on the retiree's monthly benefit payment statement available by accessing the Online Personal Account area at www.strsoh.org.

2. What is the future value of my STRS Ohio account?

Since 1998, there has been no need for the parties and the courts to attempt to hypothecate the future value of an account — because Sections 3307.56 and 3307.563, R.C., specify the amount payable upon termination of service at any point in a member's participation before receipt of service retirement, reemployed annuity or disability benefits.

The only information that STRS Ohio can provide is the amount of the current benefit being received by a retiree or an estimate of the amount payable assuming that the member terminated covered employment and decided to withdraw his or her account.

Only the parties, their lawyers and, ultimately, the court can decide whether to assume some other future value.

3. Is a subpoena necessary to obtain a member's account information?

No. By Ohio law, member information can only be provided to a third party with the member's written authorization or when a court or agency issues an order (see Question 4). Valuable time and effort is often wasted by issuing subpoenas for STRS Ohio member account information instead of getting a signed release from the member and providing it to STRS Ohio with the request for information. When a subpoena is received and there is no written authorization for release of information signed by the member, STRS Ohio will refer the matter to our statutory legal advisor in the Office of the Ohio Attorney General, and an Assistant Attorney General will object to the subpoena. This usually results in expenses and legal fees for the member, the estranged spouse

and STRS Ohio. It is always advisable to obtain the authorization of the member before requesting STRS Ohio records. If necessary, STRS Ohio can provide a statement signed by an officer that contains the STRS Ohio seal which shall be received as true copies of records by all courts and offices pursuant to section 3307.20, R.C.

4. Can anyone other than a member require STRS Ohio to disclose information about account balances, service credit or benefit amounts?

If a court *will* be issuing a DOPO under Section 3105.87, R.C., the court may order STRS Ohio to provide it with information from a participant's personal history record necessary to determine the amounts described in division (D) of Section 3105.82, R.C., which specifies the amount paid to the alternate payee as one of the following:

- If stating the amount to be paid as a **dollar amount**, the following must be included:
 - A monthly dollar amount should the participant elect a monthly benefit, or
 - A monthly dollar amount and lump-sum dollar amount, should the participant elect both a monthly benefit and a Partial Lump-Sum Option Plan payment (PLOP).
- If stating the amount to be paid as a **percentage**, the following must be included:
 - A percentage of a fraction applied to the periodic benefit and/or lump-sum payment with the numerator being the number of years the participant was both a contributing member of a public retirement program and married to the alternate payee.
 - The denominator, determined by the public retirement program at the time the participant elects to take the benefit or payment, shall be the participant's total years of service credit *or* years of participation in the plan (in the case of a participant in a retirement plan established under Sections 145.81, 3370.81 or 3309.81 of Chapter 3305 of the Revised Code).

If a court *will not* be issuing or has not issued a DOPO or if other information is wanted from STRS Ohio, the quickest and easiest way to get information about a member's account is to obtain the member's written authorization. While most STRS Ohio records are open to public inspection, Section 3307.20, R.C., requires a member's written authorization to release personal history records to a third party. Personal history records include information maintained by STRS Ohio on a member or former member, retiree or beneficiary that includes the address, phone number, Social Security number, record of contributions, correspondence, account balance and benefit amount. These records cannot be released unless:

- STRS Ohio receives an authorization form signed by the member;
- A court or child support enforcement agency issues a court or administrative order under Sections 3119.80, 3119.81, 3121.02, 3121.03 or 3123.06, R.C., which requires release by STRS Ohio as part of a support investigation;
- Certain other court or administrative orders are issued related to criminal investigations or prosecutions for theft in office, sex offenses and certain other offenses; or
- The court orders STRS Ohio to provide information from a participant's personal history record to determine the amounts that will be paid an alternate payee under a DOPO.

If STRS Ohio has already retained a DOPO issued under Section 3105.87, R.C., on the written request of an alternate payee, STRS Ohio will furnish to the alternate payee information on the amount and status of any amounts payable to the alternate payee under a DOPO.

5. How long is an authorization for the release of retirement account information in effect?

An authorization for the release of retirement account information specifies that it remains in effect for six months from the signing of the authorization or for any shorter period specified by the member.

6. What if a member will not consent to the release of information?

It is up to the parties in a domestic relations action and their lawyers to make their arguments to the court about whether or not the member should be required by the court to authorize STRS Ohio to release information to someone other than the member.

Under Section 3105.87, R.C., STRS Ohio may provide the court with the information from a participant's personal history record necessary to determine the amounts that will be paid to an alternate payee under a DOPO. (See Question 4.)

7. Are members' STRS Ohio accounts subject to qualified domestic relations orders (QDROs) issued under the Employee Retirement Income Security Act, known as ERISA?

No. As a government plan, STRS Ohio is exempt from ERISA and cannot honor QDROs under the terms of Section 3307.41, R.C.

8. Can a court order STRS Ohio to divide current or future benefits or to issue separate payments, part to a former spouse and the remainder to a member?

Yes. An Ohio court that grants a termination of marriage or legal separation may issue a division of property order (DOPO) that directs STRS Ohio to pay a portion of a retirement benefit, lump-sum payment or account refund payable now or in the future to a former spouse. Under Section 3307.371, R.C., STRS Ohio must honor a DOPO that meets the requirements of Sections 3105.80 to 3105.90, R.C. In a DOPO, the member is called the "participant," and the former spouse is called an "alternate payee." The amount that can be paid to an alternate payee is limited to 50% of the total benefit or refund payment issued to the member, and payments cease upon the earlier of the following: death of the member, the death of the alternate payee or upon the termination of the STRS Ohio benefit. If a participant's benefit or lump-sum payment is or will be subject to more than one DOPO or a DOPO and an order for income withholding for support, the aggregate amount withheld from the benefit or payment and any STRS Ohio administrative fee cannot exceed 50% of the benefit or lump-sum payment. (Note: An exception of 60% of the benefit may be ordered paid under an order for income withholding for support.) The amount of the benefit or refund paid by STRS Ohio under a DOPO to an alternate payee is reported for income tax purposes as income to the alternate payee.

9. How can I estimate my retirement benefit?

If you would like to project benefits under the STRS Ohio Defined Benefit Plan, go to the STRS Ohio website at www.strsoh.org.

- To estimate a service retirement benefit, click on "Benefit Estimate" under "Calculators."
- To estimate a disability benefit, click on "Disability Allowance" or "Disability Retirement." (Teachers who became members of STRS Ohio after July 29, 1992, have protection under the disability allowance program.)
- Complete the data entry fields.

The online calculator should only be used to estimate a member's benefit under the Defined Benefit Plan at STRS Ohio. If you need an estimate of a member's benefit under the STRS Ohio Defined Contribution or Combined Plan, please call an STRS Ohio member service representative toll-free at 888-227-7877.

10. How is it possible to monitor and find out if a member is complying with a court order requiring that a former spouse or other designated person be named as beneficiary?

The member must authorize STRS Ohio in writing to release such information. If the member will not voluntarily sign an authorization form, members are sometimes ordered by courts to give STRS Ohio the written authorization required by Section 3307.20, R.C., for the release of such information. Section 3307.60 R.C., requires that a member inform STRS Ohio at retirement if there is a court order requiring a member to select a plan of payment that will provide a continuing benefit to a former spouse upon the member's death. Compliance with and enforcement of a decree of divorce, dissolution or legal separation are the responsibilities of the parties.

11. Can a former spouse be designated as the beneficiary of the account of an STRS Ohio member who has not yet retired?

A member who has not yet retired can designate a former spouse to be the beneficiary of all or part of a lump-sum refund in the event the member dies before retirement, provided there are no children who are qualified survivors. However, a former spouse is only eligible to receive a lump-sum refund. Insurance may be a better way to protect a former spouse if a member in the Defined Benefit Plan has children under age 22. (See Question 12.)

12. Can a designation of beneficiaries before retirement be made irrevocable?

No. Section 3307.562, R.C., governs payment in the event a member in the Defined Benefit Plan dies before service retirement. This section provides that a designation is automatically revoked by operation of law in the event of the member's subsequent marriage, divorce, dissolution of marriage, legal separation, withdrawal of account or the birth/adoption of a child. Further, the statute gives the member the right to make or change designations at any time. STRS Ohio has no authority to monitor compliance with or to enforce a decree of divorce or dissolution that requires a member to designate a particular beneficiary before retirement.

13. Can a former spouse be designated at retirement as a beneficiary under one of the optional plans of payment for service retirement benefits?

Yes. A member may designate a sole beneficiary to receive continuing benefits after his or her death and may name a former spouse as that beneficiary at retirement.

In addition, members may select a retirement plan of payment that allows up to four beneficiaries to receive monthly benefits after their death. Members who are directed by a court order in a divorce decree or separation agreement may name a former spouse as one of the beneficiaries to receive continuing benefits after their death. A court order to provide continuing benefits to a former spouse after the member's death is separate from a DOPO.

In any case, if the member is married at the time of retirement, the spouse must consent in writing to the member's selection of a plan of payment unless one of the following occurs:

- The member provides at least one-half of the continuing monthly benefit to the spouse; or
- The member is required to select a plan of payment pursuant to a court order that provides for a former spouse and the plan of payment selected also provides for the current spouse; or
- The member is required to select a plan of payment pursuant to more than one court order that provides for more than one former spouse and the total amount payable is the maximum Joint and Survivor plan of payment permitted.

14. Can a member who is married at retirement choose a benefit plan of payment that ends when he or she dies?

Yes. However, under Sections 3307.60 and 3307.87, R.C., if the member is not choosing a plan of payment that provides at least one-half of the member's benefit to his or her spouse for life after the member's death, the spouse must consent in writing to the plan of payment selected. See the answer to Question 13 for plan of payment selections that do not require the consent of the member's spouse.

15. If a retiring member chooses an optional plan of payment with his or her spouse as beneficiary, can the plan be changed if the marriage ends?

Generally no. A member may change his or her plan of payment to a Single Life Annuity only if the member chose a plan of payment that permits reversion. Even then, the change may be made only with the former spouse's written consent or by order of the court that terminated the marriage that specifically permits the change and removal of the former spouse as beneficiary. If a plan of payment is selected that provides continuing benefits to multiple beneficiaries, the plan of payment cannot be changed; however, the former spouse may be removed as one of the beneficiaries if originally named, but only with the former spouse's written consent or by an order of the court that terminated the marriage.

16. Can a former spouse receive a portion of a plan participant's Partial Lump-Sum Option Plan (PLOP) payment and not the periodic benefit? Can a former spouse receive a portion of a plan participant's PLOP payment and a periodic benefit?

Yes. If a PLOP payment is one of the types of payments indicated as applicable on the DOPO, the alternate payee may also receive a portion of a PLOP payment that the member applies for and receives at retirement. If the DOPO directs payment to the alternate payee from the first benefit payment or lump-sum payment the participant is eligible to apply and receive, the alternate payee may also receive a portion of both the participant's periodic benefits and the PLOP payment. Because tax liability is allocated between the parties under a DOPO, an alternate payee generally has the same tax options the member would have in connection with the PLOP payment.

17. Upon retirement, can I designate my former spouse and current spouse to receive a continuing benefit upon my death?

At retirement, a member may select a Joint and Survivor Annuity plan of payment with up to four beneficiaries as long as the total amount payable after the retiree's death does not exceed the gross amount payable to the retiree.

18. Does a DOPO provide my former spouse with "survivorship" rights to a continuing benefit upon my death?

No. A DOPO terminates upon the death of the member, death of the alternate payee or the termination of the STRS Ohio benefit, whichever occurs first. A beneficiary's rights to a continuing benefit after the retiree's death depend upon the plan of payment selected by the member at retirement, not a DOPO.

19. Is the benefit my former spouse is receiving under a DOPO a lifetime benefit?

No. Payments made under a DOPO terminate upon the death of the member, the death of the alternate payee or the termination of the STRS Ohio benefit, whichever occurs first.

20. If a DOPO has been retained by STRS Ohio, when will an alternate payee receive his or her portion of a member's STRS Ohio payment?

An alternate payee will receive no payment until the plan participant elects to receive a benefit, lump-sum payment or account refund from STRS Ohio. After the plan participant's benefit is finalized or withdrawal is paid, the alternate payee will receive his or her portion of the plan participant's STRS Ohio payment as directed by the DOPO.

21. Is an alternate payee eligible to receive cost-of-living adjustments (COLAs)?

Yes. When a COLA is granted to a benefit recipient, STRS Ohio must apportion any cost-of-living adjustment between the benefit recipient and an alternate payee who is receiving a payment under a DOPO. Ohio law gives the State Teachers Retirement Board the authority to grant a COLA to benefit recipients. New benefit recipients are eligible to receive a COLA beginning on the fifth anniversary of their retirement date. Cost-of-living increases granted on or after July 1, 2017, are currently set at 0%. No later than the next actuarial experience review, anticipated to be completed in 2022, the Retirement Board will evaluate whether an upward adjustment to the cost-of-living increase is payable without materially impairing the fiscal integrity of the retirement system.

22. Will STRS Ohio charge an administrative fee for processing payments under a DOPO?

Yes. The fee is equal to the lesser of \$400 or one percent of the amount the participant is or would be eligible to receive as a lump-sum payment under the plan in which he or she participates. The fee is deducted before the calculation of the limit specified by Section 3105.85, R.C., and is divided equally between the plan participant and alternate payee.

23. Can STRS Ohio accept a DOPO issued by an out of state court?

No. STRS Ohio cannot retain an order issued by a court outside the State of Ohio, even if STRS Ohio's DOPO form is used, unless the order (1) is registered with an Ohio court; (2) is issued by the Ohio court; (3) is transmitted to STRS Ohio by an Ohio Clerk of Courts; and (4) otherwise meets the requirements of Sections 3105.80 to 3105.90, R.C. The parties should consult with their attorneys about registering a court order issued by an out-of-state court as a foreign judgment pursuant to Section 2329.022, R.C., and then have the Ohio Clerk of Courts transmit the order to STRS Ohio after the order has been issued by the Ohio court.

24. Can a former spouse be covered under the retiree's STRS Ohio health care plan?

No. A former spouse does not qualify as an eligible dependent for STRS Ohio health care coverage. However, under the federal Continuation of Benefits Rights Act (COBRA), a former spouse may qualify for coverage as a beneficiary. COBRA requires that persons who lose health insurance coverage due to certain qualifying events, such as divorce, be given rights to elect COBRA continuation coverage. COBRA is a temporary extension of coverage under an STRS Ohio health care plan. If a marriage ends after a member has retired under STRS Ohio, a former spouse who is enrolled under the retiree's STRS Ohio health care plan when the marriage terminates may be eligible for COBRA continuation coverage. For additional information about COBRA rights and continuation coverage, contact STRS Ohio.

Members participating in the Defined Contribution Plan are not eligible to participate in the STRS Ohio Health Care Program.

25. Is health care coverage a vested benefit?

No. Health care benefits are **never** promised or vested under the terms of Chapter 3307, R.C., regardless of a member's length of time of participation in the system. From the beginning of the retiree health care program in the 1970s, what is now numbered as Section 3307.39, R.C., authorizes but does not require the State Teachers Retirement Board to enter into contracts for health coverage for benefit recipients. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.

26. What tax reporting does STRS Ohio do if a portion of a benefit is being withheld and forwarded to the Ohio Office of Child Support as support for a former spouse?

Because Section 3307.41, R.C., prohibits assignment of benefits and rights except as specifically provided therein, STRS Ohio must report the entire benefit as paid to the member. The parties, their lawyers and their tax advisors must determine whether the amount paid to the Ohio Office of Child Support can be deducted by the member and whether any amount is taxable to the former spouse.

27. What tax reporting does STRS Ohio do if a portion of a benefit, lump-sum payment or account refund is payable to an alternate payee under a DOPO?

The amount of the benefit, lump-sum payment or account refund paid to the alternate payee is reported as paid to the alternate payee. Federal taxes will be withheld from the alternate payee's payment unless the alternate payee requests that no taxes be withheld, and Ohio state tax can be withheld at the request of the alternate payee. The alternate payee will receive a 1099-R form.

28. As an alternate payee, what rights under STRS Ohio do I have?

An alternate payee's right to payment is conditional on the participant's right to a benefit, lump-sum payment or account refund. The amount payable to an alternate payee under a DOPO may be reduced or changed for several reasons, including but not limited to the following: (1) STRS Ohio receives an order for withholding for enforcement of support before or after benefits begin; (2) another alternate payee with higher priority presents himself or herself after the benefit effective date; (3) recalculation of the member's initial benefit occurs; (4) benefit payments specified in the DOPO are terminated to the participant; (5) the participant or alternate payee dies; (6) the ordered amount exceeds 50% of the member's benefit; or (7) an amended DOPO is received. The alternate payee's rights under a DOPO terminate on the earlier of the death of the participant, the death of the alternate payee or the termination of an STRS Ohio benefit.

If STRS Ohio has retained a DOPO on the written request of an alternate payee, STRS Ohio will furnish to the alternate payee information on the amount and status of any amounts that may be payable to the alternate payee under the DOPO. The amount of a benefit, lump-sum payment or account refund paid to the alternate payee is reported for income tax purposes as paid to the alternate payee. Federal taxes will be withheld from the alternate payee's payment unless the alternate payee requests that no taxes be withheld, and Ohio state tax can be withheld at the request of the alternate payee. An alternate payee has no right to STRS Ohio health care coverage or any other benefits. An alternate payee has no right to receive personal account information about the member's account, including plan of payment and/or beneficiary information, without written authorization from the member as required by Section 3307.20, R.C.

29. If I am representing an STRS Ohio member or spouse, where do I start?

1. Verify participation in STRS Ohio. There are five public retirement systems in Ohio: State Teachers Retirement System of Ohio (STRS Ohio), School Employees Retirement System (SERS), Ohio Public Employees Retirement System (OPERS), Highway Patrol Retirement System, and Ohio Police & Fire Pension Fund; and entities that offer alternate retirement plans under Chapter 3305, R.C.;
2. Get full information about the STRS Ohio member: name, birth date and Social Security number;
3. Find out whether the STRS Ohio member is in the Defined Benefit Plan, Defined Contribution Plan or Combined Plan and the types of benefits that the member is eligible to receive;
4. If account information from STRS Ohio is needed, obtain an *Authorization for Release of Information Form* and have it signed by the member to obtain specific account information; and
5. Consider mechanisms available for handling an STRS Ohio account in a division of marital property: for example, DOPO; an order for income withholding for support; joint and survivor service retirement plans of payment; offsetting assets; direct payment by member to a former spouse or bank account; or life insurance.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

275 East Broad Street
Columbus, OH 43215-3771

888-227-7877
www.strsoh.org

IN THE COURT OF COMMON PLEAS OF _____ COUNTY, OHIO
DIVISION OF DOMESTIC RELATIONS

Plaintiff/Petitioner,
v.

Defendant/Petitioner.

:
:
:
:
:
:
:

Case No. _____
Judge _____

DIVISION OF PROPERTY ORDER

The Court finds the following facts and issues the following Order pursuant to Sections 3105.80 to 3105.90, Revised Code:¹

I. Terms:

- A. The "Plan Participant" or "Participant" means _____, Social Security number _____, whose date of birth is _____, whose current address is _____, and whose current mailing address is _____.
- B. The "Alternate Payee" means _____, Social Security number _____, whose date of birth is _____, whose current address is _____, and whose current mailing address is _____.
- C. The "Public Retirement Program(s)" means (please check the name and address of the public retirement program(s) and/or University/College Alternative Retirement Plan Administrator):
- Ohio Public Employees Retirement System
277 East Town Street
Columbus, Ohio 43215
 - State Teachers Retirement System of Ohio
275 East Broad Street
Columbus, Ohio 43215

¹ This form was created under Ohio Revised Code Section 3105.90. Since Ohio Revised Code Section 3105.82 requires that this form be used, variance from this form will result in non-acceptance of the order by the Public Retirement Program.

- School Employees Retirement System of Ohio
300 East Broad Street
Suite 100
Columbus, Ohio 43215
- Ohio Police and Fire Pension Fund
140 East Town Street
Columbus, Ohio 43215
- Ohio State Highway Patrol Retirement System
1900 Polaris Parkway
Suite 201
Columbus, Ohio 43240
- University/College Alternative Retirement Plan
Name and address of University/College Plan Administrator:

D. Obligation of Plan Participant and Alternate Payee: The Plan Participant and the Alternate Payee are ordered to notify in writing the Public Retirement Program of a change in the individual's mailing address.

II. Amount Payable to the Alternate Payee: Upon the Plan Participant receiving a payment from the Public Retirement Program, the court orders that the Alternate Payee shall receive payment in accordance with and subject to the limitations set forth in Sections 3105.82 to 3105.90, Revised Code. The Public Retirement Program is required to distribute amounts to the Alternate Payee in the same manner selected by the Participant. For example, if only a lump sum dollar amount is provided in Paragraphs II(B)(1)(a) and (b), then the Alternate Payee also receives a lump sum payment. Please designate the type and the method of payment:

A. Type of Payment: If the Participant is eligible to receive more than one benefit payment or more than one lump sum payment, please check the benefit(s) or lump sum payment(s) from which payment to the Alternate Payee shall be made. If no benefit or lump sum payment is designated, the Alternate Payee shall receive payment from the first benefit payment or lump sum payment for which the Participant is eligible to apply and to receive. Please check ALL APPLICABLE BENEFIT(S) OR LUMP SUM PAYMENT(S):

- Age and service retirement benefit, INCLUDING Partial Lump Sum Payments ("PLOS") received under Sections 145.46(E)(1), 3307.60(B), 3309.46(B)(4), or 5505.162(A)(3), Revised Code, and Deferred Retirement Option Plan ("DROPS") under Section 742.43 or 5505.50, Revised Code.
- Age and service retirement benefit, BUT EXCLUDING Partial Lump Sum Payments ("PLOS") received under Sections 145.46(E)(1), 3307.60(B), 3309.46(B)(4) or 5505.162(A)(3), Revised Code, and Deferred Retirement Option Plan ("DROPS") under Section 742.43 or 5505.50, Revised Code.

- Disability monthly benefit
- Account refund
- Additional money purchase annuity/additional annuity lump sum refund
- Reemployed retiree money purchase annuity (when monthly payment exceeds \$25.00) or lump sum refund
- Defined contribution plan benefit

B. Method of Payment: If the Plan Participant is a reemployed retiree contributing to a money purchase annuity or is eligible to receive or is receiving monthly benefits or a lump sum payment from a reemployed retiree money purchase annuity, the Alternate Payee shall receive payment from the reemployed retiree money purchase annuity and any other type of payment designated in Paragraph II(A) above in a monthly or one-time dollar amount as specified in Paragraph II(B)(1)(a) below. If the Plan Participant is participating in the defined contribution program, or any of its constituent plans, the Alternate Payee shall receive payment from the defined contribution program, or any of its constituent plans, and any other type of payment designated in Paragraph II(A) above in a percentage of a fraction as specified in Paragraph II(B)(2) below. If the Plan Participant is participating in any other plan in a Public Retirement Program, the Alternate Payee shall receive payment in either a dollar amount **OR** a percentage of a fraction as specified below (i.e. Please complete Dollar Amount **OR** Percentage).

1. Dollar Amount: Paragraphs II(B)(1)(a) and (b) must be fully completed, even if the indication is to pay the Alternate Payee "\$0.00" from the Participant's periodic benefit or/and lump sum payment.

a. If the Participant elects a plan of payment that consists of a lump sum payment **OR** a plan of payment that consists of periodic benefits:

\$_____ per benefit from the Participant's periodic benefit upon the Participant's receipt of the aggregate periodic benefit; **or**

\$_____ from the Participant's lump sum payment upon the Participant's receipt of the payment.

- b. If the Participant elects a plan of payment consisting of both a lump sum benefit **AND** a periodic benefit:

\$_____ per benefit from the Participant's periodic benefit upon the Participant's receipt of the periodic benefit; **and**

\$_____ from the Participant's lump sum benefit upon the Participant's receipt of the payment.

OR

2. Percentage: Please provide percentages in both Paragraph II(B)(2)(a) and (b) even if the percentage is "0%".

- a. If the Participant elects a plan of payment that consists of either periodic benefits **OR** a lump sum payment, the Public Retirement Program shall pay directly to the Alternate Payee per benefit or in a one-time lump sum payment _____ percent (_____%) of a fraction as set forth in Paragraph II(B)(2)(c) below of the Plan Participant's periodic benefit or one-time lump sum payment.

- b. If the Plan Participant elects a plan of payment consisting of both a lump sum benefit **AND** a periodic benefit, the Public Retirement Program shall pay directly to the Alternate Payee _____ percent (_____%) of a fraction as set forth in Paragraph II(B)(2)(c) below of the Plan Participant's periodic benefit and _____ percent (_____%) of a fraction as set forth below of the Plan Participant's lump sum benefit.

- c. Fraction:

- i. The numerator of the fraction shall be _____, which is the number of years during which the Plan Participant was both a contributing member of the Public Retirement Program and married to the Alternate Payee. The date of marriage is _____.

- ii. The denominator, which shall be determined by the Public Retirement Program at the time that the Plan Participant elects to take a benefit or a payment, shall be the Participant's total years of service credit with the Public Retirement Program or, in the case of a Participant in a retirement plan established under Chapter 3305, Revised Code, the years of participation in the plan.

- C. Applicable Benefit: The monthly benefit amount used to determine the amount paid to the Alternate Payee from the Participant's monthly benefit shall be whichever applies:
1. If the Participant is receiving a monthly benefit, the monthly benefit shall be the gross monthly benefit the Participant is receiving at the time the decree of divorce or dissolution becomes final. The effective date of the decree of divorce, dissolution, or legal separation is _____;
 2. If the Participant has applied for but is not yet receiving a monthly benefit, the monthly benefit shall be the benefit for which the Participant is eligible;
 3. If the Participant has not applied for a benefit, the monthly benefit shall be the benefit calculated at the time the Participant elects to take the benefit.
- D. Minimum Benefit Notice: The total amount paid to the Alternate Payee pursuant to this order plus any administrative fee charged to the Participant and Alternate Payee as authorized by Section 3105.84, Revised Code, shall not exceed fifty percent of the amount of a benefit or lump sum payment that the Plan Participant is to receive or, if withholding is to be made from more than one benefit or lump sum payment, fifty percent of the total of the benefits or lump sum payments that the Plan Participant is to receive. If the Plan Participant's benefit or lump sum payment is or will be subject to more than one order issued pursuant to Section 3105.81, Revised Code, the Public Retirement Program shall not withhold an aggregate amount for all the orders plus the administrative fee(s) charged to the Participant and Alternate Payee as authorized by Section 3105.84, Revised Code, that exceeds fifty percent of the benefit or lump sum payment.
- E. Cost of living allowances: Any cost-of-living allowance ("COLA") granted to a Participant while this Order is in effect shall be apportioned between the Participant and Alternate Payee in the same proportion that the amount being paid the Alternate Payee bears to the amount paid the Participant, as provided under Sections 145.323(B), 742.3711(G), 742.3716(F), 742.3717(B)(3), 3307.67(C), 3309.374(B), and 5505.174(C), Revised Code.

III. Notification to Alternate Payee: The Alternate Payee is hereby notified of the following:

- A. The Alternate Payee's right to payment under this Order is conditional on the Plan Participant's right to a benefit payment or lump sum payment from the Public Retirement Program;
- B. When the Plan Participant's benefit or lump sum payment is subject to more than one order under Section 3105.81, Revised Code, or to an order described in Section 3105.81, Revised Code and a withholding order under Section 3121.03, Revised Code, the amount paid to the Alternate Payee under this order may be reduced based on the priority of the other orders;

- C. The Alternate Payee's right under this order to receive an amount from the benefit payment or lump sum payment to the Plan Participant shall terminate upon:
 - 1. The death of the Plan Participant;
 - 2. The death of the Alternate Payee;
 - 3. The termination of a benefit pursuant to the governing laws of the Public Retirement Program.

- IV. Administrative Fee: Pursuant to Section 3105.84, Revised Code, this order authorizes the Public Retirement Program that is or will be paying the benefit or lump sum payment to withhold from any benefit or payment that is subject to this order an amount determined by the Public Retirement Program to be necessary to defray the cost of administering the order. This amount shall be divided equally between the Plan Participant and the Alternate Payee.

- V. Application of Order: This order applies to payments made by the Public Retirement Program after retention of the Order under Section 145.571, 742.462, 3305.21, 3307.371, 3309.671, or 5505.261, Revised Code.

- VI. Additional Limitations on Order:
 - A. Payments under this order shall commence as provided under Section 145.571, 742.462, 3305.21, 3307.371, 3309.671, or 5505.261, Revised Code.
 - B. The Alternate Payee has no right or privilege under the law governing the Public Retirement Program that is not otherwise provided in the governing law.
 - C. This order shall not require the Public Retirement Program to take any action or provide any benefit, allowance, or payment not authorized under the law governing the Public Retirement Program.

- VII. Notice of Order:
 - A. The clerk of courts shall transmit a certified copy of this order to the Public Retirement Program(s) named in the order.
 - B. On receipt of this order, the Public Retirement Program shall determine whether the order meets the requirements as set forth in Sections 3105.80 to 3105.90, Revised Code.
 - C. The Public Retirement Program shall retain the order in the Plan Participant's record if the order meets the requirements in Sections 3105.80 to 3105.90, Revised Code.
 - D. The Public Retirement Program shall return, by regular mail, to the clerk of courts of the court that issued the order any order the Public Retirement Program determines does not meet the requirements in Sections 3105.80 to 3105.90, Revised Code, no later than sixty days after the Public Retirement Program's receipt of the order.

- VIII. Jurisdiction of the Court: The Court shall retain jurisdiction to modify, supervise, or enforce the implementation of this order notwithstanding Section 3105.171(I), Revised Code.

APPROVED:

Signature of Attorney for Plaintiff/Petitioner

Attorney for Plaintiff/Petitioner (please type or print name)

Supreme Court No.

Address

Address

Signature of Attorney for Defendant/Petitioner

Attorney for Defendant/Petitioner (please type or print name)

Supreme Court No.

Address

Address

SO ORDERED.

Judge

Division of Property Order approved per Section 145.571, 742.462, 3305.21, 3307.371, 3309.671, or 5505.261, Revised Code, for filing and submission.

Retirement System

Retirement System