
RETIREMENT (RET)

- Designates a retirement plan a provider for purposes of Ohio law governing alternative retirement plans if it was established by a public institution of higher education prior to July 1, 2000, and is a qualified trust under federal tax law.
- Except for the contributions to mitigate negative financial impact on the State Teachers Retirement System (STRS) and interest on those contributions, provides that such an institution is not required to pay any retirement contributions or interest due STRS for an employee who made an election prior to July 1, 2000.
- Permits an institution that failed to timely file with STRS a copy of an election made prior to July 1, 2000, to file it not later than December 28, 2011.

Alternative retirement plans

(Section 733.20)

For purposes of Ohio law governing alternative retirement plans²⁴⁹ for employees of public institutions of higher education, the act designates as a provider a plan established prior to July 1, 2000, that is a qualified trust under section 401(a) of the Internal Revenue Code (IRC). Continuing law requires the board of trustees of each public institution of higher education to adopt an alternative retirement plan and enter into a contract with each provider designated by the Ohio Department of Insurance that is willing to provide investment options under the plan.²⁵⁰ The Department may designate only plans that are qualified trusts under the IRC.

Contributions

Continuing law requires (1) an employee electing to participate in an alternative retirement plan to contribute the percentage of compensation the employee would contribute to the public retirement system that would otherwise cover the employee

²⁴⁹ An alternative retirement plan is a defined contribution plan that provides retirement and death benefits through investment options. Certain full-time academic and administrative employees of public institutions of higher education may elect to participate in an alternative retirement plan instead of the public retirement system that would otherwise cover their positions: the Public Employees Retirement System, State Teachers Retirement System, or School Employees Retirement System.

²⁵⁰ R.C. 3305.03 and 3305.04.



and (2) the institution employing the employee to contribute an amount equal to a percentage of the employee's compensation. An amount equal to up to 6% of the employee's compensation is used to mitigate the negative financial impact of the alternative retirement program on the public retirement system.²⁵¹

Except for the contributions to mitigate negative financial impact and interest on those contributions, the act provides that an institution is not required to pay any retirement contributions due STRS for an employee who made an election prior to July 1, 2000, to participate in an alternative retirement plan that is designated as a provider under the act. This applies from the date of the election as long as participation by the employee continues.²⁵²

Notice of election

Under continuing law, an employee who elects to participate in an alternative retirement plan must submit an election in writing to the employing institution. A certified copy of the election must be filed by the institution with the appropriate state retirement system.²⁵³

The act permits an institution that failed to timely file with STRS a copy of an election made prior to July 1, 2000, to file it not later than December 28, 2011 (which is the date that is 90 days after the act's 90-day effective date of September 29, 2011). STRS is required to accept the election as though it was timely filed.

²⁵¹ R.C. 3305.06.

²⁵² R.C. 3305.054(A)(2).

²⁵³ R.C. 3305.05(C)(1).

