

Proration of Service Credit Transfers

If you became an OP&F member AFTER September 16, 1998, your transferred service credit will be prorated, meaning that the service credit does not transfer one-to-one. This is because the retirement systems have different contribution rates. In order to receive full service credit, you must pay the difference in the employee and the employer contribution rates, plus interest, of the two Retirement Systems.

Sample of OPERS Service Credit Transfer

Employees' Share	Current Rate	
OPERS = 8.5%	OP&F = 10%	<i>Because OP&F has a higher employee contribution rate, Ohio law requires you to pay the difference of 1.5% OPERS, with interest per year and 0.5% OPERS/LE with interest per year.</i>
OPERS/LE = 9.5%		
Employees' Share	Current Rate	
Employer paid OPERS 13.55%	Employer paid OP&F: 19.5% for Police 24% for Fire	<i>Because OP&F has a higher employee contribution rate, Ohio law requires you to pay the difference of 1.5% OPERS, with interest per year and 0.5% OPERS/LE with interest per year.</i>

The following is an example of prorating months of service for a member who was in Ohio Public Employees Retirement System from 1986-1999:

Money Transferring from Retirement System		Difference Member Owes OP&F	
Date of Transfer:	5/31/2000	Date of Transfer:	5/31/2000
Total Member Contributions	\$32,208.10	Difference in Member Contributions Due	\$5,232.75
Interest on Member Contributions	\$22,669.00	Interest on Member Contributions	\$3,338.49
Total Employer Contributions	\$51,875.55	Difference in Employer Contributions Due	\$22,013.60
Interest on Employer Contributions	\$36,832.13	Interest on Employer Contributions	\$15,403.87
Total Transfer Due	\$143,584.78	Total Transfer Due	\$45,988.71
Proration Chart			
Original Months of Service:	164.833	Original Months of Service	164.833
OPERS \$ Received	\$143,584.78	Prorated Months of Service*	124.767
Member \$ Due to OP&F	\$45,988.71	Available Months of Service	40.067
Total Due to OP&F	\$189,573.49		

*Proration is determined by using a computer-generate factor that is based on the money received compared to the money due. In this example, the factor used is 0.757, which is multiplied by the original months of service from OPERS (164.833). The prorated Months of Service breaks down into 10 years, 4 months, and 23 days as shown below.

Years: $124.767 \div 12 = 10.397$

Months: $0.39 \times 12 = 4.779$

Days: $0.779 \times 30 = 23.357$