



Department of  
Job and Family Services

Office of Unemployment Compensation

**Date:** 11-02-09 **UC Tech Memo No. 09--09**

**To:** Office of Local Operations and Office of Unemployment Compensation-Benefits Staff

**From:** John R. Anderson, Bureau Chief, UC Policy and Payments  
By: LeAnn S. Raymond, Chief, UC Technical Services

**Subject:** Change Concerning Deductibility of Lump Sum Retirement Distributions

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Any individual receiving a lump sum distribution from a pension, retirement plan, 401(k) or annuity previously had his/her weekly UC benefits reduced if he/she failed to rollover the entire amount of the lump sum distribution into another qualified plan within 60 days.

The Department of Labor now prohibits states from reducing UC benefits by the non-taxable portion of the pension rollover distribution, as referenced in Unemployment Insurance Program Letter (UIPL) No. 10-09. This letter also provides that the states will determine whether to reduce UC benefits as a result of the taxable portion of the pension rollover distribution. Accordingly, by emergency ruling, the Ohio Administrative Code (OAC), 4141.30-12, has been rescinded.

Due to the complexity associated with determining deductibility, no portion of a lump sum pension distribution will be considered deductible. Therefore, effective with payments made on or after **11-01-2009**, any lump sum distribution from a pension, retirement plan, 401(k) or annuity will no longer cause a reduction of a claimant's UC benefits as a result of this OAC revision.

Revisions to the Unemployment Compensation Policy Guide will be forthcoming.

Questions concerning this memo should be directed to the UCTECH GroupWise account.