

(122nd General Assembly)  
(Amended House Bill Number 339)

# AN ACT

To amend sections 3307.38 and 3307.384 and to enact section 3307.4013 of the Revised Code to increase benefits under the State Teachers Retirement System, and to declare an emergency.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 3307.38 and 3307.384 be amended and section 3307.4013 of the Revised Code be enacted to read as follows:

Sec. 3307.38. Any member who has five years of service credit and has attained age sixty, or who has twenty-five years of service credit and has attained age fifty-five, or who has thirty years of service credit shall be granted service retirement after filing with the state teachers retirement board a completed application on a form approved by the board.

(A) Service retirement shall be effective on the first day of the month next following the later of:

- (1) The last day for which compensation was paid; or
- (2) The attainment of minimum age or service credit eligibility for benefits provided under this section.

Except as otherwise provided in division (D) of this section, the service retirement benefit shall be the greater of the benefits provided in divisions (B) and (C) of this section.

(B)(1) Subject to any adjustment made under division (B)(2) of this section, the annual single lifetime benefit of a member shall be the greater of the amounts determined by ~~his~~ the member's Ohio service credit multiplied by one of the following:

- (a) Eighty-six dollars;
- (b) Two and one-tenth per cent of ~~his~~ the member's final average salary, except that if the member has more than thirty years service credit earned under section 3307.31 or purchased under section 3307.512 of the Revised Code, ~~two and five-tenths the per cent of his shall be the per cent shown in the following schedule times the member's~~ final average salary for each corresponding year or fraction of a year of service credit earned or purchased under those sections that is in excess of thirty years;

<u>Year of Service Credit</u>	<u>Per Cent for that Year</u>	<u>Year of Service Credit</u>	<u>Per Cent for that Year</u>
30.01-31.00	2.5%	37.01-38.00	3.2%
31.01-32.00	2.6	38.01-39.00	3.3
32.01-33.00	2.7	39.01-40.00	3.4
33.01-34.00	2.8	40.01-41.00	3.5
34.01-35.00	2.9	41.01-42.00	3.6
35.01-36.00	3.0	42.01-43.00	3.7
36.01-37.00	3.1		

For purposes of this schedule, years of service credit shall be rounded to the nearest one-hundredth of a year.

(2) The annual single lifetime benefit of a member determined under division (B)(1) of this section shall be adjusted by the greater per cent shown in the following schedule opposite his the member's attained age or Ohio service credit.

Attained or Age	Years of Ohio Service Credit	Per Cent of Base Amount
58	25	75%
59	26	80
60	27	85
61		88
	28	90
62		91
63		94
	29	95
64		97
65	30 or more	100

Members shall vest the right to a benefit in accordance with the following schedule, based on the member's attained age by September 1, 1976:

Attained Age	Per Cent of Base Amount
66	102%
67	104
68	106
69	108

70 or more

110

(3) The annual single lifetime benefit determined under this division shall not exceed the lesser of one hundred per cent of the final average salary or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

(C) The annual single lifetime benefit of a member shall not exceed the lesser of the sum of the following amounts or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended:

(1) An annuity with a reserve equal to the member's accumulated contributions;

(2) A pension equal to the amount in division (C)(1) of this section;

(3) An additional pension of forty dollars annually multiplied by the number of years of prior and military service credit, except years of credit purchased under section 3307.021 of the Revised Code;

(4) An additional basic annual pension of one hundred eighty dollars, provided the member had ten or more years of Ohio service credit as of October 1, 1956, except that ~~such~~ the additional basic annual pension shall not exceed the sum of the annual benefits provided by divisions (C)(1), (2), and (3) of this section.

(D) Benefits determined under this section shall be paid as provided in section 3307.50 of the Revised Code.

Sec. 3307.384. A retireant who on the effective date of this ~~section amendment~~ is eligible to receive an annual single lifetime benefit under section 3307.38, 3307.41, or 3307.50 of the Revised Code of less than ~~six~~ NINE thousand ~~six hundred~~ dollars or its actuarial equivalent shall have ~~such that~~ benefit increased to ~~six~~ NINE thousand ~~six hundred~~ dollars or its actuarial equivalent if the benefit is based on an award arising from thirty or more years of Ohio service credit. The benefit increase provided by this ~~section amendment~~ shall take effect on the first day of the first month following the effective date of this ~~section amendment~~ and shall not be subject to any final average salary limitation.

**Sec. 3307.4013. (A) As used in this section:**

(1) "Benefit" means a benefit, pension, or allowance under section 3307.38, 3307.41, 3307.43, 3307.431, 3307.49, or 3307.50 Of the Revised Code.

(2) "Cumulative percentage change in the CPI" means the total percentage change in the consumer price index prepared by the United States bureau of labor statistics for urban wage earners and clerical workers (CPI-W: U.S. city average, all items) from the thirty-first day of December

immediately preceding the year in which the original benefit started through the thirty-first day of December immediately preceding the effective date of this section.

(3) "Eligible recipient" means any person receiving a benefit on the effective date of this section that has been payable to that person or to any other person for at least twelve months.

(4) "Original benefit amount" means the initial amount of a benefit granted to the initial recipient of the benefit.

(B) As of the effective date of this section, the state teachers retirement board shall determine an amount for each eligible recipient equal to the sum of the following amounts:

(1) an amount equal to seventy per cent of The original benefit amount for the recipient;

(2) An amount equal to the product obtained when seventy per cent of the original benefit amount is multiplied by the cumulative percentage change in the CPI for the recipient.

(C)(1) Except as provided in division (C)(2) of this section, if the amount of the annual benefit payable to an eligible recipient on the effective date of this section is less than the amount determined for the recipient under division (B) of this section, the board shall recalculate that annual benefit so that it equals the amount determined under division (B) of this section.

(2) If the recalculated benefit determined under division (C)(1) of this section for an eligible recipient whose retirement was effective before July 1, 1979, is less than one hundred three per cent of the annual benefit payable to the recipient on the effective date of this section, the board shall recalculate the annual benefit so that it equals one hundred three per cent of the annual benefit payable to the recipient on the effective date of this section.

An increase granted by division (C)(1) or (2) of this section to a benefit amount shall apply on and after the first day of the month following the effective date of this section.

(D) The board shall include the increase in amount paid under this section in a person's base for purposes of future increases in any benefit under section 3307.403 Of the Revised Code.

SECTION 2. That existing sections 3307.38 and 3307.384 of the Revised Code are hereby repealed.

SECTION 3. Any retirant granted service retirement, as provided in section 3307.38 of the Revised Code, that is based on thirty-one or more years service credit earned under section 3307.31 or purchased under section 3307.512 of the Revised Code and is effective on or after July 1, 1997, but before the effective date of this act may, no later than December 31, 1997, make application to the State Teachers Retirement Board to have the retirant's benefit recalculated under section 3307.38 of the Revised Code, as amended by this act, and section 3307.50 of the Revised Code. On receipt of the application, the Board shall inform the applicant of the benefit and options to which the applicant is entitled under this act and the applicant may elect to receive a recalculated benefit. If the applicant makes that election, the Board shall pay the recalculated benefit.

If the recalculated benefit is greater than the applicant's benefit prior to the recalculation, the Board shall make one additional payment to the applicant equal to the difference between the benefits the applicant received between July 1, 1997, and the date of the payment and the increased benefit the applicant would have received had the act gone into effect on July 1, 1997.

The Board shall give written notice to each retirant subject to this section that the retirant may, no later than December 31, 1997, make application to the Board to have the retirant's benefit recalculated under section 3307.38 of the Revised Code, as amended by this act, and section 3307.50 of the Revised Code. The Board shall deliver the notice to each retirant by certified mail, return receipt requested.

Section 4. This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for such necessity is that the benefits of teachers who retired in the 1960s and 1970s have lost a significant amount of purchasing power due to inflation, and an immediate increase in benefits is needed to regain some of this purchasing power. Therefore, this act shall go into immediate effect.

---

*Speaker \_\_\_\_\_ of the House of Representatives.*

---

*President \_\_\_\_\_ of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

---

*Governor.*

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

---

*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

---

*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_