

AN ACT

To amend sections 742.37, 742.3711, 742.3715, 742.3717, and 742.3718 of the Revised Code to increase benefits paid to certain surviving spouses of members of the Ohio Police and Fire Pension Fund (OPFPF) and to eliminate the eligibility limits for cost-of-living allowances that apply to certain OPFPF members.

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

SECTION 1. That sections 742.37, 742.3711, 742.3715, 742.3717, and 742.3718 of the Revised Code be amended to read as follows:

Sec. 742.37. The board of trustees of the Ohio police and fire pension fund shall adopt rules for the management of the fund and for the disbursement of benefits and pensions as set forth in this section and section 742.39 of the Revised Code. Any payment of a benefit or pension under this section is subject to the provisions of section 742.461 of the Revised Code. Notwithstanding any other provision of this section, no pension or benefit paid or determined under division (B) or (C) of this section or section 742.39 of the Revised Code shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

(A) Persons who were receiving benefit or pension payments from a police relief and pension fund established under former section 741.32 of the Revised Code, or from a firemen's relief and pension fund established under former section 521.02 or 741.02 of the Revised Code, at the time the assets of the fund were transferred to the Ohio police and fire pension fund, known at that time as the police and firemen's disability and pension fund, shall receive benefit and pension payments from the Ohio police and fire pension fund in the same amount and subject to the same conditions as such payments were being made from the former fund on the date of the transfer.

(B) A member of the fund who, pursuant to law, elected to receive benefits and pensions from a police relief and pension fund established under former section 741.32 of the Revised Code, or from a firemen's relief and pension fund established under former section 741.02 of the Revised

Code, in accordance with the rules of the fund governing the granting of benefits or pensions therefrom in force on April 1, 1947, shall receive benefits and pensions from the Ohio police and fire pension fund in accordance with such rules; provided, that any member of the fund who is not receiving a benefit or pension from the fund on August 12, 1975, may, upon application for a benefit or pension to be received on or after August 12, 1975, elect to receive a benefit or pension in accordance with division (C) of this section.

(C) Members of the fund who have not elected to receive benefits and pensions from a police relief and pension fund or a firemen's relief and pension fund in accordance with the rules of the fund in force on April 1, 1947, shall receive pensions and benefits in accordance with the following provisions:

(1) A member of the fund who has completed twenty-five years of active service in a police or fire department and has attained forty-eight years of age may, at the member's election, retire from the police or fire department, and upon notifying the board in writing of the election, shall receive an annual pension, payable in twelve monthly installments, in an amount equal to a percentage of the member's average annual salary. The percentage shall be the sum of two and one-half per cent for each of the first twenty years the member was in the active service of the department, plus two per cent for each of the twenty-first to twenty-fifth years the member was in the active service of the department, plus one and one-half per cent for each year in excess of twenty-five years the member was in the active service of the department. The annual pension shall not exceed seventy-two per cent of the member's average annual salary.

A member who completed twenty-five years of active service, has resigned or been discharged, and has left the sum deducted from the member's salary on deposit in the pension fund shall, upon attaining forty-eight years of age, be entitled to receive a normal service pension benefit computed and paid under division (C)(1) of this section.

(2) A member of the fund who has served fifteen or more years as an active member of a police or fire department and who voluntarily resigns or is discharged from the department for any reason other than dishonesty, cowardice, intemperate habits, or conviction of a felony, shall receive an annual pension, payable in twelve monthly installments, in an amount equal to one and one-half per cent of the member's average annual salary multiplied by the number of full years the member was in the active service of the department. The pension payments shall not commence until the member has attained the age of forty-eight years and until twenty-five years

have elapsed from the date on which the member became a full-time regular police officer or firefighter in the department.

(3) A member of the fund who has completed fifteen or more years of active service in a police or fire department and who has attained sixty-two years of age, may retire from the department and, upon notifying the board in writing of the election to retire, shall receive an annual pension, payable in twelve monthly installments, in an amount equal to a percentage of the member's average annual salary. The percentage shall be the sum of two and one-half per cent for each of the first twenty years the member was in the active service of the department, plus two per cent for each of the twenty-first to twenty-fifth years the member was in the active service of the department, plus one and one-half per cent for each year in excess of twenty-five years the member was in the active service of the department. The annual pension shall not exceed seventy-two per cent of the member's average annual salary.

(4) With the exception of those persons who may make application for benefits as provided in section 742.26 of the Revised Code, no person receiving a pension or other benefit under division (C) of this section on or after July 24, 1986, shall be entitled to apply for any new, changed, or different benefit.

If a member covered by division (C) of this section or section 742.38 of the Revised Code dies prior to the time the member has received a payment and leaves a surviving spouse or dependent child, the surviving spouse or dependent child shall receive a pension under division (D) or (E) of this section.

(D)(1) Except as provided in division (D)(2) of this section, a surviving spouse of a deceased member of the fund shall receive a monthly pension as follows:

(a) For the period beginning July 1, 1999, and ending June 30, 2000, five hundred fifty dollars;

(b) For the period beginning July 1, 2000, and the first day of July of each year thereafter and continuing for the following twelve months, an amount equal to the monthly amount paid during the prior twelve-month period plus an amount determined by multiplying five hundred fifty dollars by the average percentage change in the consumer price index, not exceeding three per cent, as determined each year by the board under section 742.3716 of the Revised Code.

(2) A surviving spouse of a deceased member of the fund shall receive a monthly pension of four hundred ten dollars if ~~one of the following is the case:~~

~~(a) At the time of death, the deceased member had been awarded a pension under this chapter based on age and service;~~

~~(b) The~~ the surviving spouse is eligible for a benefit under ~~section 742.3714~~ or division (B) or (D) of section 742.63 of the Revised Code. If the surviving spouse ceases to be eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code, the pension shall be increased, effective the first day of the first month following the day on which the surviving spouse ceases to be eligible for the benefit, to the amount it would be under division (D)(1) of this section had the spouse never been eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code.

(3) A pension paid under this division shall continue during the natural life of the surviving spouse. Benefits to a deceased member's surviving spouse that were terminated under a former version of this section that required termination due to remarriage and were not resumed prior to September 16, 1998, shall resume on the first day of the month immediately following receipt by the board of an application on a form provided by the board.

(E) Each surviving child of a deceased member of the fund shall receive a monthly pension of one hundred fifty dollars until the child attains the age of eighteen years, or marries, whichever event occurs first. A pension under this division, however, shall continue to be payable to a child under age twenty-two who is a student in and attending an institution of learning or training pursuant to a program designed to complete in each school year the equivalent of at least two-thirds of the full-time curriculum requirements of the institution, as determined by the board. If any surviving child, regardless of age at the time of the member's death, because of physical or mental disability, is totally dependent upon the deceased member for support at the time of death, the child shall receive a monthly pension under this division during the child's natural life or until the child has recovered from the disability.

(F) If a deceased member of the fund leaves no surviving spouse or surviving children, but leaves two parents dependent upon the deceased member for support, each parent shall be paid a monthly pension of one hundred dollars. If there is only one parent dependent upon the member for support, the parent shall be paid a monthly pension of two hundred dollars. The pensions provided for in this division shall be paid during the natural life of the surviving parents, or until dependency ceases, or until remarriage, whichever event occurs first.

(G) Subject to the provisions of section 742.461 of the Revised Code, a

member of the fund who voluntarily resigns or is removed from active service in a police or fire department is entitled to receive an amount equal to the sums deducted from the member's salary and credited to the member's account in the fund, except that a member receiving a disability benefit or service pension is not entitled to receive any return of contributions to the fund.

(H) On and after January 1, 1970, all pensions shall be increased in accordance with the following provisions:

(1) A member of the fund who retired prior to January 1, 1967, has attained age sixty-five on January 1, 1970, and was receiving a pension on December 31, 1969, pursuant to division (B) or (C)(1) of this section or former division (C)(2), (3), (4), or (5) of this section, shall have the pension increased by ten per cent.

(2) The monthly pension payable to eligible surviving spouses under division (D) of this section shall be increased by forty dollars for each surviving spouse receiving a pension on December 31, 1969.

(3) The monthly pension payable to each eligible child under division (E) of this section shall be increased by ten dollars for each child receiving a pension on December 31, 1969.

(4) The monthly pension payable to each eligible dependent parent under division (F) of this section shall be increased by thirty dollars for each parent receiving a pension on December 31, 1969.

(5) A member of the fund, including a survivor of a member, who is receiving a pension in accordance with the rules governing the granting of pensions and benefits in force on April 1, 1947, that provide an increase in the original pension from time to time pursuant to changes in the salaries of active members, shall not be eligible for the benefits provided in this division.

(I) On and after January 1, 1977, a member of the fund who was receiving a pension or benefit on December 31, 1973, under division (A), (B), (C)(1), or former division (C)(2) or (7) of this section shall have the pension or benefit increased as follows:

(1) If the member's annual pension or benefit is less than two thousand seven hundred dollars, it shall be increased to three thousand dollars.

(2) If the member's annual pension or benefit is two thousand seven hundred dollars or more, it shall be increased by three hundred dollars.

The following shall not be eligible to receive increased pensions or benefits as provided in this division:

(a) A member of the fund who is receiving a pension or benefit in accordance with the rules in force on April 1, 1947, governing the granting

of pensions and benefits, which provide an increase in the original pension or benefit from time to time pursuant to changes in the salaries of active members;

(b) A member of the fund who is receiving a pension or benefit under division (A) or (B) of this section, based on funded volunteer or funded part-time service, or off-duty disability, or partial on-duty disability, or early vested service;

(c) A member of the fund who is receiving a pension under division (C)(1) of this section, based on funded volunteer or funded part-time service.

(J) On and after July 1, 1977, a member of the fund who was receiving an annual pension or benefit on December 31, 1973, pursuant to division (B) of this section, based upon partial disability, off-duty disability, or early vested service, or pursuant to former division (C)(3), (5), or (6) of this section, shall have such annual pension or benefit increased by three hundred dollars.

The following are not eligible to receive the increase provided by this division:

(1) A member of the fund who is receiving a pension or benefit in accordance with the rules in force on April 1, 1947, governing the granting of pensions and benefits, which provide an increase in the original pension or benefit from time to time pursuant to changes in the salaries of active members;

(2) A member of the fund who is receiving a pension or benefit under division (B) or (C)(2) of this section or former division (C)(3), (5), or (6) of this section based on volunteer or part-time service.

(K)(1) Except as otherwise provided in this division, every person who on July 24, 1986, is receiving an age and service or disability pension, allowance, or benefit pursuant to this chapter in an amount less than thirteen thousand dollars a year that is based upon an award made effective prior to February 28, 1984, shall receive an increase of six hundred dollars a year or the amount necessary to increase the pension or benefit to four thousand two hundred dollars after all adjustments required by this section, whichever is greater.

(2) Division (K)(1) of this section does not apply to the following:

(a) A member of the fund who is receiving a pension or benefit in accordance with rules in force on April 1, 1947, that govern the granting of pensions and benefits and that provide an increase in the original pension or benefit from time to time pursuant to changes in the salaries of active members;

(b) A member of the fund who is receiving a pension or benefit based on funded volunteer or funded part-time service.

(L) On and after July 24, 1986:

(1) The pension of each person receiving a pension under division (D) of this section on July 24, 1986, shall be increased to three hundred ten dollars per month.

(2) The pension of each person receiving a pension under division (E) of this section on July 24, 1986, shall be increased to ninety-three dollars per month.

Sec. 742.3711. (A) On application for retirement as provided in section 742.37 of the Revised Code, a member of the fund may elect to receive a retirement allowance payable throughout the member's life, or may elect, on the application for retirement, to receive the actuarial equivalent of the member's retirement allowance in a lesser amount payable for life and continuing after death to a surviving designated beneficiary under one of the following optional plans, provided the amount payable to the beneficiary shall not exceed the amount payable to the retiring member of the fund, and is certified by the actuary engaged by the board of trustees of the Ohio police and fire pension fund to be the actuarial equivalent of the member's retirement allowance and is approved by the board.

(1) Option 1. The member's lesser retirement allowance shall be paid for life to the sole beneficiary designated at the time of the member's retirement.

(2) Option 2. One-half or some other portion of the member's lesser retirement allowance shall be paid for life to the sole beneficiary designated at the time of the member's retirement.

(3) Option 3. Upon the member's death before the expiration of a certain period from the retirement date and elected by the member and approved by the retirement board, the member's lesser retirement allowance shall be continued for the remainder of that period to the beneficiary the member has nominated by written designation and filed with the retirement board.

Should the nominated beneficiary designated in writing become deceased prior to the expiration of the guarantee period, then for the purpose of completing payment for the remainder of the guarantee period, the present value of such payments shall be paid to the estate of the beneficiary last receiving.

(B)(1) On or after February 28, 1980, the death of a spouse nominated as beneficiary or the death of any other nominated beneficiary following retirement shall cancel any optional plan of payment to provide continuing lifetime benefits to such nominated beneficiary and return the member of the fund to the member's single lifetime benefit equivalent, as determined by the

board, to be effective the month following receipt by the board of notice of the death.

(2) On divorce, annulment, or marriage dissolution, a member receiving a retirement allowance under a plan that provides for continuation of all or part of the allowance after death for the lifetime of the member's surviving spouse may, with the written consent of the spouse or pursuant to an order of the court with jurisdiction over the termination of the marriage, elect to cancel the plan and receive the member's single lifetime benefit equivalent as determined by the board. The election shall be made on a form provided by the board and shall be effective the month following its receipt by the board.

(C) Following marriage or remarriage, a member of the fund may elect not later than one year after the date of marriage or remarriage a new optional plan of payment based on the actuarial equivalent of the member's single lifetime benefit as determined by the board. The plan and the member's lesser retirement allowance shall become effective on the date the election is made on a form approved by the board.

(D)(1) Unless one of the following occurs, an application for retirement by a married person shall be considered an election of a benefit under option 2 as provided for in division (A)(2) of this section under which one-half of the lesser retirement allowance payable during the life of the retirant will be paid after death to the retirant's spouse for life as sole beneficiary:

(a) The retirant selects an optional plan under division (A) of this section providing for payment after death to the retirant's spouse for life as sole beneficiary of more than one-half of the lesser retirement allowance payable during the life of the retirant;

(b) The retirant submits to the retirement board a written statement signed by the spouse attesting that the spouse consents to the retirant's election to receive a single lifetime retirement allowance or a payment under an optional benefit plan under which after the death of the retirant the surviving spouse will receive less than one-half of the lesser retirement allowance payable during the life of the retirant.

(2) An application for retirement shall include an explanation of all of the following:

(a) That, if the member is married, unless the spouse consents to another plan of payment, the member's retirement allowance will be paid under "option 2" and consist of the actuarial equivalent of the member's retirement allowance in a lesser amount payable for life and one-half of the lesser allowance continuing after death to the surviving spouse for the life of the spouse;

(b) A description of the alternative plans of payment available with the consent of the spouse;

(c) That the spouse may consent to another plan of payment and the procedure for giving consent;

(d) That consent is irrevocable once notice of consent is filed with the board.

Consent shall be valid only if it is signed, in writing, and witnessed by an employee of the board or a notary public.

(3) If the retirant does not select an optional plan as described in division (D)(1)(a) of this section and the board does not receive the written statement provided for in division (D)(1)(b) of this section, it shall determine and pay the retirement allowance in accordance with division (A)(2) of this section, except that the board may provide by rule for waiver by the board of the statement and payment of the allowance other than in accordance with division (A)(2) of this section if the retirant is unable to obtain the statement due to absence or incapacity of the spouse or other cause specified by the board.

(E) A member of the fund who has elected an optional plan under this section or section 742.3715 of the Revised Code may, with the consent of the designated beneficiary, cancel the optional plan and receive the retirement allowance payable throughout life the member would have received had the member not elected the optional plan, if the member makes a request to cancel the optional plan not later than one year after the later of September 9, 1988, or the date on which the member first receives a payment under this section or section 742.3715 of the Revised Code. Cancellation of the optional plan shall be effective the month after acceptance of the request by the trustees of the fund. No payment or adjustment shall be made in the retirement allowance payable throughout the member's life to compensate for the lesser allowance the member received under the optional plan.

The request to cancel the optional plan shall be made on a form provided by the fund and shall be valid only if the completed form includes a signed statement of the designated beneficiary's understanding of and consent to the cancellation. The signature shall be verified by the trustees of the fund prior to their acceptance of the cancellation.

(F) Any option elected and payments made under this section shall be in addition to any benefit payable under divisions (D), (E), and (F) of section 742.37 of the Revised Code.

~~(G)(1) Except as otherwise provided in this division, a~~ A person is eligible to receive ~~an additional~~ a benefit increase under this division if the

person is receiving a retirement allowance or benefit under an optional plan elected under this section or section 742.3715 of the Revised Code based on an award made prior to July 24, 1986, ~~and it is the case that, had the member who elected the optional plan elected instead to receive a retirement allowance payable throughout the member's life, the amount of that retirement allowance would be less than the amount specified in division (G)(2) of this section.~~ A person is not eligible to receive an additional benefit increase under this section division if the person is receiving a pension or benefit in accordance with rules in force on April 1, 1947, that govern the granting of pensions and benefits and that provide an increase in the original pension or benefit from time to time pursuant to changes in the salaries of active members.

~~(2) In 1988, the amount used to determine eligibility under division (G)(1) of this section shall be eighteen thousand dollars. Each year thereafter, the amount shall be the prior year's amount plus five hundred dollars.~~

~~(3)~~ On or before the fifteenth day of April of each year, the board shall determine the average percentage change in the consumer price index prepared by the United States bureau of labor statistics (U.S. city average for urban wage earners and clerical workers: "all items 1982-84=100") for the twelve-month period prior to the first day of January over the next preceding twelve-calendar-month period, as reported by the bureau. On a determination by the board that this change is an increase or that the change plus the accumulation described in this division (G)(3) of this section is an increase, the board shall increase all benefits payable under this section or section 742.3715 of the Revised Code to eligible persons by the actuarial equivalent of an amount determined by multiplying twelve thousand dollars by the percentage of the increase in the consumer price index, or that percentage plus the accumulation, except that the percentage shall not exceed three per cent and no benefit shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

Any percentage of change in the consumer price index in any year that is in excess of three per cent shall be accumulated and used to determine increases under this section in succeeding years. Any percentage of change in the consumer price index accumulated by an eligible person prior to September 27, 1996, shall be used in determining any future increases under this section. The first additional benefit increase is payable to all eligible persons on July 1, 1988. The additional benefit increase is payable for the ensuing twelve-month period or until the next increase is granted under this

section, whichever is later.

The date of the first ~~additional benefit~~ increase payable under this section shall be the anniversary date for future ~~additional benefits~~ increases.

Sec. 742.3715. (A) A member of the Ohio police and fire pension fund who retired under section 742.37 of the Revised Code before February 28, 1980, may elect to receive the actuarial equivalent of the member's retirement allowance in a lesser amount payable for the remainder of the member's life and continuing after death to the member's spouse under one of the optional plans described under division (A)(1) or (2) of section 742.3711 of the Revised Code, provided the amount payable under the optional plan elected is certified by the actuary engaged by ~~the board of trustees~~ of the Ohio police and fire pension fund to be the actuarial equivalent of the member's retirement allowance and is approved by the ~~board~~ fund. The election shall be made as follows:

(1) Not later than ninety days after September 26, 1984, the member shall file with the ~~board~~ fund a notice that the member wishes to be eligible to make the election authorized by this section. The ~~board~~ fund shall advise the member with respect to the choices available under the optional plans and have a determination made of the monthly benefits payable under the optional plan elected by the member for inclusion in the statement to be filed under division (A)(2) of this section.

(2) Not later than one year after September 26, 1984, the member shall file a statement, on a form provided by the ~~board~~ fund, that the member elects to receive benefits under the optional benefit plan specified in the statement.

A request or form that is mailed to the board shall be considered to have been filed on its postmark date.

(B) A member of the fund who retired under section 742.37 of the Revised Code prior to September 16, 1998, was married at the time of retirement and is currently married to the same spouse, and did not elect one of the optional plans under section 742.3711 of the Revised Code may elect to receive the actuarial equivalent of the member's retirement allowance in a lesser amount payable for the remainder of the member's life and continuing after death to the member's spouse under one of the optional plans described in division (A)(1) or (2) of section 742.3711 of the Revised Code, provided the amount payable under the optional plan elected is certified by the actuary engaged by the ~~board~~ fund to be the actuarial equivalent of the member's retirement allowance and is approved by the ~~board~~ fund.

Not later than thirty days after December 21, 1998, the ~~board~~ fund shall provide to all members described in this division written notice of the

election available under this division. The notice shall state that a member's failure to elect an optional plan under this division will result in the member's spouse, at the time of the member's death, being eligible only for a benefit under division (D) of section 742.37 of the Revised Code.

The election shall be made as follows:

(1) Not later than one hundred twenty days after December 21, 1998, the member shall file with the board fund a notice that the member wishes to make the election authorized by this section. The board fund shall advise the member with respect to the choices available under the optional plans and have a determination made of the monthly benefits payable under the optional plan elected by the member for inclusion in the statement to be filed under division (B)(2) of this section.

(2) Not later than one year after December 21, 1998, the member shall file a statement, on a form provided by the board fund, that the member elects to receive benefits under the optional plan specified in the statement. A request or form that is mailed to the board fund's principal place of business shall be considered to have been filed on its postmark date. Benefits under the optional plan shall begin on the first day of the first month following the date the statement is filed with the board fund.

(C)(1) The death of the member's spouse shall cancel any plan elected pursuant to this section and return the member to the member's single lifetime benefit equivalent, as determined by the board fund, to be effective the month following receipt by the board fund of notice of the death.

(2) On divorce, annulment, or marriage dissolution, a member receiving a retirement allowance under a plan that provides for continuation of all or part of the allowance after death for the lifetime of the member's surviving spouse may, with the written consent of the spouse or pursuant to an order of the court with jurisdiction over the termination of the marriage, elect to cancel the plan and receive the member's single lifetime benefit equivalent as determined by the board fund. The election shall be made on a form provided by the board fund and shall be effective the month following its receipt by the board fund.

(D) If the member remarries after cancellation under division (C)(1) or (2) of this section of an optional plan, the member may elect not later than one year after the date of remarriage a new optional plan based on the actuarial equivalent of the member's single lifetime benefit as determined by the board fund. The plan and the member's lesser retirement allowance shall become effective on the date the election is made on a form approved by the board fund.

(E) Any option elected and payments made under this section shall be in

addition to any benefit payable under division (D) of section 742.37 of the Revised Code.

Sec. 742.3717. (A)(1) Except as provided in division (A)(2) of this section, as used in this section, "eligible ~~retirant~~ person" means a person who meets ~~all~~ both of the following conditions:

(a) The person is receiving an annual pension or benefit under division (A), (B), or (C) of section 742.37 or division (C)(2), (3), (4), or (5) of former section 742.37 of the Revised Code based on an award made prior to July 24, 1986.

(b) The person has not elected under section 742.3711 of the Revised Code to receive a retirement allowance under an optional benefit plan.

~~(c) The amount of the annual pension or benefit is less than the amount specified in division (B) of this section.~~

(2) A person is not an eligible ~~retirant~~ person if the person is receiving a pension or benefit in accordance with rules in force on April 1, 1947, that govern the granting of pensions and benefits and that provide an increase in the original pension or benefit from time to time pursuant to changes in the salaries of active members.

~~(B) In 1988, the amount used to determine eligibility under division (A)(1)(c) of this section shall be eighteen thousand dollars. Each year thereafter, the amount shall be the prior year's amount plus five hundred dollars.~~

~~(C)~~(1) On or before the fifteenth day of April of each year, the board of trustees of the Ohio police and fire pension fund shall determine the average percentage change in the consumer price index prepared by the United States bureau of labor statistics (U.S. city average for urban wage earners and clerical workers: "all items 1982-84=100") for the twelve-month period prior to the first day of January over the next preceding twelve-calendar-month period, as reported by the bureau. Upon a determination by the board that this change is an increase or that the change plus the accumulation described in division ~~(C)~~(B)(2) of this section is an increase, the board shall increase all benefits payable to eligible persons by an amount determined by multiplying twelve thousand dollars by the percentage of the increase in the consumer price index, or that percentage plus the accumulation, except that the percentage shall not exceed three per cent and no benefit shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

(2) Any percentage of change in the consumer price index in any year that is in excess of three per cent shall be accumulated and used to

determine increases under this section in succeeding years. Any percentage of change in the consumer price index accumulated by an eligible person prior to September 27, 1996, shall be used in determining any future increases under this section. The first ~~additional benefit increase~~ increase is payable to all eligible ~~retirants~~ persons on July 1, 1988. The ~~additional benefit increase~~ increase is payable for the ensuing twelve-month period or until the next increase is granted under this section, whichever is later.

The date of the first ~~additional benefit increase~~ increase payable under this section shall be the anniversary date for future ~~additional benefits increases~~ increases.

Sec. 742.3718. (A) Except as otherwise provided in this division, each person who on September 9, 1988, is receiving a pension or benefit of less than five thousand dollars annually under division (A) or (B) of section 742.37 of the Revised Code on the basis of disability or service of twenty-five years or more, under division (C)(1) of that section, or under division (C)(2) or (5) of former section 742.37 of the Revised Code shall have the pension or benefit increased to five thousand dollars a year, effective July 1, 1988. This division does not apply to any person receiving a pension or benefit based on funded volunteer or funded part-time service.

(B) On and after July 1, 1988:

(1) The pension of each person receiving a pension or benefit under division (D) of section 742.37 of the Revised Code shall be increased to four hundred ten dollars a month.

(2) The pension of each person receiving a pension or benefit under division (E) of section 742.37 of the Revised Code shall be increased to one hundred eighteen dollars a month.

(C) Notwithstanding any average annual salary limitation in section 742.37 of the Revised Code, each person who on July 1, 1999, is receiving an annual pension or benefit described in division (A), (B), or (C)(1) or (3) of that section of less than six thousand six hundred dollars shall have the pension increased to that amount, effective July 1, 1999. The increase granted under this division shall be included in a person's base for the purpose of determining future increases under section 742.3716 of the Revised Code.

~~(D)(1) This division applies to the following persons who are receiving a pension under division (D) of section 742.37 of the Revised Code:~~

~~(a) On July 1, 1999, the person is the surviving spouse of a deceased member of the fund and is not receiving a benefit under division (B) or (D) of section 742.63 of the Revised Code.~~

~~(b) No later than one year after July 1, 1999, the person is the surviving spouse of a deceased member of the fund who was retired under section~~

~~742.37 of the Revised Code with an effective date of retirement before September 16, 1998.~~

~~(2) The~~ Except as provided in division (D)(2) of this section, the monthly pension of each person who is the surviving spouse of a deceased member of the fund and on the effective date of this amendment is receiving a pension of less than the amount described in division (D)(1) of ~~this~~ section 742.37 of the Revised Code shall be increased as follows:

(a) For the period beginning ~~July 1, 1999~~ on the first day of the first month following the effective date of this amendment, and ending June 30, 2000, to five hundred fifty dollars;

(b) For the period beginning July 1, 2000, and the first day of July of each year thereafter and continuing for the following twelve months, to an amount equal to the greater of five hundred fifty dollars or the monthly amount paid during the prior twelve-month period plus an amount determined by multiplying five hundred fifty dollars by the average percentage change in the consumer price index, not exceeding three per cent, as determined each year by the board of trustees of the Ohio police and fire pension fund under section 742.3716 of the Revised Code.

~~(3) If (2)~~ An increase under division (D)(1) of this section shall not be paid to a person who is receiving a pension under division (D)(2) of section 742.37 of the Revised Code and a benefit under division (B) or (D) of section 742.63 of the Revised Code until the person ceases to be eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code; the ~~The~~ person's monthly pension shall be increased, effective the first day of the first month following the date on which the person ceases to be eligible for the benefit, to the amount it would be under division ~~(D)(2)(1)~~ of this section had the person never been eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code.

(E) The monthly pension of each person receiving a pension under division (E) of section 742.37 of the Revised Code shall be increased to one hundred fifty dollars effective July 1, 1999.

(F) Effective July 1, 1999, the monthly pension of each person receiving a pension under division (F) of section 742.37 of the Revised Code shall be increased as follows:

- (1) If there are two dependent parents, to one hundred dollars;
- (2) If there is one dependent parent, to two hundred dollars.

SECTION 2. That existing sections 742.37, 742.3711, 742.3715, 742.3717, and 742.3718 of the Revised Code are hereby repealed.

SECTION 3. Not later than the first day of the second month after this act's effective date, the Police and Fire Pension Fund shall make a one-time payment in accordance with this section.

(A) To each person who became a surviving spouse after December 21, 1998, and is eligible for the pension increase provided under Am. Sub. H.B. 194 of the 122nd General Assembly that took effect July 1, 1999, the payment shall be one hundred forty dollars for each month the person was eligible to receive a pension during the period beginning December 22, 1998, and ending June 30, 1999.

(B) To each person who is eligible to receive the pension increase provided under division (D) of section 742.3718 of the Revised Code, as amended by this act, and is not eligible for the pension increase provided under Am. Sub. H.B. 194 of the 122nd General Assembly that took effect July 1, 1999, the payment shall be an amount equal to the difference between the amount the surviving spouse of a deceased member of the fund received under division (D) of section 742.37 of the Revised Code and the amount the surviving spouse would have received under section 742.3718 of the Revised Code, as amended by this act, had this act gone into effect on July 1, 1999.

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 _____