

AN ACT

To amend sections 124.24, 145.01, 145.04, 145.05, 145.06, 145.07, 145.09, 145.12, 145.14, 145.19, 145.20, 145.21, 145.22, 145.23, 145.25, 145.26, 145.27, 145.29, 145.291, 145.295, 145.297, 145.322, 145.325, 145.33, 145.331, 145.34, 145.36, 145.361, 145.38, 145.391, 145.41, 145.42, 145.45, 145.451, 145.452, 145.46, 145.47, 145.48, 145.491, 145.55, 145.56, 145.563, 145.71, 145.72, 145.73, 145.74, 145.75, 145.76, 306.45, 308.15, 742.379, 742.58, 2329.66, 2907.15, 2921.41, 3105.171, 3105.63, 3307.661, 3307.761, 3309.351, 3309.50, 3375.411, 3381.13, 5505.202, 5505.30, and 6121.04; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 145.19 (145.111), 145.491 (145.49), 145.53 (145.69), 145.59 (145.70), 145.71 (148.01), 145.72 (148.02), 145.73 (148.04), 145.74 (148.06), 145.75 (148.09), and 145.76 (148.10); to enact new section 145.19 and sections 145.091, 145.171, 145.191, 145.192, 145.3213, 145.332, 145.80, 145.81, 145.811, 145.812, 145.813, 145.82, 145.85, 145.86, 145.87, 145.88, 145.91, 145.92, 145.95, 145.97, 145.98, and 742.351; and to repeal sections 145.49, 145.50, and 145.52 of the Revised Code to increase certain benefits paid by the Public Employees Retirement System (PERS), to require PERS to establish a defined contribution retirement plan, to relocate the provisions governing the Ohio Deferred Compensation Program, to expand authority for transferring service credit and contributions between certain state retirement systems,

and to require that an employer of an Ohio Police and Fire Pension Fund member respond to a request for information within a specified time period.

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

SECTION 1. That sections 124.24, 145.01, 145.04, 145.05, 145.06, 145.07, 145.09, 145.12, 145.14, 145.19, 145.20, 145.21, 145.22, 145.23, 145.25, 145.26, 145.27, 145.29, 145.291, 145.295, 145.297, 145.322, 145.325, 145.33, 145.331, 145.34, 145.36, 145.361, 145.38, 145.391, 145.41, 145.42, 145.45, 145.451, 145.452, 145.46, 145.47, 145.48, 145.491, 145.55, 145.56, 145.563, 145.71, 145.72, 145.73, 145.74, 145.75, 145.76, 306.45, 308.15, 742.379, 742.58, 2329.66, 2907.15, 2921.41, 3105.171, 3105.63, 3307.661, 3307.761, 3309.351, 3309.50, 3375.411, 3381.13, 5505.202, 5505.30, and 6121.04 be amended; that sections 145.19 (145.111), 145.491 (145.49), 145.53 (145.69), 145.59 (145.70), 145.71 (148.01), 145.72 (148.02), 145.73 (148.04), 145.74 (148.06), 145.75 (148.09), and 145.76 (148.10) be amended, for the purpose of adopting new section numbers as indicated in parentheses; and that new section 145.19 and sections 145.091, 145.171, 145.191, 145.192, 145.3213, 145.332, 145.80, 145.81, 145.811, 145.812, 145.813, 145.82, 145.85, 145.86, 145.87, 145.88, 145.91, 145.92, 145.95, 145.97, 145.98, and 742.351 of the Revised Code be enacted to read as follows:

Sec. 124.24. Notwithstanding sections 124.01 to 124.64 and ~~145.01 to 145.57~~ Chapter 145, of the Revised Code, the examinations of applicants for the ~~position~~ positions of deputy mine inspector, superintendent of rescue stations, assistant superintendent of rescue stations, electrical inspectors, gas storage well inspector, and mine chemists in the division of mines and reclamation, department of natural resources, as provided in Chapters 1561., 1563., 1565., and 1567. of the Revised Code shall be ~~provided~~ provided for, conducted, and administered by the mine examining board created by section 1561.10 of the Revised Code.

From the returns of the examinations the mine examining board shall prepare eligible lists of the persons whose general average standing upon examinations for such grade or class is not less than the minimum fixed by the rules of said board and who are otherwise eligible. All appointments to the said position shall be made from such eligible list in the same manner as appointments are made from eligible lists prepared by the director of administrative services. Any person upon being appointed to fill one of the

positions provided for in this section, from any such eligible list, shall have the same standing, rights, privileges, and status as other state employees in the classified service.

Sec. 145.01. As used in this chapter:

(A) "Public employee" means:

(1) Any person holding an office, not elective, under the state or any county, township, municipal corporation, park district, conservancy district, sanitary district, health district, metropolitan housing authority, state retirement board, Ohio historical society, public library, county law library, union cemetery, joint hospital, institutional commissary, state university, or board, bureau, commission, council, committee, authority, or administrative body as the same are, or have been, created by action of the general assembly or by the legislative authority of any of the units of local government named in division (A)(1) of this section, or employed and paid in whole or in part by the state or any of the authorities named in division (A)(1) of this section in any capacity not covered by section 742.01, 3307.01, 3309.01, or 5505.01 of the Revised Code.

(2) A person who is a member of the public employees retirement system and who continues to perform the same or similar duties under the direction of a contractor who has contracted to take over what before the date of the contract was a publicly operated function. The governmental unit with which the contract has been made shall be deemed the employer for the purposes of administering this chapter.

(3) Any person who is an employee of a public employer, notwithstanding that the person's compensation for that employment is derived from funds of a person or entity other than the employer. Credit for such service shall be included as total service credit, provided that the employee makes the payments required by this chapter, and the employer makes the payments required by sections 145.48 and 145.51 of the Revised Code.

In all cases of doubt, the public employees retirement board shall determine whether any person is a public employee, and its decision is final.

(B) "Member" means any public employee, other than a public employee excluded or exempted from membership in the retirement system by section 145.03, 145.031, 145.032, 145.033, 145.034, 145.035, or 145.38 of the Revised Code. "Member" includes a PERS retirant who becomes a member under division (C)(2) of section 145.38 of the Revised Code. "Member" also includes a disability benefit recipient.

(C) "Head of the department" means the elective or appointive head of the several executive, judicial, and administrative departments, institutions,

boards, and commissions of the state and local government as the same are created and defined by the laws of this state or, in case of a charter government, by that charter.

(D) "Employer" or "public employer" means the state or any county, township, municipal corporation, park district, conservancy district, sanitary district, health district, metropolitan housing authority, state retirement board, Ohio historical society, public library, county law library, union cemetery, joint hospital, institutional commissary, state medical college, state university, or board, bureau, commission, council, committee, authority, or administrative body as the same are, or have been, created by action of the general assembly or by the legislative authority of any of the units of local government named in this division not covered by section 742.01, 3307.01 ~~or~~, 3309.01, or 5505.01 of the Revised Code. In addition, "employer" means the employer of any public employee.

(E) "Prior service" means all service as a public employee rendered before January 1, 1935, and all service as an employee of any employer who comes within the state teachers retirement system or of the school employees retirement system or of any other retirement system established under the laws of this state rendered prior to January 1, 1935, provided that if the employee claiming the service was employed in any capacity covered by that other system after that other system was established, credit for the service may be allowed by the public employees retirement system only when the employee has made payment, to be computed on the salary earned from the date of appointment to the date membership was established in the public employees retirement system, at the rate in effect at the time of payment, and the employer has made payment of the corresponding full liability as provided by section 145.44 of the Revised Code. "Prior service" also means all service credited for active duty with the armed forces of the United States as provided in section 145.30 of the Revised Code.

If an employee who has been granted prior service credit by the public employees retirement system for service rendered prior to January 1, 1935, as an employee of a board of education establishes, before retirement, one year or more of contributing service in the state teachers retirement system or school employees retirement system, then the prior service ceases to be the liability of this system.

If the board determines that a position of any member in any calendar year prior to January 1, 1935, was a part-time position, the board shall determine what fractional part of a year's credit shall be allowed by the following formula:

- (1) When the member has been either elected or appointed to an office

the term of which was two or more years and for which an annual salary is established, the fractional part of the year's credit shall be computed as follows:

First, when the member's annual salary is one thousand dollars or less, the service credit for each such calendar year shall be forty per cent of a year.

Second, for each full one hundred dollars of annual salary above one thousand dollars, the member's service credit for each such calendar year shall be increased by two and one-half per cent.

(2) When the member is paid on a per diem basis, the service credit for any single year of the service shall be determined by using the number of days of service for which the compensation was received in any such year as a numerator and using two hundred fifty days as a denominator.

(3) When the member is paid on an hourly basis, the service credit for any single year of the service shall be determined by using the number of hours of service for which the compensation was received in any such year as a numerator and using two thousand hours as a denominator.

(F) "Contributor" means any person who has an account in the employees' savings fund created by section 145.23 of the Revised Code. When used in the sections listed in division (B) of section 145.82 of the Revised Code, "contributor" includes any person participating in a plan established under section 145.81 of the Revised Code.

(G) "Beneficiary" or "beneficiaries" means the estate or a person or persons who, as the result of the death of a member, contributor, or retirant, qualify for or are receiving some right or benefit under this chapter.

(H)(1) "Total service credit," except as provided in section 145.37 of the Revised Code, means all service credited to a member of the retirement system since last becoming a member, including restored service credit as provided by section 145.31 of the Revised Code; credit purchased under sections 145.293 and 145.299 of the Revised Code; all the member's prior service credit; all the member's military service credit computed as provided in this chapter; all service credit established pursuant to section 145.297 of the Revised Code; and any other service credited under this chapter. In addition, "total service credit" includes any period, not in excess of three years, during which a member was out of service and receiving benefits under Chapters 4121. and 4123. of the Revised Code. For the exclusive purpose of satisfying the service credit requirement and of determining eligibility for benefits under sections 145.32, 145.33, 145.331, 145.35, 145.36, and 145.361 of the Revised Code, "five or more years of total service credit" means sixty or more calendar months of contributing service

in this system.

(2) "One and one-half years of contributing service credit," as used in division (B) of section 145.45 of the Revised Code, also means eighteen or more calendar months of employment by a municipal corporation that formerly operated its own retirement plan for its employees or a part of its employees, provided that all employees of that municipal retirement plan who have eighteen or more months of such employment, upon establishing membership in the public employees retirement system, shall make a payment of the contributions they would have paid had they been members of this system for the eighteen months of employment preceding the date membership was established. When that payment has been made by all such employee members, a corresponding payment shall be paid into the employers' accumulation fund by that municipal corporation as the employer of the employees.

(3) Where a member also is a member of the state teachers retirement system or the school employees retirement system, or both, except in cases of retirement on a combined basis pursuant to section 145.37 of the Revised Code, service credit for any period shall be credited on the basis of the ratio that contributions to the public employees retirement system bear to total contributions in all state retirement systems.

(4) Not more than one year of credit may be given for any period of twelve months.

(5) "Ohio service credit" means credit for service that was rendered to the state or any of its political subdivisions or any employer.

(I) "Regular or current interest" means interest at any rates for the respective funds and accounts as the public employees retirement board may determine from time to time, except as follows:

(1) Subsequent to December 31, 1958, the retirement board shall discontinue the annual crediting of current interest to the individual accounts of contributors. The noncrediting of current interest shall not affect the rate of interest at retirement guaranteed under division (I) of this section.

(2) The rate of interest credited on a contributor's contributions at retirement shall be four per cent per annum, compounded annually, to and including December 31, 1955; three per cent per annum, compounded annually, from January 1, 1956, to and including December 31, 1963; three and one-quarter per cent per annum, compounded annually, from January 1, 1964, to and including December 31, 1969; and thereafter four per cent per annum, compounded annually.

In determining the reserve value for the purpose of computing the amount of the contributor's annuity, the rate of interest used in the annuity

values shall be four per cent per annum, compounded annually, for contributors retiring before October 1, 1956, and after December 31, 1969; three per cent per annum, compounded annually, for contributors retiring between October 1, 1956, and December 31, 1963; and three and one-quarter per cent per annum, compounded annually, for contributors retiring from January 1, 1964, to December 31, 1969. Interest on contributions from contributors within any one calendar year shall begin on the first day of the calendar year next following and shall be computed at the end of each calendar year, except in the case of a contributor who retires before the end of the year.

(J) "Accumulated contributions" means the sum of all amounts credited to a contributor's individual account in the employees' savings fund together with any current interest thereon, but does not include the interest adjustment at retirement.

(K)(1) "Final average salary" means the quotient obtained by dividing by three the sum of the three full calendar years of contributing service in which the member's earnable salary was highest, except that if the member has a partial year of contributing service in the year the member's employment terminates and the member's earnable salary for the partial year is higher than for any comparable period in the three years, the member's earnable salary for the partial year shall be substituted for the member's earnable salary for the comparable period during the three years in which the member's earnable salary was lowest.

(2) If a member has less than three years of contributing service, the member's final average salary shall be the member's total earnable salary divided by the total number of years, including any fraction of a year, of the member's contributing service.

(3) For the purpose of calculating benefits payable to a member qualifying for service credit under division (Z) of this section, "final average salary" means the total earnable salary on which contributions were made divided by the total number of years during which contributions were made, including any fraction of a year. If contributions were made for less than twelve months, "final average salary" means the member's total earnable salary.

(L) "Annuity" means payments for life derived from contributions made by a contributor and paid from the annuity and pension reserve fund as provided in this chapter. All annuities shall be paid in twelve equal monthly installments.

(M) "Annuity reserve" means the present value, computed upon the basis of the mortality and other tables adopted by the board, of all payments

to be made on account of any annuity, or benefit in lieu of any annuity, granted to a retirant as provided in this chapter.

(N)(1) "Disability retirement" means retirement as provided in section 145.36 of the Revised Code.

(2) "Disability allowance" means an allowance paid on account of disability under section 145.361 of the Revised Code.

(3) "Disability benefit" means a benefit paid as disability retirement under section 145.36 of the Revised Code, as a disability allowance under section 145.361 of the Revised Code, or as a disability benefit under section 145.37 of the Revised Code.

(4) "Disability benefit recipient" means a member who is receiving a disability benefit.

(O) "Age and service retirement" means retirement as provided in sections 145.32, 145.33, 145.331, 145.34, 145.37, and 145.46 of the Revised Code.

(P) "Pensions" means annual payments for life derived from contributions made by the employer that at the time of retirement are credited into the annuity and pension reserve fund from the employers' accumulation fund and paid from the annuity and pension reserve fund as provided in this chapter. All pensions shall be paid in twelve equal monthly installments.

(Q) "Retirement allowance" means the pension plus that portion of the benefit derived from contributions made by the member.

(R)(1) Except as otherwise provided in division (R) of this section, "earnable salary" means all salary, wages, and other earnings paid to a contributor by reason of employment in a position covered by the retirement system. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the employees' savings fund under section 145.47 of the Revised Code and without regard to whether any of the salary, wages, or other earnings are treated as deferred income for federal income tax purposes. "Earnable salary" includes the following:

(a) Payments made by the employer in lieu of salary, wages, or other earnings for sick leave, personal leave, or vacation used by the contributor;

(b) Payments made by the employer for the conversion of sick leave, personal leave, and vacation leave accrued, but not used if the payment is made during the year in which the leave is accrued, except that payments made pursuant to section 124.383 or 124.386 of the Revised Code are not earnable salary;

(c) Allowances paid by the employer for full maintenance, consisting of

housing, laundry, and meals, as certified to the retirement board by the employer or the head of the department that employs the contributor;

(d) Fees and commissions paid under section 507.09 of the Revised Code;

(e) Payments that are made under a disability leave program sponsored by the employer and for which the employer is required by section 145.296 of the Revised Code to make periodic employer and employee contributions;

(f) Amounts included pursuant to divisions (K)(3) and (Y) of this section.

(2) "Earnable salary" does not include any of the following:

(a) Fees and commissions, other than those paid under section 507.09 of the Revised Code, paid as sole compensation for personal services and fees and commissions for special services over and above services for which the contributor receives a salary;

(b) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the contributor or the contributor's family, or amounts paid by the employer to the contributor in lieu of providing the insurance;

(c) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, or use of the employer's property or equipment, or amounts paid by the employer to the contributor in lieu of providing the incidental benefits;

(d) Reimbursement for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development;

(e) Payments for accrued but unused sick leave, personal leave, or vacation that are made at any time other than in the year in which the sick leave, personal leave, or vacation was accrued;

(f) Payments made to or on behalf of a contributor that are in excess of the annual compensation that may be taken into account by the retirement system under division (a)(17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a)(17), as amended;

(g) Payments made under division (B) or (D) of section 5923.05 of the Revised Code or Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly;

(h) Anything of value received by the contributor that is based on or attributable to retirement or an agreement to retire, except that payments made on or before January 1, 1989, that are based on or attributable to an agreement to retire shall be included in earnable salary if both of the

Following apply:

(i) The payments are made in accordance with contract provisions that were in effect prior to January 1, 1986;

(ii) The employer pays the retirement system an amount specified by the retirement board equal to the additional liability resulting from the payments.

(3) The retirement board shall determine by rule whether any compensation not enumerated in division (R) of this section is earnable salary, and its decision shall be final.

(S) "Pension reserve" means the present value, computed upon the basis of the mortality and other tables adopted by the board, of all payments to be made on account of any retirement allowance or benefit in lieu of any retirement allowance, granted to a member or beneficiary under this chapter.

(T)(1) "Contributing service" means all service credited to a member of the system since January 1, 1935, for which contributions are made as required by sections 145.47, 145.48, and 145.483 of the Revised Code. In any year subsequent to 1934, credit for any service shall be allowed by the following formula:

(a) For each month for which the member's earnable salary is two hundred fifty dollars or more, allow one month's credit.

(b) For each month for which the member's earnable salary is less than two hundred fifty dollars, allow a fraction of a month's credit. The numerator of this fraction shall be the earnable salary during the month, and the denominator shall be two hundred fifty dollars, except that if the member's annual earnable salary is less than six hundred dollars, the member's credit shall not be reduced below twenty per cent of a year for a calendar year of employment during which the member worked each month. Division (T)(1)(b) of this section shall not reduce any credit earned before January 1, 1985.

(2) Notwithstanding division (T)(1) of this section, an elected official who prior to January 1, 1980, was granted a full year of credit for each year of service as an elected official shall be considered to have earned a full year of credit for each year of service regardless of whether the service was full-time or part-time. The public employees retirement board has no authority to reduce the credit.

(U) "State retirement board" means the public employees retirement board, the school employees retirement board, or the state teachers retirement board.

(V) "Retirant" means any former member who retires and is receiving a monthly allowance as provided in sections 145.32, 145.33, 145.331, 145.34,

and 145.46 of the Revised Code.

(W) "Employer contribution" means the amount paid by an employer as determined ~~by the employer rate including the normal and deficiency contribution rates~~ under section 145.48 of the Revised Code.

(X) "Public service terminates" means the last day for which a public employee is compensated for services performed for an employer or the date of the employee's death, whichever occurs first.

(Y) When a member has been elected or appointed to an office, the term of which is two or more years, for which an annual salary is established, and in the event that the salary of the office is increased and the member is denied the additional salary by reason of any constitutional provision prohibiting an increase in salary during a term of office, the member may elect to have the amount of the member's contributions calculated upon the basis of the increased salary for the office. At the member's request, the board shall compute the total additional amount the member would have contributed, or the amount by which each of the member's contributions would have increased, had the member received the increased salary for the office the member holds. If the member elects to have the amount by which the member's contribution would have increased withheld from the member's salary, the member shall notify the employer, and the employer shall make the withholding and transmit it to the retirement system. A member who has not elected to have that amount withheld may elect at any time to make a payment to the retirement system equal to the additional amount the member's contribution would have increased, plus interest on that contribution, compounded annually at a rate established by the board and computed from the date on which the last contribution would have been withheld from the member's salary to the date of payment. A member may make a payment for part of the period for which the increased contribution was not withheld, in which case the interest shall be computed from the date the last contribution would have been withheld for the period for which the payment is made. Upon the payment of the increased contributions as provided in this division, the increased annual salary as provided by law for the office for the period for which the member paid increased contributions thereon shall be used in determining the member's earnable salary for the purpose of computing the member's final average salary.

(Z) "Five years of service credit," for the exclusive purpose of satisfying the service credit requirements and of determining eligibility for benefits under section 145.33 of the Revised Code, means employment covered under this chapter or under a former retirement plan operated, recognized, or endorsed by the employer prior to coverage under this chapter or under a

combination of the coverage.

(AA) "Deputy sheriff" means any person who is commissioned and employed as a full-time peace officer by the sheriff of any county, and has been so employed since on or before December 31, 1965, and whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of this state; any person who is or has been commissioned and employed as a peace officer by the sheriff of any county since January 1, 1966, and who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code and whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state; or any person deputized by the sheriff of any county and employed pursuant to section 2301.12 of the Revised Code as a criminal bailiff or court constable who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code and whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state.

(BB) "Township constable or police officer in a township police department or district" means any person who is commissioned and employed as a full-time peace officer pursuant to Chapter 505. or 509. of the Revised Code, who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code, and whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state.

(CC) "Drug agent" means any person who is either of the following:

(1) Employed full-time as a narcotics agent by a county narcotics agency created pursuant to section 307.15 of the Revised Code and has received a certificate attesting to the satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code;

(2) Employed full-time as an undercover drug agent as defined in section 109.79 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(DD) "Department of public safety enforcement agent" means a full-time employee of the department of public safety who is designated under section 5502.14 of the Revised Code as an enforcement agent and who is in compliance with section 109.77 of the Revised Code.

(EE) "Natural resources law enforcement staff officer" means a full-time employee of the department of natural resources who is designated

a natural resources law enforcement staff officer under section 1501.013 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(FF) "Park officer" means a full-time employee of the department of natural resources who is designated a park officer under section 1541.10 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(GG) "Forest officer" means a full-time employee of the department of natural resources who is designated a forest officer under section 1503.29 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(HH) "Preserve officer" means a full-time employee of the department of natural resources who is designated a preserve officer under section 1517.10 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(II) "Wildlife officer" means a full-time employee of the department of natural resources who is designated a wildlife officer under section 1531.13 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(JJ) "State watercraft officer" means a full-time employee of the department of natural resources who is designated a state watercraft officer under section 1547.521 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(KK) "Park district police officer" means a full-time employee of a park district who is designated pursuant to section 511.232 or 1545.13 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(LL) "Conservancy district officer" means a full-time employee of a conservancy district who is designated pursuant to section 6101.75 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(MM) "Municipal police officer" means a member of the organized police department of a municipal corporation who is employed full-time, is in compliance with section 109.77 of the Revised Code, and is not a member of the Ohio police and fire pension fund.

(NN) "Ohio veterans' home police officer" means any person who is employed at the Ohio veterans' home as a police officer pursuant to section 5907.02 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(OO) "Special police officer for a mental health institution" means any

person who is designated as such pursuant to section 5119.14 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(PP) "Special police officer for an institution for the mentally retarded and developmentally disabled" means any person who is designated as such pursuant to section 5123.13 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(QQ) "State university law enforcement officer" means any person who is employed full-time as a state university law enforcement officer pursuant to section 3345.04 of the Revised Code and who is in compliance with section 109.77 of the Revised Code.

(RR) "Hamilton county municipal court bailiff" means a person appointed by the clerk of courts of the Hamilton county municipal court under division (A)(3) of section 1901.32 of the Revised Code who is employed full-time as a bailiff or deputy bailiff, who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by division (C) of section 109.77 of the Revised Code, and whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of this state.

(SS) Notwithstanding section 2901.01 of the Revised Code, "law enforcement officer" means a sheriff, deputy sheriff, township constable or police officer in a township police department or district, drug agent, department of public safety enforcement agent, natural resources law enforcement staff officer, park officer, forest officer, preserve officer, wildlife officer, state watercraft officer, park district police officer, conservancy district officer, Ohio veterans' home police officer, special police officer for a mental health institution, special police officer for an institution for the mentally retarded and developmentally disabled, state university law enforcement officer, Hamilton county municipal court bailiff, or municipal police officer.

(TT) "Fiduciary" means a person who does any of the following:

(1) Exercises any discretionary authority or control with respect to the management of the system or with respect to the management or disposition of its assets;

(2) Renders investment advice for a fee, direct or indirect, with respect to money or property of the system;

(3) Has any discretionary authority or responsibility in the administration of the system.

(UU) "Actuary" means an individual who satisfies all of the following requirements:

(1) Is a member of the American academy of actuaries;

(2) Is an associate or fellow of the society of actuaries;

(3) Has a minimum of five years' experience in providing actuarial services to public retirement plans.

Sec. 145.04. The general administration and management of the public employees retirement system and the making effective of ~~sections 145.01 to 145.59~~ Chapter 145, of the Revised Code, are hereby vested in a board to be known as the "public employees retirement board," which shall consist of nine members as follows:

(A) The attorney general;

(B) The auditor of state;

(C) The director of administrative services;

(D) Five members, known as employee members, one of whom shall be a state employee member of the system, who shall be elected by ballot by the state employee members of the system from among their number; another of whom shall be a county employee member of the system, who shall be elected by ballot by the county employee members of the system from among their number; another of whom shall be a municipal employee member of the system, who shall be elected by ballot by the municipal employee members of the system from among their number; another of whom shall be a university or college employee member of the system, who shall be elected by ballot by the university and college employee members of the system from among their number; and another of whom shall be a park district, conservancy district, sanitary district, health district, public library, township, metropolitan housing authority, union cemetery, joint hospital, or institutional commissary employee member of the system, who shall be elected by ballot by the park district, conservancy district, sanitary district, health district, metropolitan housing authority, township, public library, union cemetery, joint hospital, and institutional commissary employee members of the system from among their number, in a manner to be approved by the board. Members of the system who are receiving a disability benefit under this chapter are ineligible for membership on the board as employee members.

(E) One member, known as the retirant member, who shall be a former member of the public employees retirement system who is a resident of this state and a recipient of age and service retirement benefits under this chapter ~~and a resident of this state, or a member of the system who is a recipient of a disability benefit under this chapter and a resident of this state, or benefits paid under a plan established under section 145.81 of the Revised Code.~~ The retirant member shall be elected by ballot by former members of the system who are receiving age and service retirement benefits under this chapter and

~~members of the system who are receiving,~~ a disability benefit ~~under this chapter,~~ or benefits paid under a plan established under section 145.81 of the Revised Code.

Sec. 145.05. (A) The terms of office of employee members of the public employees retirement board shall be for four years each beginning on the first day of January following election. The election of the county employee member of the board and the employee member of the board representing public library, health district, park district, conservancy district, sanitary district, township, metropolitan housing authority, union cemetery, joint hospital, and institutional commissary employees shall be held on the first Monday in October, 1945, and on the first Monday in October in each fourth year thereafter. The election of the state employee member of the board and the municipal employee member of the board shall be held on the first Monday in October, 1946, and on the first Monday in October in each fourth year thereafter. The election of the initial university-college employee member of the board shall be held on the first Monday in October, 1978, and elections for subsequent university-college employee members of the board shall be held on the first Monday in October in each fourth year thereafter.

(B) The term of office of the retirant member of the public employees retirement board shall be for four years beginning on the first day of January following the election. The election of the initial retirant member of the board shall be held on the first Monday in October, 1978, and elections for subsequent retirant members of the board shall be held on the first Monday in October in each fourth year thereafter.

(C) All elections for employee members of the public employees retirement board shall be held under the direction of the board. Any member of the public employees retirement system, except a member who is receiving a disability benefit under this chapter, is eligible for election as an employee member of the board to represent the employee group ~~of which he is a~~ that includes the member, provided that ~~he~~ the member has been nominated by a petition signed by at least five hundred members of the employee group to be represented and further provided that there shall be not less than twenty such signers from each of at least ten counties of the state. The name of any member so nominated shall be placed upon the ballot by the board as a regular candidate. Names of other eligible candidates may, at any election, be substituted for the regular candidates by writing such names upon the ballots. The candidate who receives the highest number of votes for a particular employee member position on the board shall be elected to that office.

(D) All elections for the retirant member of the public employees retirement board shall be held under the direction of the board. Any former member of the public employees retirement system who is ~~a recipient of service retirement benefits under this chapter and a resident of this state, and any member of the system who is a recipient of a disability benefit under this chapter and a resident of this state,~~ described in division (E) of section 145.04 of the Revised Code is eligible for election as the retirant member of the board to represent ~~the recipients of age and service retirants and retirement, a disability benefit recipients of the system, or benefits paid under a plan established under section 145.81 of the Revised Code,~~ provided that such person has been nominated by a petition signed by at least two hundred fifty former members of the system who are receiving recipients of age and service retirement benefits under this chapter or members of the system who are receiving, a disability benefit, or benefits paid under this chapter a plan established under section 145.81 of the Revised Code, or any combination of such ~~service retirants and disability benefit~~ recipients that totals two hundred fifty. The petition shall contain the signatures of at least ten such ~~retirants or~~ recipients from each of at least five counties wherein ~~service retirants or disability benefit~~ recipients under of benefits from the system reside.

The name of any ~~disability benefit recipient or service retirant under the system~~ person nominated in this manner shall be placed upon the ballot by the board as a regular candidate. Names of other eligible candidates may, at any election for the retirant member of the board, be substituted for the regular candidates by writing the names of such persons upon the ballot. The candidate who receives the highest number of votes for any term as the retirant member of the board shall be elected to office.

Sec. 145.06. (A) If a vacancy occurs in the term of any employee member of the public employees retirement board, the remaining members of the board shall elect an employee member from the employee group lacking representation because of the vacancy for the unexpired term.

Any employee member of the board who fails to attend the meetings of the board for three months or longer, without valid excuse, shall be considered as having resigned, and the board shall declare ~~his~~ the employee member's office vacated as of the date of the adoption of a proper resolution.

(B) If a vacancy occurs during the term of office of the retirant member of the board, the remaining members of the board shall elect a successor retirant member who shall hold office for the remainder of the predecessor retirant member's term. The successor retirant member shall be a former member of the public employees retirement system who is ~~a recipient of~~

~~service retirement benefits under this chapter and a resident of this state, or a member of the system who is a recipient of a disability benefit under this chapter and a resident of this state~~ eligible for election under section 145.04 of the Revised Code as the retirant member of the board.

If a retirant member of the board fails to attend the meetings of the board for three months or longer, without valid excuse, ~~he~~ the retirant member shall be considered as having resigned, and the board shall declare ~~his~~ the member's office vacated as of the date of the adoption of a proper resolution.

If as a result of changed circumstances the retirant member would no longer qualify for membership on the board as the retirant member, ~~his~~ the retirant member's office shall be considered vacant, and a successor retirant member shall be chosen in the manner specified in this division.

(C) If a person elected to serve on the board is unable to assume office at the January meeting of the board following ~~his or her~~ the person's election, a special election shall be held in accordance with the provisions of section 145.05 of the Revised Code within three months of the January meeting and the newly elected person shall assume office at the meeting of the board immediately following the special election.

Sec. 145.07. Each member of the public employees retirement board, upon assuming office, shall take an oath that ~~he~~ the member will support the constitution of the United States and the constitution of the state, and that ~~he~~ the member will diligently and honestly administer the affairs of the board and that ~~he~~ the member will not knowingly violate or willfully permit to be violated ~~sections 145.01 to 145.58~~ any provision of the Revised Code this chapter. Such oath shall be subscribed to by the member making it, and certified by the officer before whom it is taken, and shall be immediately filed in the office of the secretary of state. A majority of the members of the board constitutes a quorum. All meetings of the board shall be open to the public except executive sessions as set forth in division (G) of section 121.22 of the Revised Code, and any portions of any sessions discussing medical records or the degree of disability of a member excluded from public inspection by section 145.27 of the Revised Code.

Sec. 145.09. The public employees retirement board shall elect from its membership a chairperson, and shall appoint an executive director who shall serve as secretary to the board, an actuary, and other employees as necessary for the transaction of the business of the public employees retirement system. The compensation of all persons so appointed shall be fixed by the board. Every expense voucher of an employee, officer, or board member of the public employees retirement system shall itemize all purchases and

expenditures.

The board shall perform other functions as required for the proper execution of ~~sections 145.01 to 145.58 of the Revised Code~~ this chapter, and may adopt rules in accordance with section 111.15 of the Revised Code for the proper administration and management of ~~sections 145.01 to 145.58 of the Revised Code~~ this chapter.

~~The attorney general shall prescribe procedures for the adoption of rules authorized under this chapter, consistent with the provision of section 111.15 of the Revised Code under which all rules shall be filed in order to be effective. Such procedures shall establish methods by which notice~~ The board may take all appropriate action to avoid payment by the system or its members of federal or state income taxes on contributions to the system or amounts earned on such contributions.

Notice of proposed rules is shall be given to interested parties and rules adopted by the board shall be published and otherwise made available. When it files a rule with the joint committee on agency rule review pursuant to section 111.15 of the Revised Code, the board shall submit to the Ohio retirement study council a copy of the full text of the rule, and if applicable, a copy of the rule summary and fiscal analysis required by division (B) of section 127.18 of the Revised Code.

The board may sue and be sued, plead and be impleaded, contract and be contracted with. All of its business shall be transacted, all of its funds invested, all warrants for money drawn and payments made, and all of its cash and securities and other property shall be held in the name of the board, or in the name of its nominee, provided that nominees are authorized by retirement board resolution for the purpose of facilitating the ownership and transfer of investments ~~and restricted to members of the board, the executive director, and designated members of the staff, or a partnership composed of any of the foregoing persons.~~

Sec. 145.091. The public employees retirement system shall administer the plan described in sections 145.201 to 145.70 of the Revised Code and the plan or plans established under section 145.81 of the Revised Code.

Sec. ~~145.19~~ 145.111. Except as provided in ~~sections 145.01 to 145.57, inclusive, of the Revised Code~~ this chapter, no member or employee of the public employees retirement board shall have any interest direct or indirect in the gains or profits of any investment made by the board nor as such directly or indirectly receive any pay or emolument of ~~his~~ the member's or employee's services. No member or person connected with the board directly or indirectly, for ~~himself~~ self or as an agent or partner of others, shall borrow any of its funds or deposits or in any manner use the same

except to make such current and necessary payments as are authorized by the board. No member or employee shall become an indorser or surety or become in any manner an obligor for moneys loaned by or borrowed from the board.

Sec. 145.12. The public employees retirement board shall prepare and submit to the board of county commissioners and county auditor of each county, to the executive head of each municipal corporation, park district, conservancy district, health district, and metropolitan housing authority, to the board of township trustees of each township, and to the board of trustees of each public library, and to each employer, except the state of Ohio, mentioned in division (D) of section 145.01 of the Revised Code, prior to the fifteenth day of July of each year, a certification of the rate necessary to pay the obligation of each county, municipal corporation, park district, conservancy district, health district, township, metropolitan housing authority, or public library accruing during the year beginning the first day of January of the following year, and shall submit to the budget commission of each county a copy of such statement for said county and for each municipal corporation, township, and public library within such county. The rate so certified to each county, township, public library, and municipal corporation shall be a percentage of the earnable salary of all contributors in the employ of such employer, and an amount determined by multiplying the total annual earnable salary of all such contributors employed by the employer by such rate and the amount so determined shall be included in its budget and allowed by the budget commission.

The board of county commissioners of each county, the legislative authority of each municipal corporation, the board of commissioners of any park district, the board of directors of any conservancy district, the members of any metropolitan housing authority, the fiscal officers of any health district, the board of township trustees of each township, and the board of trustees of each public library shall appropriate sufficient funds to provide for such obligations.

The board of county commissioners of each county, the legislative authority of each municipal corporation, the board of commissioners of any park district, the board of directors of any conservancy district, the members of any metropolitan housing authority, the fiscal officers of any health district, the board of township trustees of each township, and the board of trustees of each public library may reimburse the fund from which such appropriation is made by transferring to such fund from any other fund of such subdivision the proportionate amount of such appropriation that should be chargeable to such fund whether such fund is derived from taxation or

otherwise.

Such payment may be made directly out of any funds, whether derived from taxation or otherwise, from which the salaries or compensation of public employees, on account of whom such payments are to be made, are payable. Upon certification by the public employees retirement board of the amount due by an employer within any county who is subject to ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter, such payment shall be made from any fund or funds in the hands of the county auditor for distribution to such employer.

Sec. 145.14. For the purpose of meeting disbursements for annuities and other payments in excess of the receipts, there shall be kept available by the treasurer of state an amount not exceeding ten per cent of the total amount in the funds provided for by ~~sections 145.01 to 145.57, inclusive, of the Revised Code~~, this chapter on deposit in any bank or banks in this state, organized under the laws thereof, or under the laws of the United States, or with any trust company or trust companies incorporated by the law of this state. Said banks or trust companies shall furnish adequate security for said deposit. The sum so deposited in any one bank or trust company shall not exceed twenty-five per cent of the paid-up capital and surplus of said bank or trust company.

Sec. 145.171. On receipt of notice under section 145.17 of the Revised Code of the employment of a new public employee, the public employees retirement system shall inform the employee of the requirements of section 145.19 of the Revised Code.

Sec. 145.19. (A) Except as provided in division (D) of this section, an individual who becomes a member of the public employees retirement system on or after the date on which the public employees retirement board establishes a plan under section 145.81 of the Revised Code shall make an election under this section. Not later than one hundred eighty days after the date on which employment begins, the individual shall elect to participate either in the plan described in sections 145.201 to 145.79 of the Revised Code or one of the plans established under section 145.81 of the Revised Code. If a form evidencing an election under this section is not on file with the employer at the end of the one-hundred-eighty-day period, the individual is deemed to have elected to participate in the plan described in sections 145.201 to 145.79 of the Revised Code.

(B) An election under this section shall be made in writing on a form provided by the retirement system and filed with the employer's personnel officer. Not later than ten days after receiving the form evidencing the election, the employer shall transmit to the system a copy that includes a

statement certifying that it is a true and accurate copy of the original.

(C) An election under this section shall take effect on the date employment began and is irrevocable on receipt by the employer.

(D) An individual is ineligible to make an election under this section if one of the following applies:

(1) At the time employment begins, the individual is already a member or contributor participating in the plan described in sections 145.201 to 145.79 of the Revised Code or a PERS retirant, as defined in section 145.38 of the Revised Code.

(2) An election to participate in an alternative retirement plan under section 3305.05 of the Revised Code is in effect for employment covered by the system.

(3) The individual is a law enforcement officer.

Sec. 145.191. (A) A member of the public employees retirement system, other than a member who is a law enforcement officer, who, as of the last day of the month immediately preceding the date on which the system establishes a plan under section 145.81 of the Revised Code, has less than five years of total service credit is eligible to make an election under this section.

Not later than one hundred eighty days after the day the board first establishes one or more plans under section 145.81 of the Revised Code, an eligible member may elect to participate in a plan established under that section. If an election is not made, a member to whom this section applies is deemed to have elected to continue participating in the plan described in sections 145.201 to 145.79 of the Revised Code.

(B) An election under this section shall be made in writing on a form provided by the system and filed with the system.

(C) On receipt of an election under this section, the system shall do both of the following:

(1) Credit to the account of the member in the defined contribution fund the accumulated contributions standing to the member's credit in the employees' savings fund;

(2) Cancel all service credit and eligibility for any payment, benefit, or right under the plan described in sections 145.201 to 145.79 of the Revised Code.

(D) An election under this section shall be irrevocable on receipt by the system.

Sec. 145.192. A member of the public employees retirement system who elects to participate in a plan established under section 145.81 of the Revised Code shall be ineligible for any benefit or payment under sections

145.201 to 145.79 of the Revised Code and shall be forever barred from claiming or purchasing service credit with the system or any other Ohio state retirement system, as defined in section 145.30 of the Revised Code, for service covered by the election.

Sec. 145.20. Any elective official of the state of Ohio or of any political subdivision thereof having employees in the public employees retirement system shall be considered as an employee of the state or such political subdivision, and may become a member of the system upon application to the public employees retirement board, with all the rights, privileges, and obligations of membership. Service as any such elective official by any member of the system rendered prior to January 1, 1935, shall be included as prior service, provided the member has completed three years of contributing service, or the equivalent thereof, in the public employees retirement system subsequent to the date that membership is established.

Credit for service between January 1, 1935, and the date that membership is established, except service as an elective official that was subject to the tax on wages imposed by the "Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 U.S.C.A. 3101, as amended, may be secured by the elective official provided ~~he~~ the elective official pays into the employees' savings fund an amount determined by applying the member contribution rate in effect at the time of payment to the earnable salary of the member during all periods of service after January 1, 1935, covered by ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter, for which contributions have not been paid, plus interest on such amount compounded annually at a rate to be determined by the board, and completes one and one-half years of contributing membership in the public employees retirement system subsequent to the date membership was established. The member may choose to purchase only part of such credit in any one payment. The public employees retirement board shall determine the amount and manner of payment of such contributions. In the event of death or withdrawal from service, the payment into the employees' savings fund for such service credit shall be considered as accumulated contributions of the member.

Sec. 145.21. The public employees retirement board shall provide for the maintenance of an individual account with each contributor showing the amount of ~~his~~ the contributor's contributions and the interest accumulations thereon. It shall collect and keep in convenient form such data as is necessary for the preparation of the required mortality and service tables, and for an actuarial valuation of the assets and liabilities of the various funds created by ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter. Upon

the basis of the mortality and service experience of the members, contributors, retirants, and beneficiaries of the public employees retirement system, the board shall adopt from time to time such tables as are deemed necessary for valuation purposes and for determining the amount of annuities to be allowed on the basis of the contributions.

Sec. 145.22. (A) The public employees retirement board shall have prepared annually by or under the supervision of an actuary an actuarial valuation of the pension assets, liabilities, and funding requirements of the public employees retirement system as established pursuant to ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter. The actuary shall complete the valuation in accordance with actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries and prepare a report of the valuation. The report shall include all of the following:

- (1) A summary of the benefit provisions evaluated;
- (2) A summary of the census data and financial information used in the valuation;
- (3) A description of the actuarial assumptions, actuarial cost method, and asset valuation method used in the valuation, including a statement of the assumed rate of payroll growth and assumed rate of growth or decline in the number of members contributing to the retirement system;
- (4) A summary of findings that includes a statement of the actuarial accrued pension liabilities and unfunded actuarial accrued pension liabilities;
- (5) A schedule showing the effect of any changes in the benefit provisions, actuarial assumptions, or cost methods since the last annual actuarial valuation;
- (6) A statement of whether contributions to the retirement system are expected to be sufficient to satisfy the funding objectives established by the board.

The board shall submit the report to the Ohio retirement study ~~commission~~ council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the first day of ~~November~~ September following the year for which the valuation was made.

(B) At such time as the public employees retirement board determines, and at least once in each five-year period, the board shall have prepared by or under the supervision of an actuary an actuarial investigation of the mortality, service, and other experience of the members, retirants, contributors, and beneficiaries of the system to update the actuarial

assumptions used in the actuarial valuation required by division (A) of this section. The actuary shall prepare a report of the actuarial investigation. The report shall be prepared and any recommended changes in actuarial assumptions shall be made in accordance with the actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The report shall include all of the following:

(1) A summary of relevant decrement and economic assumption experience observed over the period of the investigation;

(2) Recommended changes in actuarial assumptions to be used in subsequent actuarial valuations required by division (A) of this section;

(3) A measurement of the financial effect of the recommended changes in actuarial assumptions.

The board shall submit the report to the Ohio retirement study ~~commission~~ council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the first day of November following the last fiscal year of the period the report covers.

(C) The board may at any time request the actuary to make any studies or actuarial valuations to determine the adequacy of the ~~normal and deficiency rates of contribution provided by~~ rate determined under section 145.48 of the Revised Code, and those rates may be adjusted by the board, as recommended by the actuary, effective as of the first of any year thereafter.

(D) The board shall have prepared by or under the supervision of an actuary an actuarial analysis of any introduced legislation expected to have a measurable financial impact on the retirement system. The actuarial analysis shall be completed in accordance with the actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The actuary shall prepare a report of the actuarial analysis, which shall include all of the following:

(1) A summary of the statutory changes that are being evaluated;

(2) A description of or reference to the actuarial assumptions and actuarial cost method used in the report;

(3) A description of the participant group or groups included in the report;

(4) A statement of the financial impact of the legislation, including the resulting increase, if any, in the employer normal cost percentage; the increase, if any, in actuarial accrued liabilities; and the per cent of payroll that would be required to amortize the increase in actuarial accrued liabilities as a level per cent of covered payroll for all active members over a

period not to exceed thirty years;

(5) A statement of whether the scheduled contributions to the system after the proposed change is enacted are expected to be sufficient to satisfy the funding objectives established by the board.

Not later than sixty days from the date of introduction of the legislation, the board shall submit a copy of the actuarial analysis to the legislative budget office of the legislative service commission, the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation, and the Ohio retirement study ~~commission~~ council.

(E) The board shall have prepared annually a report giving a full accounting of the revenues and costs relating to the provision of benefits under sections 145.325 and 145.58 of the Revised Code. The report shall be made as of December 31, 1997, and the thirty-first day of December of each year thereafter. The report shall include the following:

- (1) A description of the statutory authority for the benefits provided;
- (2) A summary of the benefits;
- (3) A summary of the eligibility requirements for the benefits;
- (4) A statement of the number of participants eligible for the benefits;
- (5) A description of the accounting, asset valuation, and funding method used to provide the benefits;
- (6) A statement of the net assets available for the provision of the benefits as of the last day of the fiscal year;
- (7) A statement of any changes in the net assets available for the provision of benefits, including participant and employer contributions, net investment income, administrative expenses, and benefits provided to participants, as of the last day of the fiscal year;
- (8) For the last six consecutive fiscal years, a schedule of the net assets available for the benefits, the annual cost of benefits, administrative expenses incurred, and annual employer contributions allocated for the provision of benefits;
- (9) A description of any significant changes that affect the comparability of the report required under this division;
- (10) A statement of the amount paid under division (D) of section 145.58 of the Revised Code.

The board shall submit the report to the Ohio retirement study ~~commission~~ council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the thirtieth day of June following the year for which the report was made.

Sec. 145.23. The funds hereby created are the employees' savings fund,

the employers' accumulation fund, the annuity and pension reserve fund, the income fund, the survivors' benefit fund, the defined contribution fund, and the expense fund.

(A) The employees' savings fund is the fund in which shall be accumulated contributions from the earnable salaries of contributors for the purchase of annuities or retirement allowances.

The accumulated contributions of a contributor returned to ~~him~~ the contributor upon ~~his~~ withdrawal, or paid to ~~his~~ the contributor's estate or designated beneficiary in the event of ~~his~~ death, shall be paid from the employees' savings fund. Any accumulated contributions forfeited by failure of a member, or ~~his~~ a member's estate, to claim the same, shall be transferred from the employees' savings fund to the income fund. The accumulated contributions of a contributor shall be transferred from the employees' savings fund to the annuity and pension reserve fund in the event of ~~his~~ the contributor's retirement.

(B) The employers' accumulation fund is the fund in which shall be accumulated the reserves for the payment of all pensions and disability benefits payable as provided in this chapter. The amounts paid by ~~the state of Ohio and by any employer defined in division (A) of~~ under section ~~145.01~~ 145.48 of the Revised Code ~~because of the normal contributions and deficiency contributions~~ shall be credited to the employers' accumulation fund.

Any payments made into the employers' accumulation fund by a member as provided in section 145.31 of the Revised Code shall be refunded to such member under the conditions specified in section 145.40 of the Revised Code.

Upon the retirement of a contributor, the full amount of ~~his~~ the contributor's pension reserve shall be transferred from the employers' accumulation fund to the annuity and pension reserve fund.

(C) The annuity and pension reserve fund is the fund from which shall be paid all pensions, disability benefits, annuities, and benefits in lieu thereof, because of which reserves have been transferred from the employees' savings fund and the employers' accumulation fund.

Any contributor may deposit in the employees' savings fund, subject to rules established ~~from time to time~~ by the public employees retirement board system, ~~such~~ additional amounts as ~~he desires~~, and, at the time of age and service retirement, shall receive in return therefor, at ~~his~~ the contributor's option, either an annuity having a reserve equal to the amount deposited or a cash refund of such amounts together with such interest as may have been allowed by the public employees retirement board ~~at the end~~

~~of each calendar year.~~ Such deposits for additional annuity together with such interest as may have been allowed by the ~~public employees retirement board~~ at the end of each calendar year shall be refunded in the event of death prior to retirement or withdrawal of accumulated contributions as provided in sections 145.40 and 145.43 of the Revised Code or upon application of the contributor prior to age and service retirement.

For deposits received in a calendar year, interest shall be earned beginning on the first day of the calendar year next following and ending on the last day of that year, except that in the case of a payment under this division made prior to the last day of a year, interest shall be earned ending on the last day of the month prior to the date of payment. The board shall credit interest at the end of the calendar year in which it is earned.

(D) The income fund is the fund from which interest is transferred and credited on the amounts in the funds described in divisions (B), (C), and (F) of this section, and is a contingent fund from which the special requirements of the funds may be paid by transfer from this fund. All income derived from the investment of ~~the funds by the public employees retirement board as trustee under section 145.11 of the Revised Code system,~~ together with all gifts and bequests, or the income therefrom, shall be paid into this fund.

Any deficit occurring in any other fund that will not be covered by payments to that fund, as otherwise provided in Chapter 145. of the Revised Code, shall be paid by transfers of amounts from the income fund to such fund or funds. If the amount in the income fund is insufficient at any time to meet the amounts payable ~~therefrom to the funds described in divisions (C) and (F) of this section,~~ the amount of the deficiency, ~~with regular interest, shall be paid by an additional employer rate of contributions as determined by the actuary, not to exceed fourteen per cent, and the amount of the additional employer contribution shall be credited to the income fund transferred from the employers' accumulation fund.~~

~~The public employees retirement board system~~ may accept gifts and bequests. Any ~~funds that may come into possession of the public employees retirement board in this manner, or~~ gifts or bequests, any funds which may be transferred from the employees' savings fund by reason of lack of a claimant, ~~or~~ any surplus in any fund created by this section, or any other funds whose disposition is not otherwise provided for, shall be credited to the income fund.

(E) The expense fund is the fund from which shall be paid the expenses of the administration of this chapter, exclusive of amounts payable as retirement allowances and as other benefits.

(F) The survivors' benefit fund is the fund from which shall be paid

dependent survivor benefits provided by section 145.45 of the Revised Code.

(G) The defined contribution fund is the fund in which shall be accumulated the contributions deducted from the earnable salary of members participating in a plan established under section 145.81 of the Revised Code, as provided in section 145.85 of the Revised Code, together with any earnings and employer contributions, as provided in section 145.86 of the Revised Code, credited thereon. The defined contribution fund is the fund from which shall be paid all benefits provided under a plan established under section 145.81 of the Revised Code.

Sec. 145.25. When reference is made in ~~sections 145.01 to 145.57, inclusive, of the Revised Code~~ this chapter, to the employees' savings fund, the employers' accumulation fund, the annuity and pension reserve fund, the income fund, the survivors' benefit fund, the defined contribution fund, or the expense fund, such reference is made to each as a separate legal entity. This section does not prevent the deposit or investment of all such moneys intermingled for such purpose but such funds shall be separate and distinct legal entities for all other purposes.

Sec. 145.26. The treasurer of state shall be the custodian of the funds of the public employees retirement system, and all disbursements therefrom shall be paid by ~~him~~ the treasurer of state only upon instruments authorized by the public employees retirement board and bearing the signatures of the board; provided, that such instruments may bear the names of the board members printed thereon and the signatures of the ~~chairman~~ chairperson, or of the ~~vice-chairman~~ vice-chairperson in case of the absence or disability of the ~~chairman~~ chairperson, and of the executive director of the board. The signatures of the ~~chairman~~ chairperson and of the executive director may be affixed through the use of a mechanical check-signing device.

The treasurer of state shall give a separate and additional bond in such amount as is fixed by the governor and with sureties selected by the board and approved by the governor, conditioned for the faithful performance of the duties of the treasurer of state as custodian of the funds of the system. Such bond shall be deposited with the secretary of state and kept in ~~his~~ the office. The governor may require the treasurer of state to give other and additional bonds, as the funds of the system increase, in such amounts and at such times as may be fixed by the governor, which additional bonds shall be conditioned, filed, and obtained as is provided for the original bond of the treasurer of state covering the funds of the system. The premium on all bonds shall be paid by the board.

The treasurer of state shall deposit any portion of the funds of the

system not needed for immediate use in the same manner as state funds are deposited, and subject to all laws with respect to the deposit of state funds, by the treasurer of state, and all interest earned by such portion of the retirement funds as is deposited by the treasurer of state shall be collected by ~~him~~ the treasurer of state and placed to the credit of the board.

The treasurer of state shall furnish annually to the board a sworn statement of the amount of the funds in the treasurer of state's custody belonging to the system.

~~Sec. 145.27. (A) The treasurer of state shall furnish annually to the public employees retirement board a sworn statement of the amount of the funds in the treasurer of state's custody belonging to the public employees retirement system.~~

~~(B)~~(1) As used in this division, "personal history record" means information maintained by the public employees retirement board on a member, former member, contributor, former contributor, retirant, or beneficiary that includes the address, telephone number, social security number, record of contributions, correspondence with the public employees retirement system, or other information the board determines to be confidential.

(2) The records of the board shall be open to public inspection, except for the following, which shall be excluded, except with the written authorization of the individual concerned:

(a) The individual's statement of previous service and other information as provided for in section 145.16 of the Revised Code;

(b) The amount of a monthly allowance or benefit paid to the individual;

(c) The individual's personal history record.

~~(C)~~(B) All medical reports and recommendations required by ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter are privileged, except that copies of such medical reports or recommendations shall be made available to the personal physician, attorney, or authorized agent of the individual concerned upon written release from the individual or the individual's agent, or when necessary for the proper administration of the fund, to the board assigned physician.

~~(D)~~(C) Any person who is a member or contributor of the system shall be furnished with a statement of the amount to the credit of the individual's account upon written request. The board is not required to answer more than one such request of a person in any one year. The board may issue annual statements of accounts to members and contributors.

~~(E)~~(D) Notwithstanding the exceptions to public inspection in division ~~(B)~~(A)(2) of this section, the board may furnish the following information:

(1) If a member, former member, contributor, former contributor, or retirant is subject to an order issued under section 2907.15 of the Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Revised Code, on written request of a prosecutor as defined in section 2935.01 of the Revised Code, the board shall furnish to the prosecutor the information requested from the individual's personal history record.

(2) Pursuant to a court or administrative order issued under section 3111.23 or 3113.21 of the Revised Code, the board shall furnish to a court or child support enforcement agency the information required under that section.

(3) At the written request of any person, the board shall provide to the person a list of the names and addresses of members, former members, contributors, former contributors, retirants, or beneficiaries. The costs of compiling, copying, and mailing the list shall be paid by such person.

(4) Within fourteen days after receiving from the director of job and family services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Revised Code, the board shall inform the auditor of state of the name, current or most recent employer address, and social security number of each member whose name and social security number are the same as that of a person whose name or social security number was submitted by the director. The board and its employees shall, except for purposes of furnishing the auditor of state with information required by this section, preserve the confidentiality of recipients of public assistance in compliance with division (A) of section 5101.181 of the Revised Code.

~~(F)~~(E) A statement that contains information obtained from the system's records that is signed by the executive director of the retirement system and to which the system's official seal is affixed, or copies of the system's records to which the signature and seal are attached, shall be received as true copies of the system's records in any court or before any officer of this state.

Sec. 145.29. Three years of contributing membership in the public employees retirement system subsequent to the date that membership is established entitles a member to receive prior service credit for services prior to January 1, 1935, in any capacity which comes under ~~sections 145.01 to 145.58 of the Revised Code~~ this chapter, provided that such member has not lost membership at any time by the withdrawal of ~~his~~ the member's accumulated contributions. Members who have withdrawn an exemption shall receive the prior service credit provided for under the conditions of this section, only in the event such member has made the payments required by section 145.28 of the Revised Code. If the public employees retirement

board determines that a position of any employee member in any one calendar year prior to January 1, 1935, was a part-time position, the board may determine what fractional part of a year's credit shall be given. In determining what credit shall be allowed to regular, full-time employees who are paid on an hourly or per diem basis, the board shall allow a full day's credit to any employee toward retirement who is called to work and works any portion of a day. Credit for service between January 1, 1935, and the date ~~he became~~ of becoming a member except a part-time employee who claimed exemption under the provisions of section 145.03 of the Revised Code, may be secured by any public employee for service rendered an employer provided such public employee pays into the employees' savings fund an amount equal to the amount ~~he~~ the member would have paid if deductions had been taken on ~~his~~ the member's earnable salary at the member contribution rate in effect at the time of such payment for service after January 1, 1935, or since ~~his~~ the member's date of employment, plus interest on such amount compounded annually at a rate to be determined by the board. The member may choose to purchase only part of such credit in any one payment, subject to board rules. Such payment shall be refunded in the event of the death or withdrawal from service of the member prior to retirement under the same conditions and in the same manner as refunds are made under sections 145.40 and 145.43 of the Revised Code, from the employees' savings fund.

Sec. 145.291. Any member of the public employees retirement system who subsequent to January 1, 1935, and the date membership was established was off the payroll either on a leave of absence approved by the then appointing authority or because the member resigned due to pregnancy or adoption of a child, shall have the right to make such payment, at the contribution rate in effect at the time of payment, with interest on such amount compounded annually at a rate to be determined by the retirement board as the member would have made if the member had continued on the payroll at the earnable salary the member was receiving at the time public service was interrupted, provided that subsequent to such leave of absence or resignation the member returned to regular contributing status in the retirement system for at least twelve calendar months. In the case of resignation, the member must submit evidence satisfactory to the retirement board documenting that the resignation was due to pregnancy or adoption of a child.

The member may choose to purchase only part of the credit in any one payment, subject to board rules. The payment shall entitle the member to receive service credit for the leave or period of absence, except that service

credit purchased under this section shall not exceed one year. The payment, together with any regular interest, shall, in the event of death or withdrawal from service of the member prior to retirement, be considered as accumulated contributions of the member.

Sec. 145.295. (A) A member of the public employees retirement system who has contributions on deposit with, but is no longer contributing to, the Ohio police and fire pension fund or state highway patrol retirement system shall, in computing years of service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or purchased for service in the armed forces of the United States if a transfer to the public employees retirement system is made under this division. At the request of the member, the Ohio police and fire pension fund or the state highway patrol retirement system shall transfer to the public employees retirement system, for each year of service, the sum of the following:

(1) An amount equal to the member's ~~payments for service in the armed forces of the United States and~~ accumulated contributions to the ~~Ohio police and fire pension fund or state highway patrol retirement~~ system making the transfer, any payments by the member for service in the armed forces of the United States, and any amounts paid under section 742.375 or 5505.201 of the Revised Code to purchase service credit;

(2) An amount equal to the lesser of the employer's contributions to the Ohio police and fire pension fund or state highway patrol retirement system or the amount that would have been contributed by the employer for the service had the member been employed by the member's current employer as a member of the public employees retirement system;

(3) Interest, determined as provided in division (G) of this section, on the amounts specified in divisions (A)(1) and (2) of this section for the period from the last day of the year for which the service credit in the transferring fund or system was earned or in which military service credit or credit under section 742.375 or 5505.201 of the Revised Code was purchased or obtained to the date the transfer is made.

(B) A member of the public employees retirement system who has at least eighteen months of contributing service credit with the public employees retirement system, who is a former member of the Ohio police and fire pension fund or state highway patrol retirement system, and who has received a refund of the member's accumulated contributions to that fund or system shall, in computing years of service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or purchased for service in the armed forces of the United States if, for each year of service, the public employees retirement system receives the sum of

the following:

(1) An amount, which shall be paid by the member, equal to the amount refunded by the Ohio police and fire pension fund or the state highway patrol retirement system to the member for that year for accumulated contributions and payments for purchase of credit for service in the armed forces of the United States, with interest on that amount from the date of the refund to the date of the payment;

(2) Interest, which shall be transferred by the Ohio police and fire pension fund or state highway patrol retirement system, on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the refund was made;

(3) ~~Interest~~ An amount, which shall be transferred by the Ohio police and fire pension fund or state highway patrol retirement system, equal to the lesser of the employer's contributions to the Ohio police and fire pension fund or state highway patrol retirement system for that year or the amount that would have been contributed by the employer for the year had the member been employed by the member's current employer as a member of the public employees retirement system, with interest on that amount from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date of the transfer.

On receipt of payment from the member, the public employees retirement system shall notify the Ohio police and fire pension fund or the state highway patrol retirement system, which, on receipt of the notice, shall make the transfer required by this division. Interest shall be determined as provided in division (G) of this section.

(C) A member of the public employees retirement system who purchased credit under former division (A)(1) of this section, as it existed before August 25, 1995, for service as a member of the Ohio police and fire pension fund or state highway patrol retirement system may elect to have the amount the member paid for this service credit refunded to the member under this division if the member agrees to repurchase this service credit pursuant to division (B) of this section.

(D) Service credit purchased or otherwise obtained under this section shall be considered the equivalent of Ohio service credit.

A member may choose to purchase only part of the credit the member is eligible to purchase under division (B) of this section in any one payment, subject to rules of the public employees retirement board. A member is ineligible to purchase or otherwise obtain credit under this section for

service to be used in calculation of any retirement benefit currently being paid or payable to the member in the future.

(E) If a member of the public employees retirement system who is not a current contributor elects to receive credit under section 742.379 or 5505.202 of the Revised Code for service for which the member contributed to the retirement system or purchased credit for service in the armed forces of the United States, the retirement system shall transfer to the Ohio police and fire pension fund or the state highway patrol retirement system, as applicable, the amount specified in division (D) of section 742.379 or division (B)(2) of section 5505.202 of the Revised Code.

(F) A member of the public employees retirement system who earned service credit in the public employees retirement system for full-time service as a township or municipal police officer and received service credit in the Ohio police and fire pension fund under section 742.511 or 742.512 of the Revised Code for such service may elect to have the credit restored as public employees retirement system service credit by paying the public employees retirement system an amount equal to the accumulated contributions paid by the member to the Ohio police and fire pension fund under section 742.511 or 742.512 of the Revised Code. When such an election is made, the Ohio police and fire pension fund shall transfer to the public employees retirement system the amount previously transferred under section 742.511 or 742.512 of the Revised Code from the public employees retirement system to the Ohio police and fire pension fund.

(G) Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the public employees retirement system or of the fund or retirement system in which the credit was earned. The interest shall be compounded annually.

Sec. 145.297. (A) As used in this section, "employing unit" means:

(1) A municipal corporation, agency of a municipal corporation designated by the legislative authority, park district, conservancy district, sanitary district, health district, township, metropolitan housing authority, public library, county law library, union cemetery, joint hospital, or other political subdivision or unit of local government.

(2) With respect to state employees, any entity of the state including any department, agency, institution of higher education, board, bureau, commission, council, office, or administrative body or any part of such entity that is designated by the entity as an employing unit.

(3)(a) With respect to employees of a ~~board~~ board of alcohol, drug addiction, and mental health services, that board.

(b) With respect to employees of a county board of mental retardation and developmental disabilities, that board.

(c) With respect to other county employees, the county or any county agency designated by the board of county commissioners.

(4) In the case of an employee whose employing unit is in question, the employing unit is the unit through whose payroll the employee is paid.

(B) An employing unit may establish a retirement incentive plan for its eligible employees. In the case of a county or county agency, decisions on whether to establish a retirement incentive plan for any employees other than employees of a board of alcohol, drug addiction, and mental health services or county board of mental retardation and developmental disabilities and on the terms of the plan shall be made by the board of county commissioners. In the case of a municipal corporation or an agency of a municipal corporation, decisions on whether to establish a retirement incentive plan and on the terms of the plan shall be made by the legislative authority.

All terms of a retirement incentive plan shall be in writing.

A retirement incentive plan shall provide for purchase by the employing unit of service credit for eligible employees who elect to participate in the plan and for payment by the employing unit of the entire cost of the service credit purchased.

Every retirement incentive plan shall remain in effect for at least one year. The employing unit shall give employees at least thirty days' notice before terminating the plan.

Every retirement incentive plan shall include provisions for the timely and impartial resolution of grievances and disputes arising under the plan.

No employing unit shall have more than one retirement incentive plan in effect at any time.

(C) Any classified or unclassified employee of the employing unit who is a member of the public employees retirement system shall be eligible to participate in the retirement incentive plan established by ~~his~~ the employee's employing unit if ~~he~~ the employee meets the following criteria:

(1) The employee is not any of the following:

(a) An elected official;

(b) A member of a board or commission;

(c) A person elected to serve a term of fixed length;

(d) A person appointed to serve a term of fixed length, other than a person appointed and employed by ~~his~~ the person's employing unit.

(2) The employee is or will be eligible to retire under section 145.32, 145.34, 145.37, or division (A) of section 145.33 of the Revised Code on or

before the date of termination of the retirement incentive plan. Service credit to be purchased for the employee under the retirement incentive plan shall be included in making such determination.

(3) The employee agrees to retire under section 145.32, 145.34, 145.37, or division (A) of section 145.33 of the Revised Code within ninety days after receiving notice from the public employees retirement system that service credit has been purchased for ~~him~~ the employee under this section.

Participation in the plan shall be available to all eligible employees except that the employing unit may limit the number of participants in the plan to a specified percentage of its employees who are members of the public employees retirement system on the date the plan goes into effect. The percentage shall not be less than five per cent of such employees. If participation is limited, employees with more total service credit have the right to elect to participate before employees with less total service credit. In the case of employees with the same total service credit, employees with a greater length of service with the employing unit have the right to elect to participate before employees with less service with the employing unit. Employees with less than eighteen months of service with the employing unit have the right to elect to participate only after all other eligible employees have been given the opportunity to elect to participate. For the purpose of determining which employees may participate in a plan, total service credit includes service credit purchased by the employee under this chapter after the date on which the plan is established.

A retirement incentive plan that limits participation may provide that an employee who does not notify the employing unit of ~~his~~ the employee's decision to participate in the plan within a specified period of time will lose priority to participate in the plan ahead of other employees with less seniority. The time given to an employee to elect to participate ahead of other employees shall not be less than thirty days after ~~he~~ the employee receives written notice that ~~he~~ the employee may participate in the plan.

(D) A retirement incentive plan shall provide for purchase of the same amount of service credit for each participating employee, except that the employer may not purchase more service credit for any employee than the lesser of the following:

(1) Five years of service credit;

(2) An amount of service credit equal to one-fifth of the total service credited to the participant under ~~sections 145.01 to 145.58 of the Revised Code~~ this chapter, exclusive of service credit purchased under this section.

For each year of service credit purchased under this section, the employing unit shall pay an amount equal to the additional liability resulting

from the purchase of that year of service credit, as determined by an actuary employed by the public employees retirement board.

(E) Upon the election by an eligible employee to participate in the retirement incentive plan, the employee and the employing unit shall agree upon a date for payment or contracting for payment in installments to the public employees retirement system of the cost of the service credit to be purchased. The employing unit shall submit to the public employees retirement system a written request for a determination of the cost of the service credit, and within forty-five days after receiving the request, the board shall give the employing unit written notice of the cost.

The employing unit shall pay or contract to pay in installments the cost of the service credit to be purchased to the public employees retirement system on the date agreed to by the employee and the employing unit. The payment shall be made in accordance with rules adopted by the public employees retirement board. The rules may provide for payment in installments and for crediting the purchased credit to the employee's account upon the employer's contracting to pay the cost in installments. The board shall notify the member when ~~he~~ the member is credited with service purchased under this section. If the employee does not retire within ninety days after receiving notice that ~~he~~ the employee has been credited with the purchased service credit, the system shall refund to the employing unit the amount paid for the service credit.

No payment made to the public employees retirement system under this section shall affect any payment required by section 145.48 of the Revised Code.

Sec. 145.322. (A) On and after July 1, 1968, all allowances, pensions, or other benefits, which are payable or become payable and for which eligibility is established prior to July 1, 1968, pursuant to the provisions of sections 145.33, 145.34, 145.36, 145.37, 145.45, and 145.46 of the Revised Code, shall be increased by the percentages as determined by the effective date of the allowance, pension, or benefit, as follows:

Effective Date of Benefit Calendar Year	Percentage of Increase
1937 through 1955	24.3
1956	22.5
1957	18.4
1958	15.2
1959	14.3
1960	12.5
1961	11.3

1962	10.1
1963	8.7
1964	7.3
1965	5.6
1966	2.6
1967	2.0
January 1, 1968 through June 30, 1968	2.0

(B)(1) All increases determined by applying the percentages in the table in division (A) of this section shall be reduced by the dollar amount of the increases granted in 1965 pursuant to divisions (D), (E), and (F) of section 145.321 of the Revised Code, except that no allowance, pension, or benefit shall be reduced below the amount due on June 30, 1968, and no allowance granted under this section shall be less than a total annual sum of thirty-six dollars.

(2) The allowances increased by division (A) of this section shall exclude any monthly amount payable by reason of any voluntary deposits made under section 145.201 and division (C) of section 145.23 of the Revised Code.

(3) The increases provided by this section shall be granted notwithstanding the final average salary limitation in sections 145.33 and 145.36 of the Revised Code.

(4) The cost of the increases provided by this section shall be included in the employer's contribution rate provided by ~~sections~~ section 145.48; ~~145.49, and 145.50~~ of the Revised Code. Such employer's contribution rate shall not be increased until July 1, 1969, or later to reflect the increased costs created by this section.

Sec. 145.325. (A) Except as otherwise provided in division (B) of this section, the board of the public employees retirement system shall make available to each retirant or disability benefit recipient receiving a monthly allowance or benefit on or after January 1, 1968, who has attained the age of sixty-five years, and who is not eligible to receive hospital insurance benefits under the federal old age, survivors, and disability insurance program, hospital insurance coverage substantially equivalent to the federal hospital insurance benefits, Social Security Amendments of 1965, 79 Stat. 291, 42 U.S.C.A. 1395c, as amended. This coverage shall also be made available to the spouse, widow, or widower of such retirant or disability benefit recipient provided such spouse, widow, or widower has attained age sixty-five and is not eligible to receive hospital insurance benefits under the federal old age, survivors, and disability insurance program. The widow or

widower of a retirant or disability benefit recipient shall be eligible for such coverage only if he or she is the recipient of a monthly allowance or benefit from this system. One-half of the cost of the premium for the spouse shall be paid from the appropriate funds of the public employees retirement system and one-half by the recipient of the allowance or benefit.

The cost of such coverage, paid from the funds of the system, shall be included in the employer's rate provided by ~~sections~~ section 145.48, ~~145.49,~~ ~~and 145.50~~ of the Revised Code. The retirement board is authorized to make all necessary rules pursuant to the purpose and intent of this section, and shall contract for such coverage as provided in section 145.58 of the Revised Code.

(B) The board need not make the hospital insurance coverage described in division (A) of this section available to any person for whom it is prohibited by section 145.58 of the Revised Code from paying or reimbursing the premium cost of such insurance.

Sec. 145.3213. (A) As used in this section, "benefit" means an annual allowance, pension, or benefit paid pursuant to section 145.33, 145.34, 145.36, 145.37, 145.45, or 145.46 of the Revised Code, and includes any amounts paid pursuant to sections 145.323 and 145.332 of the Revised Code. "Benefit" does not include any amounts payable by reason of deposits to the employees' savings fund pursuant to section 145.23 of the Revised Code.

(B) The public employees retirement system shall increase the benefit payable to each individual eligible to receive a benefit that became effective on or before December 31, 1979. The increase shall be effective on the first day of the month following the effective date of this section and be an amount determined by multiplying the benefit for which the individual was eligible on the last day of the month in which this section takes effect by the following percentages as determined by the calendar year in which the benefit became effective:

<u>Calendar Year Effective</u>	<u>Percentage of Increase</u>
<u>1955 and earlier</u>	25.0
1956	28.3
1957	38.4
1958	23.2
1959	27.1
1960	28.2
1961	24.6
1962	27.9
1963	26.6

1964	30.1
1965	23.5
1966	25.5
1967	28.7
1968	21.9
1969	23.9
1970	21.5
1971	22.2
1972	22.4
1973	21.3
1974	21.1
1975	20.7
1976	20.6
1977	20.5
1978	13.5
1979	4.0

(C) An increase made pursuant to this section shall be included in the calculation of additional benefits under section 145.323 of the Revised Code.

Sec. 145.33. (A) Except as provided in division (B) of this section, a member with at least five years of total service credit who has attained age sixty, or who has thirty years of total Ohio service credit, may apply for age and service retirement, which shall consist of:

(1) An annuity having a reserve equal to the amount of the member's accumulated contributions at that time;

(2) A pension equal to the annuity provided by division (A)(1) of this section;

(3) An additional pension, if the member can qualify for prior service, equal to forty dollars multiplied by the number of years, and fraction thereof, of such prior and military service credit;

(4) A basic annual pension equal to one hundred eighty dollars if the member has ten or more years of total service credit as of October 1, 1956, except that the basic annual pension shall not exceed the sum of the annual benefits provided by divisions (A)(1), (2), and (3) of this section. ~~The cost of the basic annual pension shall be included in the deficiency contribution provided by sections 145.48 and 145.50 of the Revised Code.~~

(5) When a member retires on age and service retirement, the member's total annual single lifetime allowance, including the allowances provided in divisions (A)(1), (2), (3), and (4) of this section, shall be not less than a base amount adjusted in accordance with division (A)(5) of this section and

determined by multiplying the member's total service credit by the greater of the following:

(a) Eighty-six dollars;

(b) Two and ~~one-tenth~~ two-tenths per cent of the member's final average salary for each of the first thirty years of service plus two and one-half per cent of the member's final average salary for each subsequent year of service.

The allowance shall be adjusted by the factors of attained age or years of service to provide the greater amount as determined by the following schedule:

Attained Birthday	or	Years of Total Service Credit	Percentage 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 Birthday	Percentage of Base Amount
66	102
67	104
68	106
69	108
70 or more	110

(6) The total annual single lifetime allowance that a member shall receive under division (A)(5) of this section shall not exceed the lesser of one hundred per cent of the member's 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.

(B)(1) A member who has at least twenty-five years of total service credit, including credit for military service under division (C)(2) of this section, while serving as a law enforcement officer and who has attained age fifty-two may apply for an age and service retirement benefit, which shall consist of an annual single lifetime allowance equal to the sum of two and one-half per cent of the member's final average salary multiplied by the first twenty-five years of the member's total service plus two and one-tenth per cent of the member's final average salary multiplied by the number of years of the member's total service credit in excess of twenty-five years, except that no allowance shall exceed the lesser of ninety per cent of the member's 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.

(2) A member who has at least fifteen years of total service credit, including credit for military service under division (C)(2) of this section, while serving as a law enforcement officer and has attained sixty-two years of age may apply for an age and service retirement benefit, which shall consist of an annual single lifetime allowance computed as provided in division (B)(1) of this section. The benefit shall not 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.

(3) A member with at least fifteen years of total service credit, including credit for military service under division (C)(2) of this section, while serving as a law enforcement officer who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony may apply for an age and service retirement benefit, which shall consist of an annual single lifetime allowance equal to one and one-half per cent of the member's final average salary multiplied by the number of years of the member's total service credit. The benefit shall not 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. The allowance shall commence on the first day of the calendar month following the month in which the application is filed with the public employees retirement board on or after the attainment by the applicant of age fifty-two.

(4) A member who has at least twenty-five years of total service credit, including credit for military service under division (C)(2) of this section, while serving as a law enforcement officer who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony, on or after the date of attaining forty-eight years of age, but before the date of attaining fifty-two years of age, may elect to receive a reduced benefit as determined by the following schedule:

Attained Age	Reduced Benefit
48	75% of the benefit payable under division (B)(1) of this section
49	80% of the benefit payable under division (B)(1) of this section
50	86% of the benefit payable under division (B)(1) of this section
51	93% of the benefit payable under division (B)(1) of this section

A member who has at least twenty-five years of law enforcement service credit, upon attaining forty-eight, forty-nine, fifty, or fifty-one years of age, may elect to retire and receive a reduced benefit determined by the above schedule.

If a member elects to receive a reduced benefit on or after the date of attaining forty-eight years of age, but before the date of attaining forty-nine years of age, the reduced benefit is payable from the date the member attained forty-eight years of age or from the date the member becomes eligible to receive the reduced benefit, whichever is later. If a member elects to receive a reduced benefit on or after the date of attaining forty-nine years of age, but before the date of attaining fifty years of age, the reduced benefit is payable from the date the member attained forty-nine years of age or from the date the member becomes eligible to receive the reduced benefit, whichever is later. If a member elects to receive a reduced benefit on or after the date of attaining fifty years of age, but before the date of attaining fifty-one years of age, the reduced benefit is payable from the date the member attained fifty years of age or from the date the member becomes eligible to receive the reduced benefit, whichever is later. If a member elects to receive a reduced benefit on or after the date of attaining fifty-one years of age, but before the date of attaining fifty-two years of age, the reduced benefit is payable from the date the member attained fifty-one years of age or from the date the member becomes eligible to receive the reduced benefit, whichever is later.

Once a member elects to receive a reduced benefit determined by the above schedule and has received a payment, the member may not reelect to change that election.

If a member who has resigned or been discharged has left on deposit the member's accumulated contributions in the employees' savings fund and has not elected to receive a reduced benefit determined by the above schedule, upon attaining fifty-two years of age, the member shall be entitled to receive a benefit computed and paid under division (B)(1) of this section.

(C)(1) A member with service credit as a law enforcement officer and other service credit under this chapter may elect one of the following:

(a) To have all the member's service credit under this chapter, including credit for service as a law enforcement officer, used in calculating a retirement allowance under division (A) of this section if the member qualifies for an allowance under that division;

(b) If the member qualifies for an allowance under division (B) of this section, to have the member's service credit as a law enforcement officer used in calculating a benefit under that division and the member's credit for all service other than law enforcement service under this chapter used in calculating a benefit consisting of a single life annuity having a reserve equal to the amount of the member's accumulated contributions and an equal amount of the employer's contributions.

(2) Notwithstanding sections 145.01 and 145.30 of the Revised Code, no more than four years of military service credit granted under section 145.30 of the Revised Code and five years of military service credit purchased under section 145.301 or 145.302 of the Revised Code shall be used in calculating service as a law enforcement officer or the total service credit of that person.

(3) Only credit for the member's service as a law enforcement officer or service credit obtained as a police officer or state highway patrol trooper shall be used in computing the benefits under division (B) of this section for the following:

(a) Any person who originally is commissioned and employed as a deputy sheriff by the sheriff of any county, or who originally is elected sheriff, on or after January 1, 1975;

(b) Any deputy sheriff who originally is employed as a criminal bailiff or court constable on or after April 16, 1993;

(c) Any person who originally is appointed as a township constable or police officer in a township police department or district on or after January 1, 1981;

(d) Any person who originally is employed as a county narcotics agent on or after September 26, 1984;

(e) Any person who originally is employed as an undercover drug agent as defined in section 109.79 of the Revised Code, department of public safety enforcement agent who prior to ~~the effective date of this amendment~~ June 30, 1999, was a liquor control investigator, park officer, forest officer, wildlife officer, state watercraft officer, park district police officer, conservancy district officer, Ohio veterans' home police officer, special police officer for a mental health institution, special police officer for an

institution for the mentally retarded and developmentally disabled, or municipal police officer on or after December 15, 1988;

(f) Any person who originally is employed as a state university law enforcement officer on or after November 6, 1996;

(g) Any person who originally is employed as a Hamilton county municipal court bailiff on or after November 6, 1996;

(h) Any person who is originally employed as a state university law enforcement officer by the university of Akron on or after September 16, 1998;

(i) Any person who originally is employed as a preserve officer on or after March 18, 1999;

(j) Any person who originally is employed as a natural resources law enforcement staff officer on or after March 18, 1999;

(k) Any person who is originally employed as a department of public safety enforcement agent on or after ~~the effective date of this amendment~~ June 30, 1999.

(D) Retirement allowances determined under this section shall be paid as provided in section 145.46 of the Revised Code.

(E) For the purposes of this section, service prior to ~~the effective date of this amendment~~ June 30, 1999, as a food stamp trafficking agent under former section 5502.14 of the Revised Code shall be considered service as a law enforcement officer.

Sec. 145.331. (A) A recipient of a disability allowance under section 145.361 of the Revised Code who is subject to division (C)(3) of that section may make application for age and service retirement under this section. Retirement shall be effective on the first day of the first month following the last day for which the disability allowance is paid.

(B) The annual allowance payable under this section shall consist of the sum of the amounts determined under divisions (B)(1) and (2) of this section:

(1) The greater of the following:

(a) An allowance calculated as provided in section 145.33 or 145.34 of the Revised Code, excluding any period during which the applicant received a disability benefit under section 145.361 of the Revised Code;

(b) An allowance calculated by multiplying the applicant's total service credit, including service credit for the last continuous period during which ~~he~~ the applicant received a disability benefit under section 145.361 of the Revised Code, by two and ~~one-tenth~~ two-tenths per cent of ~~his~~ the applicant's final average salary, except that the allowance shall not exceed forty-five per cent of the applicant's final average salary.

(2) An amount equal to the additional allowance the recipient would receive under section 145.323 of the Revised Code, plus any other additional amount ~~he~~ the recipient would receive under this chapter, had ~~he~~ the recipient retired under section 145.33 or 145.34 of the Revised Code effective on the effective date of ~~his~~ the recipient's most recent continuous period of receipt of a disability benefit under section 145.361 of the Revised Code.

(C) The allowance calculated under division (B) of this section, exclusive of any amount added under division (B)(2) of this section based on section 145.323 of the Revised Code, shall be the base for all future additional allowances under section 145.323 of the Revised Code.

The anniversary date for future additional allowances under section 145.323 of the Revised Code shall be the effective date of the recipient's most recent continuous period of receipt of a disability benefit under section 145.361 of the Revised Code.

(D) The retirement allowance determined under this section shall be paid as provided in section 145.46 of the Revised Code.

Sec. 145.332. (A) As used in this section, "benefit" means an allowance, pension, or benefit received under section 145.33, 145.331, 145.34, 145.36, 145.361, 145.37, 145.45, or 145.46 of the Revised Code. "Benefit" does not include any amounts payable by reason of deposits to the employees' savings fund pursuant to section 145.23 of the Revised Code.

(B) The public employees retirement system shall recalculate each benefit determined prior to the effective date of this section. The recalculated benefit is payable on the first day of the month following the effective date of this section. The recalculation shall be made as follows:

(1) Recalculate, pursuant to section 145.33, 145.331, 145.36, 146.361, or 145.45 of the Revised Code as in effect on the effective date of this section, the benefit initially granted;

(2) Recalculate, using the benefit amount determined under division (B)(1) of this section, any increase in the benefit amount that was authorized under this chapter of the Revised Code and granted before the effective date of this section;

(3) The sum of the amounts determined under divisions (B)(1) and (2) of this section is the recalculated benefit.

(C) If the recalculated benefit is less than the amount payable prior to the recalculation, the retirement system shall continue to pay the greater benefit.

(D) Any increase resulting from payment of a recalculated benefit shall be included in the calculation of additional benefits under sections 145.323

and 145.3213 of the Revised Code.

Sec. 145.34. Any member who has completed twenty-five years of total service and has attained ~~his~~ the member's fifty-fifth birthday, may retire on a commuted age and service allowance. Upon retirement on a commuted age and service allowance on or after September 30, 1963, a member shall be granted a retirement allowance consisting of:

(A) An annuity having a reserve equal to the amount of the member's accumulated contributions at that time;

(B) A pension equal to the annuity provided by division (A) of this section;

(C) An additional pension, if such member can qualify for prior service credit, the reserve for which, based upon regular interest and the service tables approved by the board, shall be the present worth of the reserve required for the payment of the prior service pension provided by section 145.33 of the Revised Code, after either sixty years of age or thirty years of service credit, whichever can be attained first. The annual prior service pension shall be determined by the amount of such commuted reserve divided by the age and service annuity rate for the attained age at retirement.

(D) The commuted value calculated as provided in division (C) of this section of a basic annual pension of one hundred eighty dollars, provided the member has ten or more years of total service credit as of October 1, 1956. ~~The cost of the basic annual pension shall be included in the deficiency contribution.~~

(E) When a member retires on commuted age and service retirement, ~~his~~ the member's single lifetime allowance shall not be less than that provided by divisions (A), (B), (C), and (D) of this section and division (A)(5) of section 145.33 of the Revised Code and shall not exceed the limits established by division (A)(6) of that section.

A year of service for the purpose of commuted age and service retirement and of applying the minimum retirement allowance as provided in this section is defined as a complete year of full-time employment, or the equivalent thereof. The board is the final authority in determining the eligibility of an employee for such form of retirement and for such minimum allowance.

In determining eligibility only for retirement under this section the board shall include in "total service" the years of prior service credit granted members of the public employees retirement system by a publicly owned utility as provided for in section 145.48 of the Revised Code under a pension plan adopted by the publicly owned utility.

(F) Retirement allowances determined under this section shall be paid as

provided in section 145.46 of the Revised Code.

Sec. 145.36. A member who has elected disability coverage under this section, has not attained age sixty, and is determined by the public employees retirement board under section 145.35 of the Revised Code to qualify for a disability benefit shall be retired on disability under this section.

Upon disability retirement, a member shall receive an annual amount that shall consist of:

(A) An annuity having a reserve equal to the amount of the retirant's accumulated contributions;

(B) A pension that shall be the difference between ~~his~~ the member's annuity and an annual amount determined by multiplying the total service credit of the retirant, and in addition thereto the projected number of years and fractions thereof between the effective date of ~~his~~ the member's disability retirement and attained age sixty, assuming continuous service, by eighty-six dollars or two and ~~one-tenth~~ two-tenths per cent of ~~his~~ the member's final average salary, whichever is greater.

Where the recipient is not receiving a disability benefit under section 145.37 of the Revised Code and is receiving a disability benefit from either the state teachers retirement system or the school employees retirement system, the recipient shall not be eligible for service credit based upon the number of years and fractions thereof between the date of disability and attained age sixty as provided for in this division.

In no case shall disability retirement be less than thirty per cent or more than seventy-five per cent of the member's final average salary, except that it shall not exceed any limit to which the retirement system is subject under section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

A year of service for the purpose of disability retirement is a complete year of full-time employment, or the equivalent thereof. The public employees retirement board is the final authority in determining the eligibility of a member for disability retirement.

Sec. 145.361. (A) A member with disability coverage under this section who is determined by the public employees retirement board under section 145.35 of the Revised Code to qualify for a disability benefit shall receive a disability allowance under this section. The allowance shall be an annual amount equal to the greater of the following:

(1) Forty-five per cent of the member's final average salary;

(2) The member's total service credit multiplied by two and ~~one-tenth~~ two-tenths per cent of ~~his~~ the member's final average salary, not exceeding

sixty per cent of ~~his~~ the member's final average salary.

(B) Sufficient reserves for payment of the disability allowance shall be transferred to the annuity and pension reserve fund from the employers' contribution fund. The accumulated contributions of the member shall remain in the employees' savings fund. No part of the allowance paid under this section shall be charged against the member's accumulated contributions.

(C) A disability allowance paid under this section shall terminate at the earliest of the following:

(1) The effective date of age and service retirement under sections 145.32 and 145.33, or section 145.34 or 145.37 of the Revised Code;

(2) The date the allowance is terminated under section 145.362 of the Revised Code;

(3) The later of the last day of the month in which the recipient attains age sixty-five, or the last day of the month in which the benefit period ends as follows:

Attained Age at Effective Date of Disability Allowance	Benefit Period
60 or 61	60 months
62 or 63	48 months
64 or 65	36 months
66, 67, or 68	24 months
69 or older	12 months

Sec. 145.38. (A) As used in this section:

(1) "PERS retirant" means a former member of the public employees retirement system who is receiving ~~either one~~ of the following:

(a) Age and service retirement benefits under section 145.32, 145.33, 145.331, 145.34, or 145.46 of the Revised Code;

(b) Age and service retirement benefits paid by the public employees retirement system under section 145.37 of the Revised Code;

(c) Any benefit paid by the system under a plan established under section 145.81 of the Revised Code.

(2) "Other system retirant" means both of the following:

(a) A member or former member of the Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, state highway patrol retirement system, or Cincinnati retirement system who is receiving age and service or commuted age and service retirement benefits or a disability benefit from a system of which the person is a member or former member;

(b) A member or former member of the public employees retirement

system who is receiving age and service retirement benefits or a disability benefit under section 145.37 of the Revised Code paid by the school employees retirement system or the state teachers retirement system.

(B)(1) Subject to this section, a PERS retirant or other system retirant may be employed by a public employer. If so employed, the PERS retirant or other system retirant shall contribute to the public employees retirement system in accordance with section 145.47 of the Revised Code, and the employer shall make contributions in accordance with section 145.48 of the Revised Code.

(2) A public employer that employs a PERS retirant or other system retirant, or enters into a contract for services as an independent contractor with a PERS retirant who was employed by the public employer at the time of the retirant's retirement shall notify the retirement board of the employment or contract not later than the end of the month in which the employment or contract commences. Any overpayment of benefits to a PERS retirant by the retirement system resulting from delay or failure of the employer to give the notice shall be repaid to the retirement system by the employer.

(3) On receipt of notice from a public employer that a person who is an other system retirant has been employed, the retirement system shall notify the retirement system of which the other system retirant was a member of such employment.

(4)(a) A PERS retirant who has received a retirement allowance for less than six months when employment subject to this section commences shall forfeit the retirement allowance for the period that begins on the date the employment commences and ends on the date that is six months after the date on which the retirement allowance commenced. Service and contributions for that period shall not be included in calculation of any benefits payable to the PERS retirant and those contributions shall be refunded on the retirant's death or termination of the employment. For purposes of this division, "employment" shall include service for which the retirant or the retirant's employer, or both, have waived any earnable salary for such service.

(b) An other system retirant who has received a retirement allowance or disability benefit for less than two months when employment subject to this section commences shall forfeit the retirement allowance or disability benefit for the period that begins on the date the employment commences and ends on the date that is two months after the date on which the retirement allowance or disability benefit commenced. Service and contributions for that period shall not be included in the calculation of any

benefits payable to the other system retirant and those contributions shall be refunded on the retirant's death or termination of the employment.

(5) On receipt of notice from the Ohio police and fire pension fund, school employees retirement system, or state teachers retirement system of the re-employment of a PERS retirant, the public employees retirement system shall not pay, or if paid, shall recover, the amount to be forfeited by the PERS retirant in accordance with section 742.26, 3307.35, or 3309.341 of the Revised Code.

(6) A PERS retirant who enters into a contract to provide services as an independent contractor to the employer by which the retirant was employed at the time of retirement or, less than two months after the retirement allowance commences, begins providing services as an independent contractor pursuant to a contract with another public employer, shall forfeit the pension portion of the retirement benefit for the period beginning the first day of the month following the month in which the services begin and ending on the first day of the month following the month in which the services end. The annuity portion of the retirement allowance shall be suspended on the day services under the contract begin and shall accumulate to the credit of the retirant to be paid in a single payment after services provided under the contract terminate. A PERS retirant subject to division (B)(6) of this section shall not contribute to the retirement system and shall not become a member of the system.

(C)(1) Except as provided in division (C)(4) of this section, a PERS retirant employed pursuant to this section shall elect one of the following:

(a) To receive both compensation for the employment and a retirement allowance;

(b) To receive compensation for the employment and forfeit the pension portion of the retirement allowance.

(2) A PERS retirant who is described in division (C)(4) of this section or elects to forfeit the pension portion of the retirement allowance under division (C)(1)(b) of this section shall become a new member of the public employees retirement system with all the rights, privileges, and obligations of membership, except that the new membership does not include survivor benefits provided pursuant to section 145.45 of the Revised Code. The pension portion of the PERS retirant's retirement allowance shall cease on the first day of the first month following commencement of the employment and shall thereafter be forfeited until the first day of the first month following termination of the employment. The annuity portion of the retirement allowance shall be suspended on the first day of the first month following commencement of the employment and shall thereafter

accumulate to the credit of the PERS retirant to be paid in a single payment after termination of the employment. The retirement allowance shall resume on the first day of the first month following termination of the employment. On termination of the employment, the PERS retirant shall elect to receive either a refund of the retirant's contributions to the retirement system during the period of employment subject to this section or a supplemental retirement allowance based on the retirant's contributions and service credit for that period of employment.

(3) Except as provided in division (B)(4) of this section, there shall be no suspension or forfeiture of any portion of the retirement allowance payable to other system retirants or to PERS retirants who make an election under division (C)(1)(a) of this section.

(4) A PERS retirant shall elect division (C)(1)(b) of this section if both of the following apply:

(a) The retirant held elective office in this state, or in any municipal corporation, county, or other subdivision of this state at the time of retirement under Chapter 145. of the Revised Code;

(b) The retirant was elected or appointed to the same office for the remainder of the term or the term immediately following the term during which the retirement occurred.

(D)(1) On termination of employment under this section, the PERS retirant who makes an election under division (C)(1)(a) of this section or other system retirant may file an application with the public employees retirement system for a benefit under this division, which shall consist of a single life annuity having a reserve equal to the amount of the retirant's accumulated contributions for the period of employment and an equal amount of the employer's contributions. The PERS retirant or other system retirant shall elect either to receive the benefit as a monthly annuity for life or a lump-sum payment discounted to the present value using the current actuarial assumption rate of interest, except that if the monthly annuity would be less than twenty-five dollars per month, the retirant shall receive a lump-sum payment.

(2) A benefit payable under this division shall commence on the latest of the following:

(a) The last day for which compensation for employment subject to this section was paid;

(b) Attainment by the PERS retirant or other system retirant of age sixty-five;

(c) If the PERS retirant or other system retirant was previously employed under this section and is receiving or previously received a benefit

under this division, completion of a period of twelve months since the effective date of the last benefit under this division.

(3)(a) If a PERS retirant or other system retirant dies while employed in employment subject to this section, a lump-sum payment calculated in accordance with division (D)(1) of this section shall be paid to the retirant's beneficiary under division (G) of this section.

(b) If at the time of death a PERS retirant or other system retirant receiving a monthly annuity has received less than the retirant would have received as a lump-sum payment, the difference between the amount received and the amount that would have been received as a lump-sum payment shall be paid to the retirant's beneficiary under division (G) of this section.

(4)(a) A PERS retirant or other system retirant subject to this division is not a member of the public employees retirement system, does not have any of the rights, privileges, or obligations of membership, except as specified in this section, and, except as specified in division (D)(4)(b) of this section, is not eligible to receive health, medical, hospital, or surgical benefits under section 145.58 of the Revised Code for employment subject to this section. No amount received under this division shall be included in determining an additional benefit under section 145.323 of the Revised Code or any other post-retirement benefit increase.

(b) A PERS retirant who makes an election under division (C)(1)(a) of this section shall receive primary health, medical, hospital, or surgical insurance coverage from the retirant's employer, if the employer provides coverage to other employees performing comparable work. Neither the employer nor the PERS retirant may waive the employer's coverage, except that the PERS retirant may waive the employer's coverage if the retirant has coverage comparable to that provided by the employer from a source other than the employer or the public employees retirement system. If a claim is made, the employer's coverage shall be the primary coverage and shall pay first. The benefits provided under section 145.58 of the Revised Code shall pay only those medical expenses not paid through the employer's coverage or coverage the PERS retirant receives through a source other than the retirement system.

(E) If the disability benefit of an other system retirant employed under this section is terminated, the retirant shall become a member of the public employees retirement system, effective on the first day of the month next following the termination with all the rights, privileges, and obligations of membership. If such person, after the termination of the disability benefit, earns two years of service credit under this system or under the Ohio police

and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system, the person's prior contributions as an other system retirant under this section shall be included in the person's total service credit as a public employees retirement system member, and the person shall forfeit all rights and benefits of this section. Not more than one year of credit may be given for any period of twelve months.

(F) A PERS retirant who performs services for a public employer as an independent contractor pursuant to a contract with the employer shall not make contributions to the public employees retirement system or become a member of the system. Except as provided in division (B)(6) of this section, there shall be no suspension or forfeiture of the retirant's retirement allowance.

(G) A PERS retirant or other system retirant employed under this section may designate one or more persons as beneficiary to receive any benefits payable under this section due to death. The designation shall be in writing duly executed on a form provided by the public employees retirement board, signed by the PERS retirant or other system retirant, and filed with the board prior to death. The last designation of a beneficiary revokes all previous designations. The PERS retirant's or other system retirant's marriage, divorce, marriage dissolution, legal separation, withdrawal of account, birth of a child, or adoption of a child revokes all previous designations. If there is no designated beneficiary, the beneficiary is the beneficiary determined under division (D) of section 145.43 of the Revised Code. If any benefit payable under this section due to the death of a PERS retirant or other system retirant is not claimed by a beneficiary within five years after the death, the amount payable shall be transferred to the income fund and thereafter paid to the beneficiary or the estate of the PERS retirant or other system retirant on application to the board.

(H) This section does not affect the receipt of benefits by or eligibility for benefits of any person who on August 20, 1976, was receiving a disability benefit or service retirement pension or allowance from a state or municipal retirement system in Ohio and was a member of any other state or municipal retirement system of this state.

(I) The public employees retirement board may adopt rules to carry out this section.

Sec. 145.391. The public employees retirement board may establish and maintain a qualified governmental excess benefit arrangement that meets the requirements of division (m) of section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, and any regulations

adopted thereunder. If established, the arrangement shall be a separate portion of the public employees retirement system and be maintained solely for the purpose of providing to retired members that part of a benefit otherwise payable under ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter that exceeds the limits established by section 415 of the "Internal Revenue Code of 1986," as amended.

Members participating in an arrangement established under this section shall not be permitted to elect to defer compensation to the arrangement. Contributions to and benefits paid under an arrangement shall not be payable from a trust that is part of the system unless the trust is maintained solely for the purpose of providing such benefits.

The board shall adopt rules to administer an arrangement established under this section.

Sec. 145.41. Membership shall cease upon refund of accumulated contributions, death, or retirement except as provided in section 145.362 of the Revised Code. A member who separates from service for any reason other than death or retirement or who otherwise ceases to be a public employee for any reason other than death or retirement may leave ~~his~~ the member's accumulated contributions on deposit with the public employees retirement board and, for the purposes of the public employees retirement system, be considered on a membership leave of absence. ~~His~~ The member's membership rights shall continue until ~~he~~ the member has withdrawn ~~his~~ the member's accumulated contributions, retired on a retirement allowance as provided in section 145.33, 145.331, or 145.34 of the Revised Code, or died. The account of such a member shall remain in the employees' savings fund, except that the account of a member who has less than five calendar years of contributing service credit or is a member of the state teachers retirement system or the school employees retirement system may be transferred to the income fund if by the end of the fifth calendar year following the calendar year in which the last contribution was received the member has not died, claimed a refund of contributions, or requested the retirement board to continue ~~his~~ the member's membership on a leave of absence basis. In case such a member later requests a refund, ~~his~~ the member's account shall be restored to the employees' savings account and refunded therefrom. Members on such leaves of absence shall retain all rights, obligations, and privileges of membership in the public employees retirement system. A "contributor," as defined in division (F) of section 145.01 of the Revised Code, who formerly lost ~~his~~ membership through termination of membership leave of absence and who has not withdrawn ~~his~~ the contributor's account shall be reinstated as a member with all the rights,

privileges, and obligations ~~enumerated in sections 145.01 to 145.59 of the Revised Code~~ of membership in the system. In no case shall a member on leave of absence as provided in this section add to ~~his~~ the member's total number of years of service credit by reason of such leave of absence, unless such member was receiving benefits from the state insurance fund and by reason of such benefits qualified for additional service credit as provided in division (H) of section 145.01 of the Revised Code, or was eligible to and does make a payment as provided in section 145.291 of the Revised Code.

Sec. 145.42. Members of the public employees retirement system on leave of absence as provided in section 145.41 of the Revised Code or who are employees of the United States employment service at the time of the return of these functions to the state, or who reach retirement age prior to such time, or who return to the state service prior to the return of the employment service, may be permitted to pay into the retirement fund the amount they would have paid during such a period of employment with the United States employment service at the member contribution rate in effect at the time of payment, plus interest on such payment compounded annually at a rate to be determined by the board. The member may choose to purchase only part of such credit in any one payment, subject to board rules. When a member has made the payment provided in this section ~~he~~ the member shall receive credit for the service covered by such payments. Those who withdrew their accumulated contributions from the system at the time of their separation from the state service, may make a redeposit as provided in section 145.31 of the Revised Code, and thereafter be entitled to all ~~THE~~ benefits of ~~sections 145.01 to 145.58 of the Revised Code~~ this chapter.

Sec. 145.45. Except as provided in division (C)(1) of this section, in lieu of accepting the payment of the accumulated account of a member who dies before service retirement, a beneficiary, as determined in this section or section 145.43 of the Revised Code, may elect to forfeit the accumulated contributions and to substitute certain other benefits under division (A) or (B) of this section.

(A) If a deceased member was eligible for a service retirement benefit as provided in section 145.33, 145.331, or 145.34 of the Revised Code, a surviving spouse or other sole dependent beneficiary may elect to receive a monthly benefit computed as the joint-survivor benefit designated as "plan D" in section 145.46 of the Revised Code, which the member would have received had the member retired on the last day of the month of death and had the member at that time selected such joint-survivor plan. Payment shall begin with the month subsequent to the member's death, except that a

surviving spouse who is less than sixty-five years old may defer receipt of such benefit. Upon receipt, the benefit shall be calculated based upon the spouse's age at the time of first payment, and shall accrue regular interest during the time of deferral.

(B) If a deceased member had at least one and one-half years of contributing service credit, with at least one-quarter year of contributing service credit within the two and one-half years prior to the date of death, or was receiving at the time of death a disability benefit as provided in section 145.36, 145.361, or 145.37 of the Revised Code, ~~certain~~ qualified survivors ~~may~~ who elect to receive monthly benefits ~~as shall receive the greater of the benefits provided in divisions~~ division (B)(1)(a) or (b) and (5) of this section as allocated in accordance with division (B)(6) of this section.

(1)(a) Number of Qualified survivors	Annual Benefit as a Per Cent of Decedent's Final Average Salary	Or Monthly Benefit shall not be less than
1	25%	\$ 96 <u>250</u>
2	40	186 <u>400</u>
3	50	236 <u>500</u>
4	55	236 <u>500</u>
5 or more	60	236 <u>500</u>
(b) Years of Service	<u>Annual Benefit as a Per Cent of Member's Final Average Salary</u>	

<u>20</u>	<u>29%</u>
<u>21</u>	<u>33</u>
<u>22</u>	<u>37</u>
<u>23</u>	<u>41</u>
<u>24</u>	<u>45</u>
<u>25</u>	<u>48</u>
<u>26</u>	<u>51</u>
<u>27</u>	<u>54</u>
<u>28</u>	<u>57</u>
<u>29 or more</u>	<u>60</u>

(2) The final average salary used in the calculation of a benefit payable pursuant to this division to a qualified survivor of a disability benefit recipient shall be adjusted for each year between the disability benefit's

effective date and the recipient's date of death by the lesser of three per cent or the actual average percentage increase 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").

(3) Benefits shall begin as qualified survivors meet eligibility requirements as follows:

(a) A qualified spouse is the surviving spouse of the deceased member, who is age sixty-two, or regardless of age ~~if~~ if the deceased member had ten or more years of Ohio service credit, or regardless of age if caring for a qualified child, or regardless of age if adjudged physically or mentally incompetent. A spouse of a member who died prior to August 27, 1970, whose eligibility was determined at the member's death, and who is physically or mentally incompetent on or after August 20, 1976, shall be paid the monthly benefit which that person would otherwise receive when qualified by age.

(b) A qualified child is any ~~unmarried~~ child of the deceased member under who has never been married and to whom one of the following applies:

(i) Is under age eighteen, or under age twenty-two if the child is 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 such institution and as further determined by board policy, ~~or regardless;~~

(ii) Regardless of age if, is adjudged physically or mentally incompetent at the time of the member's death.

(c) A qualified parent is a dependent parent aged sixty-five or older or regardless of age if physically or mentally incompetent, a dependent parent whose eligibility was determined by the member's death prior to August 20, 1976, and who is physically or mentally incompetent on or after August 20, 1976, shall be paid the monthly benefit for which that person would otherwise qualify.

~~(3)~~(4) "Physically or mentally incompetent" as used in this section may be determined by a court of jurisdiction, or by a physician appointed by the retirement board. Incapability of making a living because of a physically or mentally disabling condition shall meet the qualifications of this division.

~~(4)~~(5) Benefits to a qualified survivor shall terminate upon ceasing to meet eligibility requirements as provided in this division, a first marriage, abandonment, adoption, or during active military service. 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.

Upon the death of any subsequent spouse who was a member of the public employees retirement system, state teachers retirement system, or school employees retirement system, the surviving spouse of such member may elect to continue receiving benefits under this division, or to receive survivor's benefits, based upon the subsequent spouse's membership in one or more of the systems, for which such surviving spouse is eligible under this section or section 3307.66 or 3309.45 of the Revised Code. If the surviving spouse elects to continue receiving benefits under this division, such election shall not preclude the payment of benefits under this division to any other qualified survivor.

Benefits shall begin or resume on the first day of the month following the attainment of eligibility and shall terminate on the first day of the month following loss of eligibility.

~~(5) Benefits~~ (6)(a) If a benefit is payable under division (B)(1)(a) of this section, benefits to a qualified spouse shall be paid in the amount determined for the first qualifying survivor in division (B)(1)(a) of this section, ~~but shall not be less than one hundred six dollars per month if the deceased member had ten or more years of Ohio service credit~~ All other qualifying survivors shall share equally in the benefit or remaining portion thereof.

(b) All qualifying survivors shall share equally in a benefit payable under division (B)(1)(b) of this section, except that if there is a surviving spouse, the surviving spouse shall receive not less than the amount determined for the first qualifying survivor in division (B)(1)(a) of this section.

~~(6)(7)~~ The beneficiary of a member who is also a member of the state teachers retirement system or of the school employees retirement system, must forfeit the member's accumulated contributions in those systems and in the public employees retirement system, if the beneficiary takes a survivor benefit. Such benefit shall be exclusively governed by section 145.37 of the Revised Code.

(C)(1) Regardless of whether the member is survived by a spouse or designated beneficiary, if the public employees retirement system receives notice that a deceased member described in division (A) or (B) of this section has one or more qualified children, all persons who are qualified survivors under division (B) of this section shall receive monthly benefits as provided in division (B) of this section.

If, after determining the monthly benefits to be paid under division (B) of this section, the system receives notice that there is a qualified survivor who was not considered when the determination was made, the system shall, notwithstanding section 145.561 of the Revised Code, recalculate the monthly benefits with that qualified survivor included, even if the benefits to qualified survivors already receiving benefits are reduced as a result. The benefits shall be calculated as if the qualified survivor who is the subject of the notice became eligible on the date the notice was received and shall be paid to qualified survivors effective on the first day of the first month following the system's receipt of the notice.

If the retirement system did not receive notice that a deceased member has one or more qualified children prior to making payment under section 145.43 of the Revised Code to a beneficiary as determined by the retirement system, the payment is a full discharge and release of the system from any future claims under this section or section 145.43 of the Revised Code.

(2) If benefits under division (C)(1) of this section to all persons, or to all persons other than a surviving spouse or other sole beneficiary, terminate, there are no children under the age of twenty-two years, and the surviving spouse or beneficiary qualifies for benefits under division (A) of this section, the surviving spouse or beneficiary may elect to receive benefits under division (A) of this section. The benefits shall be effective on the first day of the month immediately following the termination.

(D) If the survivor benefits due and paid under this section are in a total amount less than the member's accumulated account that was transferred from the public employees' savings fund to the survivors' benefit fund, then the difference between the total amount of the benefits paid shall be paid to the beneficiary under section 145.43 of the Revised Code.

Sec. 145.451. (A) Upon the death of a retirant or disability benefit recipient, who at the time of death is receiving an age and service retirement benefit or a disability benefit from this system, a death benefit shall be paid, following the completion of an application on a form approved by the public employees retirement board, to one of the following in the order given:

(1) The person ~~he~~ the retirant or disability benefit recipient has designated in writing duly executed on a form provided by the board, signed by ~~him~~ the retirant or disability benefit recipient, and filed with the board. If more than one such designation has been made, the person last designated shall be considered the person designated.

(2) ~~His~~ The retirant's or disability benefit recipient's surviving spouse;

(3) ~~His~~ The retirant's or disability benefit recipient's children, share and share alike;

(4) ~~His~~ The retirant's or disability benefit recipient's parents, share and share alike;

(5) The person responsible for burial expenses;

(6) The retirant's or disability benefit recipient's estate.

(B) The amount of the death benefit shall be as follows:

(1) If the retirant or disability benefit recipient had at least five years' but less than ten years' total service credit, five hundred dollars;

(2) If the retirant or disability benefit recipient had at least ten years' but less than fifteen years' total service credit, one thousand dollars;

(3) If the retirant or disability benefit recipient had at least fifteen years' but less than twenty years' total service credit, one thousand five hundred dollars;

(4) If the retirant or disability benefit recipient had at least twenty years' but less than twenty-five years' total service credit, two thousand dollars;

(5) If the retirant or disability benefit recipient had twenty-five or more years' total service credit, two thousand five hundred dollars.

(C) A benefit paid under this section shall be treated as life insurance for purposes of this chapter and shall be funded solely from contributions made under section 145.48 of the Revised Code and any earnings attributable to those contributions.

Sec. 145.452. Upon the death of a member prior to receipt of a disability benefit or service retirement, the surviving spouse or dependents of the deceased member shall have the right to purchase any service credit the member, had ~~he~~ the member not died, would have been eligible to purchase under ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter upon the same terms and conditions that the deceased member could have purchased such service credit had ~~he~~ the member not died. Any service credit purchased under this section shall be applied under the provisions of ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter in the same manner as it would have been applied had it been purchased by the deceased member during ~~his~~ the deceased member's lifetime.

Sec. 145.46. (A) A retirement allowance calculated under section 145.33, 145.331, or 145.34 of the Revised Code shall be paid as provided in this section. If the member is eligible to elect a plan of payment under this section, the election shall be made on a form provided by the public employees retirement board. A plan of payment elected under this section shall be effective only if approved by the board, which shall approve it only if it is certified by an actuary engaged by the board to be the actuarial equivalent of the retirement allowance calculated under section 145.33, 145.331, or 145.34 of the Revised Code.

(B)(1) Unless the member is eligible to elect another plan of payment, a member who retires under section 145.32, 145.331, or 145.34 of the Revised Code shall receive a retirement allowance under "plan A," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for life and one-half of such allowance continuing after death to the member's surviving spouse for the life of the spouse.

A member may elect to receive the member's retirement allowance under a plan of payment other than "plan A" if the member is not married or either the member's spouse consents in writing to the member's election of a plan of payment other than "plan A" or the board waives the requirement that the spouse consent. 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 "plan A," which consists of the actuarial equivalent of the member's retirement allowance in a lesser amount payable for life and one-half of the 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 a notary public. The board may waive the requirement of consent if the spouse is incapacitated or cannot be located or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

(2) A member eligible to elect to receive the member's retirement allowance under a plan of payment other than "plan A" shall receive the member's retirement allowance under one of the following plans elected at the time the member makes application for retirement:

(a) "Plan B," which shall consist of an allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code;

(b) "Plan C," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for life and one-half or some other portion of the allowance continuing after death to the

member's sole surviving beneficiary designated at the time of the member's retirement, provided that the amount payable to the beneficiary does not exceed the amount payable to the member;

(c) "Plan D," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for life and continuing after death to a surviving beneficiary designated at the time of the member's retirement;

(d) "Plan E," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for a certain period from the member's retirement date as elected by the member and approved by the retirement board, and on the member's death before the expiration of that certain period the member's lesser retirement allowance payable for the remainder of that period to the member's surviving designated beneficiary nominated by written designation filed with the retirement board.

Should the nominated beneficiary designated in writing die 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.

(3) A member eligible to elect to receive the member's retirement allowance under a plan of payment other than "plan A" because the member is unmarried who fails to make an election on retirement shall receive the member's retirement allowance under "plan B."

(C) If the retirement allowances, as a single life annuity or payment plan as provided in this section, due and paid are in a total amount less than (1) the accumulated contributions, and (2) other deposits made by the member as provided by ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter, standing to the credit of the member at the time of retirement, then the difference between the total amount of the allowances paid and the accumulated contributions and other deposits shall be paid to the beneficiary provided under division (D) of section 145.43 of the Revised Code.

(D)(1) The death of a spouse or any designated beneficiary following retirement shall cancel any plan of payment to provide continuing lifetime benefits to the spouse or beneficiary and return the retirant to the retirant'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 retirant 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 retirant'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 retirement 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.

(E) Following a marriage or remarriage, a retirant who is receiving the retirant's retirement allowance under "plan B" may elect a new plan of payment under division (B)(1), (2)(b), or (2)(c) of this section based on the actuarial equivalent of the retirant's single lifetime benefit as determined by the board. The plan shall become effective the first day of the month following receipt by the board of an application on a form approved by the board.

(F) Any person who, prior to July 24, 1990, selected an optional plan of payment at retirement that provided for a return to the single life benefit after the designated beneficiary's death shall have the retirant's benefit adjusted to the optional plan equivalent without such provision.

(G) A retirant's receipt of the first month's retirement allowance constitutes the retirant's final acceptance of the plan of payment and may be changed only as provided in this chapter.

Sec. 145.47. Each public employee who is a contributor to the public employees retirement system shall contribute eight per cent of ~~his~~ the contributor's earnable salary to the employees' savings fund, except that the public employees retirement board may raise the contribution rate to a rate not greater than ten per cent of the employee's earnable salary.

The head of each state department, institution, board, and commission, and the fiscal officer of each local authority subject to this chapter, shall deduct from the earnable salary of each contributor on every payroll of such contributor for each payroll period subsequent to the date of coverage, an amount equal to the applicable per cent of the contributor's earnable salary. The head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the ~~secretary of the public employees retirement board~~ system a report of contributions at such intervals and in such form as the ~~board~~ system shall require, showing thereon all deductions for the ~~public employees retirement~~ system made from the earnable salary of each contributor employed, together with warrants or checks covering the total of such deductions. A penalty of five per cent of the total amount due for the particular reporting period shall be added when such report, together with warrants or checks to cover the total

amount due from the earnable salary of all amenable employees of such employer ~~are~~, IS filed thirty or more days after the last day of such reporting period. Such penalty shall be added to and collected on the next succeeding regular employer billing. Interest at a rate set by the retirement board shall be charged on the amount of the penalty in case such penalty is not paid within three months after it is added to the regular employer billing. The ~~secretary of the board~~ system, after making a record of all such receipts, shall deposit them with the treasurer of state for use as provided by this chapter. In addition to the periodical reports of deduction required by this section, the fiscal officer of each local authority subject to this chapter shall submit to the ~~board~~ system at least once each year a complete listing of all noncontributing appointive employees. Where an employer fails to transmit contributions to the ~~retirement~~ system, the ~~retirement board~~ system may make a determination of the employees' liability for contributions and certify to the employer the amounts due for collection in the same manner as payments due the employers' accumulation fund, ~~provided that any~~. Any amounts so collected shall be ~~a penalty against the employer and held in trust pending receipt of a report of contributions from~~ for such public employees for the period involved as provided by law and, thereafter, the amount in trust shall be transferred to the employees' savings fund to the credit of the employees. Any amount remaining after the transfer to the employees' savings fund shall be transferred to the employers' accumulation fund as a credit of such employer. The fiscal officer shall require each new contributor to submit to the ~~board~~ system a detailed report of all ~~his~~ the contributor's previous service as a public employee along with such other facts as the board requires for the proper operation of the ~~public employees retirement~~ system.

Any member who, because of ~~his~~ the member's own illness, injury, or other reason which may be approved by ~~his~~ the member's employer is prevented from making ~~his~~ the member's contribution to the system for any payroll period, may pay such deductions as a back payment within one year.

Sec. 145.48. (A) Each employer shall pay to the ~~employers' accumulation fund~~ public employees retirement system an amount that shall be a certain per cent of the earnable salary of all contributors to be known as the "employer contribution," except that the public employees retirement board may raise the employer contribution to a rate not to exceed fourteen per cent of the earnable salaries of all contributors. ~~On~~

(B)(1) On the basis of regular interest and of such mortality and other tables as are adopted by the public employees retirement board, the actuary for the board shall determine the liabilities and employer rates of

contribution as follows:

~~(A)(a) The percentage of such earnable salary that will provide a pension reserve sufficient to match the accumulated contributions of those members or beneficiaries who will retire and qualify for retirement allowances or other benefits as provided by sections 145.33, 145.331, 145.34, 145.36, 145.361, 145.38, and division (A) of 145.45 of the Revised Code;~~

~~(B) The percentage of such earnable salary required to pay the liability for the prior service credit, disability credit prior to the effective date of a disability benefit, and the military service credit of members;~~

~~(C) The percentage of such earnable salary required to pay the liability of the survivors' benefit fund in excess of the accumulated contributions forfeited by beneficiaries;~~

~~(D) The percentage of such earnable salary required to pay the additional liability in the annuity and pension reserve fund due to the allowances or other benefits provided by sections 145.33, 145.331, 145.34, 145.36, 145.361, and 145.45 of the Revised Code;~~

~~(E) The percentage of such earnable salary required to fund any deficiencies in the various funds described in section 145.23 of the Revised Code;~~

~~(F) Such employer obligation shall include the normal and deficiency contributions and employer liability resulting from omitted member contributions required under sections 145.47 and 145.483 of the Revised Code, but not made by payroll deduction, when added to the per cent of earnable salary contributed by each member, will cover the costs of benefits to be paid to members for each year of service rendered;~~

(b) The percentage of earnable salary that, if paid over a period of future years, will discharge fully the system's unfunded actuarial accrued pension liability;

(c) The percentage of earnable salary designated by the board to pay benefits authorized under section 145.58 of the Revised Code.

(2) If recognized assets exceed the liabilities for service previously rendered, on approval of the board, a percentage of earnable salary may be deducted from the employer rates of contribution that, if deducted annually over a period of future years, will eliminate the excess.

(C) Any publicly owned utility that became subject to this chapter subsequent to July 1, 1938, shall assume before January 1, 1967, the obligation to pay those of its employees entitled to any prior service credit a pension for such service that is in an amount at least equal to the pension provided for other public employees under sections 145.01 to 145.59 of the

~~Revised Code~~ this chapter No employers' contributions for prior service credit shall be required of such publicly owned utility. The public employees retirement system has no obligation to pay a prior service pension to any such employees of a publicly owned utility, nor is it obligated to grant any service credit for service with such utility prior to May 1, 1942, or prior to the date such utility became subject to ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter, whichever is the later date.

~~The aggregate of all employer rates and contributions provided thereby shall be sufficient when combined with the amounts in the various funds described in section 145.23 of the Revised Code, to provide all allowances, annuities, pensions, and other benefits payable from the funds.~~

Sec. ~~145.491~~ 145.49. Notwithstanding any provision of sections ~~145.01 to 145.59 of the Revised Code~~ this chapter, the public employees retirement system shall be authorized to calculate the employee and employer contribution rates separately for those employees contributing toward benefits under division (B) of section 145.33 of the Revised Code.

Sec. 145.55. The deductions provided for in ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter shall be made notwithstanding that the minimum compensation provided for by law for any contributor is reduced thereby. Every contributor is deemed to consent to the deductions made and provided for in ~~such sections and shall receipt in full for his salary or compensation, and payment~~ this chapter. Payment less the deductions shall be a complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment.

Sec. 145.56. The right of a person to a pension, an annuity, or a retirement allowance itself, any optional benefit, any other right accrued or accruing to any person, under ~~sections 145.01 to 145.58 of the Revised Code~~ this chapter, or of any municipal retirement system established subject to ~~such sections~~ this chapter, under the laws of this state or any charter, the various funds created by ~~sections 145.01 to 145.58 of the Revised Code~~ this chapter, or under such municipal retirement system, and all moneys and investments and income thereof, are exempt from any state tax, except the tax imposed by section 5747.02 of the Revised Code and are exempt from any county, municipal, or other local tax, except taxes imposed pursuant to section 5748.02 or 5748.08 of the Revised Code and, except as provided in sections 145.57, 3111.23, and 3113.21 of the Revised Code, shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or the insolvency laws, or other process of law, and shall be unassignable

cept as specifically provided in this chapter and sections ~~145.01 to 145.58,~~ 3111.23, and 3113.21 of the Revised Code.

Sec. 145.563. If a member, former member, contributor, former contributor, retirant, or beneficiary is paid any benefit by the public employees retirement system to which ~~he~~ such a person is not entitled, the benefit shall be repaid to the retirement system by ~~him~~ the person. If ~~he~~ the person fails to make the repayment, the retirement system shall withhold the amount due from any benefit due ~~him~~ the person or ~~his~~ the person's beneficiary under ~~sections 145.01 to 145.59 of the Revised Code~~ this chapter, or may collect the amount in any other manner provided by law.

Sec. ~~145.53~~ 145.69. The public employees retirement board shall prepare and certify to the director of budget and management and to the heads of the departments, on or before the first day of November of each even-numbered year, the employer's rate of contribution, which, when applied to earnable salaries to be paid from state funds for positions covered by the public employees retirement system, will produce the amount necessary to pay the state's obligation as employer. Any appropriations for salaries to be paid to contributors covered by this system must be increased by the employer's contributions rate when salary appropriations are made.

Sec. ~~145.59~~ 145.70. All amounts due the public employees retirement system from the state treasury pursuant to this chapter shall be promptly paid upon warrant of the auditor of state pursuant to a voucher approved by the director of budget and management.

Sec. 145.80. The public employees retirement board shall adopt rules to implement each plan established under section 145.81 of the Revised Code.

Sec. 145.81. The public employees retirement board shall establish one or more plans consisting of benefit options that provide for an individual account for each participating member and under which benefits are based solely on the amounts that have accumulated in the account. The plans may include options under which a member participating in a plan may receive definitely determinable benefits.

Each plan established under this section shall meet the requirements of sections 145.81 to 145.98 of the Revised Code and any rules adopted in accordance with section 145.80 of the Revised Code. It may include life insurance, annuities, variable annuities, regulated investment trusts, pooled investment funds, or other forms of investment.

The board may administer the plans, enter into contracts with other entities to administer the plans, or both.

Sec. 145.811. Each plan established under section 145.81 of the Revised Code shall qualify as a governmental plan under section 414(d) of the

"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 414(d), as amended, and meet the requirements of section 401(a) of the "Internal Revenue Code of 1986," 26 U.S.C.A. 401(a), as amended, applicable to governmental plans.

Sec. 145.812. Each plan established under section 145.81 of the Revised Code shall meet the requirements necessary to qualify as a retirement system maintained by a state or local government entity under section 3121(b)(7)(F) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 3121(b)(7)(F), as amended. Each participant in a plan shall qualify as a member of that system.

Sec. 145.813. Each plan established under section 145.81 of the Revised Code shall require the public employees retirement board, or the entity administering the plan pursuant to a contract with the board, to cause an individual account to be maintained for each member participating in the plan. A plan may include deposits to the defined contribution fund created under section 145.23 of the Revised Code or deposits under division (C) of that section to the employees' savings fund.

Sec. 145.82. (A) Except as provided in division (B) of this section, sections 145.201 to 145.70 of the Revised Code do not apply to a plan established under section 145.81 of the Revised Code, except that a plan may incorporate provisions of those sections as specified in the plan document.

(B) The following sections of Chapter 145. of the Revised Code apply to a plan established under section 145.81 of the Revised Code: 145.22, 145.221, 145.23, 145.25, 145.26, 145.27, 145.296, 145.38, 145.382, 145.391, 145.47, 145.471, 145.48, 145.483, 145.49, 145.51, 145.54, 145.55, 145.56, 145.561, 145.563, 145.57, 145.69, and 145.70 of the Revised Code.

Sec. 145.85. Each member participating in a plan established under section 145.81 of the Revised Code shall contribute a per cent of the member's earnable salary to the public employees retirement system as required in section 145.47 of the Revised Code. Contributions made under this section shall not exceed the limits established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

Sec. 145.86. For each member participating in a plan established under section 145.81 of the Revised Code, the employer shall contribute a per cent of the member's earnable salary to the public employees retirement system as required in section 145.48 of the Revised Code, less the percentage required under section 145.87 of the Revised Code.

Sec. 145.87. For each member participating in a plan established under

section 145.81 of the Revised Code, the public employees retirement system shall transfer to the employers' accumulation fund a portion of the employer contribution required under section 145.48 of the Revised Code. The portion shall equal the percentage of earnable salary of members for whom the contributions are being made that is determined by an actuary appointed by the public employees retirement board to be necessary to mitigate any negative financial impact on the system of members' participation in a plan.

The board shall have prepared annually an actuarial study to determine whether the percentage transferred under this section should be changed to reflect a change in the level of negative financial impact resulting from members' participation in a plan. The percentage transferred shall be increased or decreased to reflect the amount needed to mitigate the negative financial impact, if any, on the system, as determined by the study. A change shall take effect on the first day of the year following the date the conclusions of the study are reported to the board.

The system shall make the transfer required under this section until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 145.325 or 145.58 of the Revised Code and benefit increases to members and former members participating in the plan described in sections 145.201 to 145.70 of the Revised Code granted after the effective date of this section, is fully amortized, as determined by the annual actuarial valuation prepared under section 145.22 of the Revised Code.

Sec. 145.88. Amounts contributed under sections 145.85 and 145.86 of the Revised Code, and any earnings on those amounts, shall be deposited and credited in accordance with the plan established under section 145.81 of the Revised Code that is selected by the member.

Sec. 145.91. The right of each member participating in a plan established under section 145.81 of the Revised Code to a retirement, disability, survivor, or death benefit, to health or long-term care insurance, or to a withdrawal of any amounts that have accumulated on the member's behalf shall be governed exclusively by the plan selected by the member.

Sec. 145.92. If a member participating in a plan established under section 145.81 of the Revised Code is married at the time benefits under the plan are to commence, before making any payment the public employees retirement system, or the entity administering the plan pursuant to a contract with the public employees retirement board, shall obtain the consent of the member's spouse to the form of payment selected by the member.

A plan established under section 145.81 of the Revised Code shall include requirements for consent under this section that are the same as the

requirements specified in section 417(a)(2) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 417(a)(2), as amended. A plan may waive consent if the spouse cannot be located or for any other reason specified in the regulations adopted under that section.

Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

Sec. 145.95. Subject to sections 145.38, 145.56, and 145.57 of the Revised Code, the right of a member participating in a plan established under section 145.81 of the Revised Code to any payment or benefit accruing from contributions made by or on behalf of the member under sections 145.85 and 145.86 of the Revised Code shall vest in accordance with this section.

A member's right to any payment or benefit that is based on the member's contributions is nonforfeitable.

A member's right to any payment or benefit that is based on contributions by the member's employer is nonforfeitable as specified by the plan selected by the member.

Sec. 145.97. Each plan established under section 145.81 of the Revised Code shall permit a member participating in the plan to do all of the following:

(A) Maintain on deposit with the public employees retirement system, or the entity administering the plan pursuant to a contract with the public employees retirement board, any amounts that have accumulated on behalf of the member;

(B) If the member has withdrawn the amounts described in division (A) of this section, redeposit with the system or the entity administering the plan the amounts withdrawn;

(C) Make additional deposits as permitted by the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

Sec. 145.98. Contributions under sections 145.85 and 145.86 of the Revised Code shall cease on the member's death or termination of employment or for any other reason specified by the plan selected by the member.

Sec. ~~145.71~~ 148.01. (A) As used in sections ~~145.71 to 145.76~~ of the Revised Code this chapter:

(1) "Eligible employee" means any public employee, as defined in division (A) of section 145.01 of the Revised Code, any person eligible to become a member of the public employees retirement system under section 145.20 of the Revised Code, any employee, as defined in division (C) of section 742.01, division (B) of section 3309.01, or division (A) of section

5505.01 of the Revised Code, and any member of the state teachers retirement system.

(2) "Participant account" means any of the following accounts:

(a) An account that is maintained by the Ohio public employees deferred compensation board and that evidences moneys that have been deferred by a continuing member or participating employee and transmitted to the board by the retirement system of the continuing member or participating employee;

(b) An account that is maintained by the governing board, administrator, depository, or trustee of a deferred compensation program of a municipal corporation and that evidences moneys that have been deferred by an officer or employee of that municipal corporation and transmitted to the governing board, administrator, depository, or trustee by the retirement system of the officer or employee or in another manner;

(c) An account that is maintained by a governing board, as defined in section ~~145.74~~ 148.06 of the Revised Code, and that evidences moneys that have been deferred by an officer or employee of a government unit, as defined in that section, and transmitted to the governing board by the retirement system of the officer or employee or in another manner.

(3) "Participating employee" means any eligible employee who is having compensation deferred pursuant to a contract that is executed before the compensation is earned and that is with ~~his~~ the eligible employee's employer and the Ohio public employees deferred compensation board.

(4) "Continuing member" means any former participating employee who is not currently having compensation deferred, or ~~his~~ the former participating employee's beneficiary, to whom payment has not been made of all deferred compensation distributions.

(B) Notwithstanding section 145.01 of the Revised Code, the definitions of that section are applicable to ~~sections 145.71 to 145.76 of the Revised Code~~ this chapter only to any extent necessary to fully understand the provisions of ~~those sections~~ this chapter. Reference may also be had to Chapters 742., 3307., 3309., and 5505. of the Revised Code for that purpose.

Sec. ~~145.72~~ 148.02. The Ohio public employees deferred compensation board shall be comprised of a member of the house of representatives and a member of the senate, who shall not be of the same political party, each to be appointed to serve at the pleasure of ~~his~~ the member's respective leadership, and the members of the public employees retirement board as constituted by section 145.04 of the Revised Code, who are hereby created as a separate legal entity for the purpose of administering a deferred compensation system for all eligible employees. The public employees

retirement board may utilize its employees and property in the administration of the system on behalf of the Ohio public employees deferred compensation board, in consideration of a reasonable service charge to be applied in a nondiscriminatory manner to all amounts of compensation deferred under this system.

The Ohio public employees deferred compensation board may exercise the same powers granted by section 145.09 of the Revised Code necessary to its functions. The attorney general shall be the legal adviser of the board.

Sec. ~~145.73~~ 148.04. (A) The Ohio public employees deferred compensation board shall initiate, plan, expedite, and, subject to an appropriate assurance of the approval of the internal revenue service, promulgate and offer to all eligible employees, and thereafter administer on behalf of all participating employees and continuing members, and alter as required, a program for deferral of compensation, including a reasonable number of options to the employee for the investment of deferred funds, including life insurance, annuities, variable annuities, pooled investment funds managed by the board, or other forms of investment approved by the board, always in such form as will assure the desired tax treatment of such funds. The members of the Ohio public employees deferred compensation board are the trustees of any deferred funds and shall discharge their duties with respect to the funds solely in the interest of and for the exclusive benefit of participating employees, continuing members, and their beneficiaries. With respect to such deferred funds, section ~~145.75~~ 148.09 of the Revised Code shall apply to claims against participating employees or continuing members and their employers.

(B) Every employer of an eligible employee shall contract with such employee upon the employee's application for participation in a deferred compensation program offered by the board. Every retirement system serving an eligible employee shall serve as collection agent for compensation deferred by any of its members and account for and deliver such sums to the board.

(C) The board shall, subject to any applicable contract provisions, undertake to obtain as favorable conditions of tax treatment as possible, both in the initial programs and any permitted alterations thereof or additions thereto, as to such matters as terms of distribution, designation of beneficiaries, withdrawal upon disability, financial hardship, or termination of public employment, and other optional provisions.

(D) In no event shall the total of the amount of deferred compensation to be set aside under a deferred compensation program and the employee's nondeferred income for any year exceed the total annual salary or

compensation under the existing salary schedule or classification plan applicable to such employee in such year.

Such a deferred compensation program shall be in addition to any retirement or any other benefit program provided by law for employees of this state. The board shall adopt rules pursuant to Chapter 119. of the Revised Code to provide any necessary standards or conditions for the administration of its programs, including any limits on the portion of a participating employee's compensation that may be deferred in order to avoid adverse treatment of the program by the internal revenue service or the occurrence of deferral, withholding, or other deductions in excess of the compensation available for any pay period.

Any income deferred under such a plan shall continue to be included as regular compensation for the purpose of computing the contributions to and benefits from the retirement system of such employee. Any sum so deferred shall not be included in the computation of any federal and state income taxes withheld on behalf of any such employee.

(E) This section does not limit the authority of any municipal corporation, county, township, park district, conservancy district, sanitary district, health district, public library, county law library, public institution of higher education, or school district to provide separate authorized plans or programs for deferring compensation of their officers and employees in addition to the program for the deferral of compensation offered by the board. Any municipal corporation, public institution of higher education, or school district that offers such plans or programs shall include a reasonable number of options to its officers or employees for the investment of the deferred funds, including annuities, variable annuities, regulated investment trusts, or other forms of investment approved by the municipal corporation, institution of higher education, or school district, that will assure the desired tax treatment of the funds.

Sec. ~~145.74~~ 148.06. As used in this section:

(A) "Government unit" means a county, township, park district of any kind, conservancy district, sanitary district, health district, public library district, or county law library.

(B) "Governing board" means, in the case of the county, the board of county commissioners; in the case of a township, the board of township trustees; in the case of a park district, the board of park commissioners; in the case of a conservancy district, the district's board of directors; in the case of a sanitary district, the district's board of directors; in the case of a health district, the board of health; in the case of a public library district, the board of library trustees; and in the case of a county law library, the board of

trustees of the law library association.

In addition to the program of deferred compensation that may be offered under ~~sections 145.71 to 145.73 of the Revised Code~~ this chapter, a governing board may offer to all of the officers and employees of the government unit not to exceed two additional programs for deferral of compensation designed for favorable tax treatment of the compensation so deferred. Any such program shall include a reasonable number of options to the officer or employee for the investment of the deferred funds, including annuities, variable annuities, regulated investment trusts, or other forms of investment approved by the governing board, that will assure the desired tax treatment of the funds.

Any income deferred under such a plan shall continue to be included as regular compensation for the purpose of computing the contributions to and benefits from the officer's or employee's retirement system but shall not be included in the computation of any federal and state income taxes withheld on behalf of any such employee.

Sec. ~~145.75~~ 148.09. Except as provided in sections ~~145.71 to 145.76~~, 3105.171, 3105.63, and 3113.21 of the Revised Code and this chapter, a participant account or any benefit or other right accrued or accruing to any person under ~~sections 145.71 to 145.76 of the Revised Code~~ this chapter or under a deferred compensation program offered by a government unit, as defined in section ~~145.74~~ 148.06 of the Revised Code, or by a municipal corporation shall not be subject to execution, garnishment, attachment, sale to satisfy a judgment or order, the operation of bankruptcy or insolvency laws, or other process of law and shall be unassignable.

Sec. ~~145.76~~ 148.10. (A) Notwithstanding any other provision of ~~sections 145.71 to 145.76 of the Revised Code~~ this chapter, any payment, other than a survivorship benefit, that is to be made to a person by a deferred compensation program pursuant to those sections or a deferred compensation program offered by a government unit, as defined in section ~~145.74~~ 148.06 of the Revised Code, or by a municipal corporation is subject to any withholding order issued pursuant to section 2907.15 or division (C)(2)(b) of section 2921.41 of the Revised Code. The Ohio public employees deferred compensation board, the governing board, as defined in section ~~145.74~~ 148.06 of the Revised Code, that is associated with a government unit, and the governing board, administrator, depository, or trustee of a deferred compensation program of a municipal corporation shall comply with that withholding order in making payment.

(B) Notwithstanding any other provision of ~~sections 145.71 to 145.76 of the Revised Code~~ this chapter, if a deferred compensation program receives

a notice pursuant to section 2907.15 or division (D) of section 2921.41 of the Revised Code that a person who has a participant account has been charged with a violation of section 2907.02, 2907.03, 2907.04, 2907.05, or 2921.41 of the Revised Code, no payment from that account shall be made prior to whichever of the following is applicable:

(1) If the person is convicted of or pleads guilty to the violation and a motion for a withholding order for purposes of restitution has not been filed under section 2907.15 or division (C)(2)(b)(i) of section 2921.41 of the Revised Code, thirty days after the day on which the person is sentenced for the violation;

(2) If the person is convicted of or pleads guilty to the violation and a motion for a withholding order for purposes of restitution has been filed under section 2907.15 or division (C)(2)(b)(i) of section 2921.41 of the Revised Code, the day on which the court decides the motion;

(3) If the charge is dismissed or the person is found not guilty or not guilty by reason of insanity of the violation, the day on which the dismissal of the charge or the verdict is entered in the journal of the court.

Sec. 306.45. All officers and employees of a regional transit authority shall be considered as public employees within the meaning of section 145.01 of the Revised Code and a regional transit authority, its officers, and employees shall be subject to ~~sections 145.01 to 145.57, inclusive,~~ Chapter 145, of the Revised Code.

Sec. 308.15. All officers and employees of a regional airport authority shall be considered as public employees within the meaning of section 145.01 of the Revised Code and a regional airport authority, its officers and employees shall be subject to the provisions of ~~sections 145.01 to 145.57, inclusive,~~ Chapter 145, of the Revised Code.

Sec. 742.351. (A) On receipt of written notice of a member's election to retire under division (c) of section 742.37 of the Revised Code, the Ohio police and fire pension fund shall request from the employer verification of the member's termination date and any other information the fund determines necessary to calculate and pay a pension under that division. The request shall be on a form created by the fund and specify the date by which the information must be received by the fund, which shall be sixty days after the form is sent by the fund.

(B)(1) On receipt of a request for information under division (A) of this section, the employer shall complete the form and return it to the fund not later than the date specified by the fund.

(2) If the fund does not receive the completed form by the specified date, the fund shall send notice by certified mail to the employer that unless

the completed form is received not later than thirty days after the specified date a fine will be imposed.

(C) the fund shall assess against an employer that fails to return the completed form by the end of the period described in division (B)(2) of this section a fine of one hundred dollars per day. the period for which the fine shall be imposed begins the thirty-first day after the date notice is mailed under division (B)(2) of this section and ends on the day before the day the completed form is received by the fund. Any amount due from an employer under this division shall be collected from the county auditor in the manner provided in section 742.35 of the Revised Code for delinquent contributions.

(D) The fund shall make one or more monthly payments to a member whose pension does not commence by the ninety-first day after the fund sends a request for information under division (A) of this section due to the employer's failure to return the completed form required under this section. Payment under this division shall commence on the first day of the second month following a month that includes a day for which an assessment against the employer is required under division (C) of this section. The payment shall be an amount equal to one hundred dollars for every day that an assessment is required under division (C) of this section less any administrative costs incurred by the fund in complying with this section. Payment shall continue on a monthly basis until the member receives the total amount attributable to the required penalty for an employer's failure to return the form that was requested for that member's information.

Sec. 742.379. (A) As used in this section:

(1) "Full-time service" has the meaning established by rule of the board of trustees of the Ohio police and fire pension fund.

(2) "Qualified contributions" means contributions to the public employees retirement system, school employees retirement system, or state teachers retirement system attributable to full-time service or purchase of credit for service in the armed forces of the United States.

(B) In computing the pension and benefits payable under section 742.37 or 742.39 of the Revised Code, the Ohio police and fire pension fund shall give a member of the fund who is in the active service of a police or fire department and is not receiving a pension or benefit payment from the fund full credit for service credit earned for full-time service as a member of the Cincinnati retirement system or purchased from the retirement system for service in the armed forces of the United States if, for each year of service credit, the fund receives the sum of the following:

(1) An amount, which shall be paid by the member, equal to the amount withdrawn by the member from the retirement system that is attributable to

the year of service credit, with interest on that amount from the date of withdrawal to the date of payment;

(2) Interest, which shall be paid either by the member or the retirement system, on the amount withdrawn by the member from the retirement system that is attributable to the year of service from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the withdrawal was made;

(3) An amount, which shall be paid by either the member or the retirement system, equal to the lesser of the amount contributed by the employer to the retirement system for the year of service or the amount that would have been contributed by the employer for the year of service had the member been employed by the member's current employer as a member of a police or fire department, with interest on that amount from the last day of the year for which the service credit was earned or in which military service was purchased or obtained to the date the payment is made;

(4) If the member became a member of the fund on or after September 16, 1998, the amount, which shall be paid by the member, determined pursuant to division (I) of this section.

Interest shall be determined in accordance with division (H) of this section.

(C) In computing the pension and benefits payable under section 742.37 or 742.39 of the Revised Code, the fund shall give a member of the fund who is in the active service of a police or fire department, is not receiving a pension or benefit payment from the fund, and has withdrawn the member's contributions from the public employees retirement system, school employees retirement system, or state teachers retirement system full credit for service credit earned for full-time service as a member of the public employees retirement system, school employees retirement system, or state teachers retirement system or purchased from one of those retirement systems for service in the armed forces of the United States if, for each year of service, the fund receives the sum of the following:

(1) An amount, which shall be paid by the member, equal to the amount withdrawn by the member from the former retirement system that is attributable to that year of service credit, with interest on that amount from the date of withdrawal to the date of payment;

(2) Interest, which shall be transferred by the former retirement system, on the amount withdrawn by the member from the retirement system that is attributable to the year of service from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the withdrawal was made;

(3) An amount, which shall be transferred by the former retirement system, equal to the lesser of the amount contributed by the employer to the retirement system for the year of service or the amount that would have been contributed by the employer for the year of service had the member been employed by the member's current employer as a member of a police or fire department, with interest on the amount transferred from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the transfer is made;

(4) If the member became a member of the fund on or after September 16, 1998, the amount, which shall be paid by the member, determined pursuant to division (I) of this section.

On receipt of payment from the member, the fund shall notify the former retirement system, and on receipt of the notice, the retirement system shall make the transfer. Interest shall be determined in accordance with division (H) of this section.

(D) In computing the pension and benefits payable under section 742.37 or 742.39 of the Revised Code, the fund shall give a member of the fund who is in the active service of a police or fire department, is not receiving a pension or benefit from the fund, and has contributions on deposit with the public employees retirement system, school employees retirement system, or state teachers retirement system full credit for service credit earned for full-time service as a member of one of those retirement systems ~~or, any~~ service credit purchased from one of the retirement systems for service in the armed forces of the United States, and any service credit obtained under section 145.295, 3307.761, or 3309.381 of the Revised Code for service for which contributions were made to the state highway patrol retirement system. The credit shall be given if both of the following occur:

(1) The retirement system transfers to the fund, for each year of service, the sum of the following:

(a) An amount equal to the member's qualified contributions;

(b) An amount equal to the lesser of the employer's qualified contributions to the retirement system or the amount that would have been contributed by the employer for the full-time service had the member been employed by the member's current employer as a member of a police or fire department;

(c) An amount equal to any amount received by the retirement system under section 145.295, 3307.761, or 3309.351 of the Revised Code;

(d) Interest on the amounts specified in divisions (D)(1)(a) ~~and~~, (b), and (c) of this section from the last day of the year for which the service credit in the transferring retirement system was earned or in which military service

credit or credit under section 145.295, 3307.761, or 3309.351 of the Revised Code was purchased or obtained to the date the transfer is made.

(2) If the member became a member of the fund on or after September 16, 1998, the member pays the amount determined pursuant to division (I) of this section.

On receipt of a request from the member, the appropriate retirement system shall make the transfer specified in division (D)(1) of this section. Interest shall be determined in accordance with division (H) of this section.

(E) Subject to board rules, a member of the fund may choose to purchase in any one payment only part of the credit the member is eligible to purchase under division (B) or (C)(1) of this section.

(F) At the request of the fund, the public employees retirement system, school employees retirement system, state teachers retirement system, or Cincinnati retirement system shall certify to the fund a copy of the records of the service and contributions of a member of the fund who seeks service credit under this section.

(G) A member of the fund is ineligible to receive credit under this section for service that is used in the calculation of any retirement benefit currently being paid or payable in the future to the member, or service rendered concurrently with any other period for which service credit has already been granted.

(H) Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the fund or of the retirement system in which the credit was earned. The interest shall be compounded annually.

The board may, by rule, establish procedures for the receipt of service credit under this section.

(I) The amount to be paid pursuant to division (B)(4), (C)(4), or (D)(2) of this section is the sum of the following:

(1) An amount equal to the difference between the amount the member paid as employee contributions for the service and the amount the member would have paid had the member been employed by the member's current employer as a member of a police or fire department;

(2) An amount equal to the difference between the amount paid or transferred under division (B)(3), (C)(3), or (D)(1)(b) of this section and the amount that would have been contributed by the employer for the service had the member been employed by the member's current employer as a member of a police or fire department;

(3) Interest, determined in accordance with division (H) of this section, on the amounts specified in divisions (I)(1) and (2) of this section.

At the request of a member, in lieu of requiring payment of all or part of the amount determined under this division the fund may grant the member an amount of service credit under division (B), (C), or (D) of this section that is less than the amount for which the member is eligible. The service credit granted shall be the same percentage of the service credit for which the member is eligible that the amount the fund receives under division (B), (C), or (D) of this section is of the total amount it would receive under those divisions if the full amount determined under this division was paid.

(J)(1) Except as provided in division (J)(2) of this section and notwithstanding any contrary provision of this section, the board shall, in computing a pension or benefit under section 742.37 or 742.39 of the Revised Code, give a member of the fund who is not receiving a pension or disability benefit from the fund full credit for service credit purchased under this section for service that was less than full-time service if the member provides evidence satisfactory to the board that, after receiving written notice from the fund indicating that the member would be permitted to purchase service credit for service that was less than full-time, the member changed or ceased the member's employment with the understanding that the credit identified in the notice would be used in computing a pension or benefit. If the board has canceled service credit purchased under this section for service that was less than full-time service and the member meets the requirements of division (J)(1) of this section, the board shall restore the service credit on repayment to the fund of the amount refunded to the member at the time of cancellation.

(2) If a member of the fund who is not receiving a pension or disability benefit from the fund purchased credit under this section for service that was less than full-time service and does not meet the requirements of division (J)(1) of this section, the board shall refund to the member any amounts paid to purchase the credit, with interest at a rate determined by the board from the date the member purchased the credit to the date of the refund.

(K) A member of the fund who has purchased service credit under this section, or the member's estate, is entitled to a refund of the amount or portion of the amount paid to purchase the credit if the purchased credit or portion of credit does not increase a pension or benefit payable under section 742.37 or 742.39 of the Revised Code. The refund cancels an equivalent amount of service credit.

(L) If a member or former member of the fund who is not a current contributor and has not received a refund of accumulated contributions elects to receive credit under section 145.295, 3307.761, or 3309.351 of the Revised Code for service for which the member contributed to the fund or

purchased credit for service in the armed forces of the United States, the fund shall transfer to the public employees retirement system, school employees retirement system, or state teachers retirement system the amount specified in division (A) of section 145.295 of the Revised Code, division (A) of section 3307.761 of the Revised Code, or division (A) of section 3309.351 of the Revised Code.

(M) The board shall adopt rules establishing a payroll deduction plan for the purchase of service credit under this section. The rules shall meet the requirements described in section 742.56 of the Revised Code.

Sec. 742.58. On the death of a member of the Ohio police and fire pension fund who at the time of death is receiving a retirement pension or disability benefits, a lump-sum payment of one thousand dollars shall be paid to the member's surviving spouse or, if there is no surviving spouse, to the beneficiary the member designated on a form provided by the fund. If there is no surviving spouse or designated beneficiary, the payment shall be made to the member's estate.

Application for the payment shall be made on a form provided by the fund.

A benefit paid under this section shall be treated as life insurance for purposes of this chapter and shall be funded solely from contributions made under sections 742.33 and 742.34 of the Revised Code and any earnings attributable to those contributions.

Sec. 2329.66. (A) Every person who is domiciled in this state may hold property exempt from execution, garnishment, attachment, or sale to satisfy a judgment or order, as follows:

(1)(a) In the case of a judgment or order regarding money owed for health care services rendered or health care supplies provided to the person or a dependent of the person, one parcel or item of real or personal property that the person or a dependent of the person uses as a residence. Division (A)(1)(a) of this section does not preclude, affect, or invalidate the creation under this chapter of a judgment lien upon the exempted property but only delays the enforcement of the lien until the property is sold or otherwise transferred by the owner or in accordance with other applicable laws to a person or entity other than the surviving spouse or surviving minor children of the judgment debtor. Every person who is domiciled in this state may hold exempt from a judgment lien created pursuant to division (A)(1)(a) of this section the person's interest, not to exceed five thousand dollars, in the exempted property.

(b) In the case of all other judgments and orders, the person's interest, not to exceed five thousand dollars, in one parcel or item of real or personal

property that the person or a dependent of the person uses as a residence.

(2) The person's interest, not to exceed one thousand dollars, in one motor vehicle;

(3) The person's interest, not to exceed two hundred dollars in any particular item, in wearing apparel, beds, and bedding, and the person's interest, not to exceed three hundred dollars in each item, in one cooking unit and one refrigerator or other food preservation unit;

(4)(a) The person's interest, not to exceed four hundred dollars, in cash on hand, money due and payable, money to become due within ninety days, tax refunds, and money on deposit with a bank, savings and loan association, credit union, public utility, landlord, or other person. Division (A)(4)(a) of this section applies only in bankruptcy proceedings. This exemption may include the portion of personal earnings that is not exempt under division (A)(13) of this section.

(b) Subject to division (A)(4)(d) of this section, the person's interest, not to exceed two hundred dollars in any particular item, in household furnishings, household goods, appliances, books, animals, crops, musical instruments, firearms, and hunting and fishing equipment, that are held primarily for the personal, family, or household use of the person;

(c) Subject to division (A)(4)(d) of this section, the person's interest in one or more items of jewelry, not to exceed four hundred dollars in one item of jewelry and not to exceed two hundred dollars in every other item of jewelry;

(d) Divisions (A)(4)(b) and (c) of this section do not include items of personal property listed in division (A)(3) of this section.

If the person does not claim an exemption under division (A)(1) of this section, the total exemption claimed under division (A)(4)(b) of this section shall be added to the total exemption claimed under division (A)(4)(c) of this section, and the total shall not exceed two thousand dollars. If the person claims an exemption under division (A)(1) of this section, the total exemption claimed under division (A)(4)(b) of this section shall be added to the total exemption claimed under division (A)(4)(c) of this section, and the total shall not exceed one thousand five hundred dollars.

(5) The person's interest, not to exceed an aggregate of seven hundred fifty dollars, in all implements, professional books, or tools of the person's profession, trade, or business, including agriculture;

(6)(a) The person's interest in a beneficiary fund set apart, appropriated, or paid by a benevolent association or society, as exempted by section 2329.63 of the Revised Code;

(b) The person's interest in contracts of life or endowment insurance or

annuities, as exempted by section 3911.10 of the Revised Code;

(c) The person's interest in a policy of group insurance or the proceeds of a policy of group insurance, as exempted by section 3917.05 of the Revised Code;

(d) The person's interest in money, benefits, charity, relief, or aid to be paid, provided, or rendered by a fraternal benefit society, as exempted by section 3921.18 of the Revised Code;

(e) The person's interest in the portion of benefits under policies of sickness and accident insurance and in lump-sum payments for dismemberment and other losses insured under those policies, as exempted by section 3923.19 of the Revised Code.

(7) The person's professionally prescribed or medically necessary health aids;

(8) The person's interest in a burial lot, including, but not limited to, exemptions under section 517.09 or 1721.07 of the Revised Code;

(9) The person's interest in the following:

(a) Moneys paid or payable for living maintenance or rights, as exempted by section 3304.19 of the Revised Code;

(b) Workers' compensation, as exempted by section 4123.67 of the Revised Code;

(c) Unemployment compensation benefits, as exempted by section 4141.32 of the Revised Code;

(d) Cash assistance payments under the Ohio works first program, as exempted by section 5107.75 of the Revised Code;

(e) Disability assistance payments, as exempted by section 5115.07 of the Revised Code.

(10)(a) Except in cases in which the person was convicted of or pleaded guilty to a violation of section 2921.41 of the Revised Code and in which an order for the withholding of restitution from payments was issued under division (C)(2)(b) of that section or in cases in which an order for withholding was issued under section 2907.15 of the Revised Code, and only to the extent provided in the order, and except as provided in sections 3105.171, 3105.63, 3111.23, and 3113.21 of the Revised Code, the person's right to a pension, benefit, annuity, retirement allowance, or accumulated contributions, the person's right to a participant account in any deferred compensation program offered by the Ohio public employees deferred compensation board, a government unit, or a municipal corporation, or the person's other accrued or accruing rights, as exempted by section 145.56, ~~145.75~~, 146.13, 148.09, 742.47, 3307.41, 3309.66, or 5505.22 of the Revised Code, and the person's right to benefits from the Ohio public safety

officers death benefit fund;

(b) Except as provided in sections 3111.23 and 3113.21 of the Revised Code, the person's right to receive a payment under any pension, annuity, or similar plan or contract, not including a payment from a stock bonus or profit-sharing plan or a payment included in division (A)(6)(b) or (10)(a) of this section, on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the person and any of the person's dependents, except if all the following apply:

(i) The plan or contract was established by or under the auspices of an insider that employed the person at the time the person's rights under the plan or contract arose.

(ii) The payment is on account of age or length of service.

(iii) The plan or contract is not qualified under the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, as amended.

(c) Except for any portion of the assets that were deposited for the purpose of evading the payment of any debt and except as provided in sections 3111.23 and 3113.21 of the Revised Code, the person's right in the assets held in, or to receive any payment under, any individual retirement account, individual retirement annuity, "Roth IRA," or education individual retirement account that provides benefits by reason of illness, disability, death, or age, to the extent that the assets, payments, or benefits described in division (A)(10)(c) of this section are attributable to any of the following:

(i) Contributions of the person that were less than or equal to the applicable limits on deductible contributions to an individual retirement account or individual retirement annuity in the year that the contributions were made, whether or not the person was eligible to deduct the contributions on the person's federal tax return for the year in which the contributions were made;

(ii) Contributions of the person that were less than or equal to the applicable limits on contributions to a Roth IRA or education individual retirement account in the year that the contributions were made;

(iii) Contributions of the person that are within the applicable limits on rollover contributions under subsections 219, 402(c), 403(a)(4), 403(b)(8), 408(b), 408(d)(3), 408A(c)(3)(B), 408A(d)(3), and 530(d)(5) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(d) Except for any portion of the assets that were deposited for the purpose of evading the payment of any debt and except as provided in sections 3111.23 and 3113.21 of the Revised Code, the person's right in the assets held in, or to receive any payment under, any Keogh or "H.R. 10" plan that provides benefits by reason of illness, disability, death, or age, to

the extent reasonably necessary for the support of the person and any of the person's dependents.

(11) The person's right to receive spousal support, child support, an allowance, or other maintenance to the extent reasonably necessary for the support of the person and any of the person's dependents;

(12) The person's right to receive, or moneys received during the preceding twelve calendar months from, any of the following:

(a) An award of reparations under sections 2743.51 to 2743.72 of the Revised Code, to the extent exempted by division (D) of section 2743.66 of the Revised Code;

(b) A payment on account of the wrongful death of an individual of whom the person was a dependent on the date of the individual's death, to the extent reasonably necessary for the support of the person and any of the person's dependents;

(c) Except in cases in which the person who receives the payment is an inmate, as defined in section 2969.21 of the Revised Code, and in which the payment resulted from a civil action or appeal against a government entity or employee, as defined in section 2969.21 of the Revised Code, a payment, not to exceed five thousand dollars, on account of personal bodily injury, not including pain and suffering or compensation for actual pecuniary loss, of the person or an individual for whom the person is a dependent;

(d) A payment in compensation for loss of future earnings of the person or an individual of whom the person is or was a dependent, to the extent reasonably necessary for the support of the debtor and any of the debtor's dependents.

(13) Except as provided in sections 3111.23 and 3113.21 of the Revised Code, personal earnings of the person owed to the person for services in an amount equal to the greater of the following amounts:

(a) If paid weekly, thirty times the current federal minimum hourly wage; if paid biweekly, sixty times the current federal minimum hourly wage; if paid semimonthly, sixty-five times the current federal minimum hourly wage; or if paid monthly, one hundred thirty times the current federal minimum hourly wage that is in effect at the time the earnings are payable, as prescribed by the "Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C. 206(a)(1), as amended;

(b) Seventy-five per cent of the disposable earnings owed to the person.

(14) The person's right in specific partnership property, as exempted by division (B)(3) of section 1775.24 of the Revised Code;

(15) A seal and official register of a notary public, as exempted by section 147.04 of the Revised Code;

(16) The person's interest in a tuition credit or a payment under section 3334.09 of the Revised Code pursuant to a tuition credit contract, as exempted by section 3334.15 of the Revised Code;

(17) Any other property that is specifically exempted from execution, attachment, garnishment, or sale by federal statutes other than the "Bankruptcy Reform Act of 1978," 92 Stat. 2549, 11 U.S.C.A. 101, as amended;

(18) The person's interest, not to exceed four hundred dollars, in any property, except that division (A)(18) of this section applies only in bankruptcy proceedings.

(B) As used in this section:

(1) "Disposable earnings" means net earnings after the garnishee has made deductions required by law, excluding the deductions ordered pursuant to section 3111.23 or 3113.21 of the Revised Code.

(2) "Insider" means:

(a) If the person who claims an exemption is an individual, a relative of the individual, a relative of a general partner of the individual, a partnership in which the individual is a general partner, a general partner of the individual, or a corporation of which the individual is a director, officer, or in control;

(b) If the person who claims an exemption is a corporation, a director or officer of the corporation; a person in control of the corporation; a partnership in which the corporation is a general partner; a general partner of the corporation; or a relative of a general partner, director, officer, or person in control of the corporation;

(c) If the person who claims an exemption is a partnership, a general partner in the partnership; a general partner of the partnership; a person in control of the partnership; a partnership in which the partnership is a general partner; or a relative in, a general partner of, or a person in control of the partnership;

(d) An entity or person to which or whom any of the following applies:

(i) The entity directly or indirectly owns, controls, or holds with power to vote, twenty per cent or more of the outstanding voting securities of the person who claims an exemption, unless the entity holds the securities in a fiduciary or agency capacity without sole discretionary power to vote the securities or holds the securities solely to secure to debt and the entity has not in fact exercised the power to vote.

(ii) The entity is a corporation, twenty per cent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the person who claims an exemption or by an

entity to which division (B)(2)(d)(i) of this section applies.

(iii) A person whose business is operated under a lease or operating agreement by the person who claims an exemption, or a person substantially all of whose business is operated under an operating agreement with the person who claims an exemption.

(iv) The entity operates the business or all or substantially all of the property of the person who claims an exemption under a lease or operating agreement.

(e) An insider, as otherwise defined in this section, of a person or entity to which division (B)(2)(d)(i), (ii), (iii), or (iv) of this section applies, as if the person or entity were a person who claims an exemption;

(f) A managing agent of the person who claims an exemption.

(3) "Participant account" has the same meaning as in section ~~145.71~~ 148.01 of the Revised Code.

(4) "Government unit" has the same meaning as in section ~~145.74~~ 148.06 of the Revised Code.

(C) For purposes of this section, "interest" shall be determined as follows:

(1) In bankruptcy proceedings, as of the date a petition is filed with the bankruptcy court commencing a case under Title 11 of the United States Code;

(2) In all cases other than bankruptcy proceedings, as of the date of an appraisal, if necessary under section 2329.68 of the Revised Code, or the issuance of a writ of execution.

An interest, as determined under division (C)(1) or (2) of this section, shall not include the amount of any lien otherwise valid pursuant to section 2329.661 of the Revised Code.

Sec. 2907.15. (A) As used in this section:

(1) "Public retirement system" means the public employees retirement system, state teachers retirement system, school employees retirement system, Ohio police and fire pension fund, state highway patrol retirement system, or a municipal retirement system of a municipal corporation of this state.

(2) "Government deferred compensation program" means such a program offered by the Ohio public employees deferred compensation board; a municipal corporation; or a governmental unit, as defined in section ~~145.74~~ 148.06 of the Revised Code.

(3) "Deferred compensation program participant" means a "participating employee" or "continuing member," as defined in section ~~145.71~~ 148.01 of the Revised Code, or any other public employee who has funds in a

ment deferred compensation program.

(4) "Prosecutor" has the same meaning as in section 2935.01 of the Revised Code.

In any case in which a sentencing court orders restitution to the victim under section 2929.18 of the Revised Code for a violation of section 2907.02, 2907.03, 2907.04, or 2907.05 of the Revised Code and in which the offender is a government deferred compensation program participant or is a member of, or receiving a pension, benefit, or allowance, other than a survivorship benefit, from, a public retirement system and committed the offense against a child, student, patient, or other person with whom the offender had contact in the context of the offender's public employment, at the request of the victim the prosecutor shall file a motion with the sentencing court specifying the government deferred compensation program or public retirement system and requesting that the court issue an order requiring the government deferred compensation program or public retirement system to withhold the amount required as restitution from one or more of the following: any payment to be made from a government deferred compensation program or under a pension, annuity, allowance, or any other benefit, other than a survivorship benefit, that has been or is in the future granted to the offender; from any payment of accumulated employee contributions standing to the offender's credit with the government deferred compensation program or public retirement system; or from any payment of any other amounts to be paid to the offender pursuant to Chapter 145., 148., 742., 3307., 3309., or 5505. of the Revised Code on withdrawal of contributions. The motion may be filed at any time subsequent to the conviction of the offender or entry of a guilty plea. On the filing of the motion, the clerk of the court in which the motion is filed shall notify the offender and the government deferred compensation program or public retirement system, in writing, of all of the following: that the motion was filed; that the offender will be granted a hearing on the issuance of the requested order if the offender files a written request for a hearing with the clerk prior to the expiration of thirty days after the offender receives the notice; that, if a hearing is requested, the court will schedule a hearing as soon as possible and notify the offender and the government deferred compensation program or public retirement system of the date, time, and place of the hearing; that, if a hearing is conducted, it will be limited to a consideration of whether the offender can show good cause why the order should not be issued; that, if a hearing is conducted, the court will not issue the order if the court determines, based on evidence presented at the hearing by the offender, that there is good cause for the order not to be issued; that

the court will issue the order if a hearing is not requested or if a hearing is conducted but the court does not determine, based on evidence presented at the hearing by the offender, that there is good cause for the order not to be issued; and that, if the order is issued, the government deferred compensation program or public retirement system specified in the motion will be required to withhold the amount required as restitution from payments to the offender.

(B) In any case in which a motion requesting the issuance of a withholding order as described in division (A) of this section is filed, the offender may receive a hearing on the motion by delivering a written request for a hearing to the court prior to the expiration of thirty days after the offender's receipt of the notice provided pursuant to division (A) of this section. If the offender requests a hearing within the prescribed time, the court shall schedule a hearing as soon as possible after the request is made and notify the offender and the government deferred compensation program or public retirement system of the date, time, and place of the hearing. A hearing scheduled under this division shall be limited to a consideration of whether there is good cause, based on evidence presented by the offender, for the requested order not to be issued. If the court determines, based on evidence presented by the offender, that there is good cause for the order not to be issued, the court shall deny the motion and shall not issue the order. Good cause for not issuing the order includes a determination by the court that the order would severely impact the offender's ability to support the offender's dependents.

If the offender does not request a hearing within the prescribed time or the court conducts a hearing but does not determine, based on evidence presented by the offender, that there is good cause for the order not to be issued, the court shall order the government deferred compensation program or public retirement system to withhold the amount required as restitution from one or more of the following: any payments to be made from a government deferred compensation program or under a pension, annuity, allowance, or under any other benefit, other than a survivorship benefit, that has been or is in the future granted to the offender; from any payment of accumulated employee contributions standing to the offender's credit with the government deferred compensation program or public retirement system; or from any payment of any other amounts to be paid to the offender upon withdrawal of contributions pursuant to Chapter 145., 148., 742., 3307., 3309., or 5505. of the Revised Code and to continue the withholding for that purpose, in accordance with the order, out of each payment to be made on or after the date of issuance of the order, until

further order of the court. On receipt of an order issued under this division, the government deferred compensation program or public retirement system shall withhold the amount required as restitution, in accordance with the order, from any such payments and immediately forward the amount withheld to the clerk of the court in which the order was issued for payment to the person to whom restitution is to be made. The order shall not apply to any portion of payments made from a government deferred compensation program or public retirement system to a person other than the offender pursuant to a previously issued domestic court order.

(C) Service of a notice required by division (A) or (B) of this section shall be effected in the same manner as provided in the Rules of Civil Procedure for the service of process.

(D) Upon the filing of charges under section 2907.02, 2907.03, 2907.04, or 2907.05 of the Revised Code against a person who is a deferred compensation program participant or a member of, or receiving a pension benefit, or allowance, other than a survivorship benefit, from a public retirement system for an offense against a child, student, patient, or other person with whom the offender had contact in the context of the offender's public employment, the prosecutor shall send written notice that charges have been filed against that person to the appropriate government deferred compensation program or public retirement system. The notice shall specifically identify the person charged.

Sec. 2921.41. (A) No public official or party official shall commit any theft offense, as defined in division (K) of section 2913.01 of the Revised Code, when either of the following applies:

- (1) The offender uses the offender's office in aid of committing the offense or permits or assents to its use in aid of committing the offense;
- (2) The property or service involved is owned by this state, any other state, the United States, a county, a municipal corporation, a township, or any political subdivision, department, or agency of any of them, is owned by a political party, or is part of a political campaign fund.

(B) Whoever violates this section is guilty of theft in office. Except as otherwise provided in this division, theft in office is a felony of the fifth degree. If the value of property or services stolen is five hundred dollars or more and is less than five thousand dollars, theft in office is a felony of the fourth degree. If the value of property or services stolen is five thousand dollars or more, theft in office is a felony of the third degree.

(C)(1) A public official or party official who is convicted of or pleads guilty to theft in office is forever disqualified from holding any public office, employment, or position of trust in this state.

(2)(a) A court that imposes sentence for a violation of this section based on conduct described in division (A)(2) of this section shall require the public official or party official who is convicted of or pleads guilty to the offense to make restitution for all of the property or the service that is the subject of the offense, in addition to the term of imprisonment and any fine imposed. A court that imposes sentence for a violation of this section based on conduct described in division (A)(1) of this section and that determines at trial that this state or a political subdivision of this state if the offender is a public official, or a political party in the United States or this state if the offender is a party official, suffered actual loss as a result of the offense shall require the offender to make restitution to the state, political subdivision, or political party for all of the actual loss experienced, in addition to the term of imprisonment and any fine imposed.

(b)(i) In any case in which a sentencing court is required to order restitution under division (C)(2)(a) of this section and in which the offender, at the time of the commission of the offense or at any other time, was a member of the public employees retirement system, the Ohio police and fire pension fund, the state teachers retirement system, the school employees retirement system, or the state highway patrol retirement system; was an electing employee, as defined in section 3305.01 of the Revised Code, participating in an alternative retirement plan provided pursuant to Chapter 3305. of the Revised Code; was a participating employee or continuing member, as defined in section ~~145.74~~ 148.01 of the Revised Code, in a deferred compensation program offered by the Ohio public employees deferred compensation board; was an officer or employee of a municipal corporation who was a participant in a deferred compensation program offered by that municipal corporation; was an officer or employee of a government unit, as defined in section ~~145.74~~ 148.06 of the Revised Code, who was a participant in a deferred compensation program offered by that government unit, or was a participating employee, continuing member, or participant in any deferred compensation program described in this division and a member of a retirement system specified in this division or a retirement system of a municipal corporation, the entity to which restitution is to be made may file a motion with the sentencing court specifying any retirement system, any entity providing any benefit under an alternative retirement plan, and any deferred compensation program of which the offender was a member, electing employee, participating employee, continuing member, or participant and requesting the court to issue an order requiring the specified retirement system, the specified entity providing the benefit under the alternative retirement plan, or the specified deferred

compensation program, or, if more than one is specified in the motion, the applicable combination of these, to withhold the amount required as restitution from any payment that is to be made under a pension, annuity, or allowance, under a participant account, as defined in section ~~145.71~~ 148.01 of the Revised Code, or under any other type of benefit, other than a survivorship benefit, that has been or is in the future granted to the offender, from any payment of accumulated employee contributions standing to the offender's credit with that retirement system, that entity providing the payment under the alternative retirement plan, or that deferred compensation program, or, if more than one is specified in the motion, the applicable combination of these, and from any payment of any other amounts to be paid to the offender upon the offender's withdrawal of the offender's contributions pursuant to Chapter 145., 148., 742., 3307., 3309., or 5505. of the Revised Code. A motion described in this division may be filed at any time subsequent to the conviction of the offender or entry of a guilty plea. Upon the filing of the motion, the clerk of the court in which the motion is filed shall notify the offender, the specified retirement system, the specified entity providing the benefit under the alternative retirement plan, or the specified deferred compensation program, or, if more than one is specified in the motion, the applicable combination of these, in writing, of all of the following: that the motion was filed; that the offender will be granted a hearing on the issuance of the requested order if the offender files a written request for a hearing with the clerk prior to the expiration of thirty days after the offender receives the notice; that, if a hearing is requested, the court will schedule a hearing as soon as possible and notify the offender, any specified retirement system, any specified entity providing any benefit under an alternative retirement plan, and any specified deferred compensation program of the date, time, and place of the hearing; that, if a hearing is conducted, it will be limited only to a consideration of whether the offender can show good cause why the requested order should not be issued; that, if a hearing is conducted, the court will not issue the requested order if the court determines, based on evidence presented at the hearing by the offender, that there is good cause for the requested order not to be issued; that the court will issue the requested order if a hearing is not requested or if a hearing is conducted but the court does not determine, based on evidence presented at the hearing by the offender, that there is good cause for the requested order not to be issued; and that, if the requested order is issued, any retirement system, any entity providing any benefit under an alternative retirement plan, and any deferred compensation program specified in the motion will be required to withhold the amount required as restitution from payments to

the offender.

(ii) In any case in which a sentencing court is required to order restitution under division (C)(2)(a) of this section and in which a motion requesting the issuance of a withholding order as described in division (C)(2)(b)(i) of this section is filed, the offender may receive a hearing on the motion by delivering a written request for a hearing to the court prior to the expiration of thirty days after the offender's receipt of the notice provided pursuant to division (C)(2)(b)(i) of this section. If a request for a hearing is made by the offender within the prescribed time, the court shall schedule a hearing as soon as possible after the request is made and shall notify the offender, the specified retirement system, the specified entity providing the benefit under the alternative retirement plan, or the specified deferred compensation program, or, if more than one is specified in the motion, the applicable combination of these, of the date, time, and place of the hearing. A hearing scheduled under this division shall be limited to a consideration of whether there is good cause, based on evidence presented by the offender, for the requested order not to be issued. If the court determines, based on evidence presented by the offender, that there is good cause for the order not to be issued, the court shall deny the motion and shall not issue the requested order. If the offender does not request a hearing within the prescribed time or if the court conducts a hearing but does not determine, based on evidence presented by the offender, that there is good cause for the order not to be issued, the court shall order the specified retirement system, the specified entity providing the benefit under the alternative retirement plan, or the specified deferred compensation program, or, if more than one is specified in the motion, the applicable combination of these, to withhold the amount required as restitution under division (C)(2)(a) of this section from any payments to be made under a pension, annuity, or allowance, under a participant account, as defined in section ~~145.71~~ 148.01 of the Revised Code, or under any other type of benefit, other than a survivorship benefit, that has been or is in the future granted to the offender, from any payment of accumulated employee contributions standing to the offender's credit with that retirement system, that entity providing the benefit under the alternative retirement plan, or that deferred compensation program, or, if more than one is specified in the motion, the applicable combination of these, and from any payment of any other amounts to be paid to the offender upon the offender's withdrawal of the offender's contributions pursuant to Chapter 145., 148., 742., 3307., 3309., or 5505. of the Revised Code, and to continue the withholding for that purpose, in accordance with the order, out of each payment to be made on or after the date of issuance of the order, until

further order of the court. Upon receipt of an order issued under this division, the public employees retirement system, the Ohio police and fire pension fund, the state teachers retirement system, the school employees retirement system, the state highway patrol retirement system, a municipal corporation retirement system, the entity providing the benefit under the alternative retirement plan, and the deferred compensation program offered by the Ohio public employees deferred compensation board, a municipal corporation, or a government unit, as defined in section ~~145.74~~ 148.06 of the Revised Code, whichever are applicable, shall withhold the amount required as restitution, in accordance with the order, from any such payments and immediately shall forward the amount withheld to the clerk of the court in which the order was issued for payment to the entity to which restitution is to be made.

(iii) Service of a notice required by division (C)(2)(b)(i) or (ii) of this section shall be effected in the same manner as provided in the Rules of Civil Procedure for the service of process.

(D) Upon the filing of charges against a person under this section, the prosecutor, as defined in section 2935.01 of the Revised Code, who is assigned the case shall send written notice that charges have been filed against that person to the public employees retirement system, the Ohio police and fire pension fund, the state teachers retirement system, the school employees retirement system, the state highway patrol retirement system, the entity providing any benefit under an alternative retirement plan, any municipal corporation retirement system in this state, and the deferred compensation program offered by the Ohio public employees deferred compensation board, a municipal corporation, or a government unit, as defined in section ~~145.74~~ 148.06 of the Revised Code. The written notice shall specifically identify the person charged.

Sec. 3105.171. (A) As used in this section:

(1) "Distributive award" means any payment or payments, in real or personal property, that are payable in a lump sum or over time, in fixed amounts, that are made from separate property or income, and that are not made from marital property and do not constitute payments of spousal support, as defined in section 3105.18 of the Revised Code.

(2) "During the marriage" means whichever of the following is applicable:

(a) Except as provided in division (A)(2)(b) of this section, the period of time from the date of the marriage through the date of the final hearing in an action for divorce or in an action for legal separation;

(b) If the court determines that the use of either or both of the dates

specified in division (A)(2)(a) of this section would be inequitable, the court may select dates that it considers equitable in determining marital property. If the court selects dates that it considers equitable in determining marital property, "during the marriage" means the period of time between those dates selected and specified by the court.

(3)(a) "Marital property" means, subject to division (A)(3)(b) of this section, all of the following:

(i) All real and personal property that currently is owned by either or both of the spouses, including, but not limited to, the retirement benefits of the spouses, and that was acquired by either or both of the spouses during the marriage;

(ii) All interest that either or both of the spouses currently has in any real or personal property, including, but not limited to, the retirement benefits of the spouses, and that was acquired by either or both of the spouses during the marriage;

(iii) Except as otherwise provided in this section, all income and appreciation on separate property, due to the labor, monetary, or in-kind contribution of either or both of the spouses that occurred during the marriage;

(iv) A participant account, as defined in section ~~145.74~~ 148.01 of the Revised Code, of either of the spouses, to the extent of the following: the moneys that have been deferred by a continuing member or participating employee, as defined in that section, and that have been transmitted to the Ohio public employees deferred compensation board during the marriage and any income that is derived from the investment of those moneys during the marriage; the moneys that have been deferred by an officer or employee of a municipal corporation and that have been transmitted to the governing board, administrator, depository, or trustee of the deferred compensation program of the municipal corporation during the marriage and any income that is derived from the investment of those moneys during the marriage; or the moneys that have been deferred by an officer or employee of a government unit, as defined in section ~~145.74~~ 148.06 of the Revised Code, and that have been transmitted to the governing board, as defined in that section, during the marriage and any income that is derived from the investment of those moneys during the marriage.

(b) "Marital property" does not include any separate property.

(4) "Passive income" means income acquired other than as a result of the labor, monetary, or in-kind contribution of either spouse.

(5) "Personal property" includes both tangible and intangible personal property.

(6)(a) "Separate property" means all real and personal property and any interest in real or personal property that is found by the court to be any of the following:

(i) An inheritance by one spouse by bequest, devise, or descent during the course of the marriage;

(ii) Any real or personal property or interest in real or personal property that was acquired by one spouse prior to the date of the marriage;

(iii) Passive income and appreciation acquired from separate property by one spouse during the marriage;

(iv) Any real or personal property or interest in real or personal property acquired by one spouse after a decree of legal separation issued under section 3105.17 of the Revised Code;

(v) Any real or personal property or interest in real or personal property that is excluded by a valid antenuptial agreement;

(vi) Compensation to a spouse for the spouse's personal injury, except for loss of marital earnings and compensation for expenses paid from marital assets;

(vii) Any gift of any real or personal property or of an interest in real or personal property that is made after the date of the marriage and that is proven by clear and convincing evidence to have been given to only one spouse.

(b) The commingling of separate property with other property of any type does not destroy the identity of the separate property as separate property, except when the separate property is not traceable.

(B) In divorce proceedings, the court shall, and in legal separation proceedings upon the request of either spouse, the court may, determine what constitutes marital property and what constitutes separate property. In either case, upon making such a determination, the court shall divide the marital and separate property equitably between the spouses, in accordance with this section. For purposes of this section, the court has jurisdiction over all property in which one or both spouses have an interest.

(C)(1) Except as provided in this division or division (E) of this section, the division of marital property shall be equal. If an equal division of marital property would be inequitable, the court shall not divide the marital property equally but instead shall divide it between the spouses in the manner the court determines equitable. In making a division of marital property, the court shall consider all relevant factors, including those set forth in division (F) of this section.

(2) Each spouse shall be considered to have contributed equally to the production and acquisition of marital property.

(3) The court shall provide for an equitable division of marital property under this section prior to making any award of spousal support to either spouse under section 3105.18 of the Revised Code and without regard to any spousal support so awarded.

(4) If the marital property includes a participant account, as defined in section ~~145.71~~ 148.01 of the Revised Code, the court shall not order the division or disbursement of the moneys and income described in division (A)(3)(a)(iv) of this section to occur in a manner that is inconsistent with the law, rules, or plan governing the deferred compensation program involved or prior to the time that the spouse in whose name the participant account is maintained commences receipt of the moneys and income credited to the account in accordance with that law, rules, and plan.

(D) Except as otherwise provided in division (E) of this section or by another provision of this section, the court shall disburse a spouse's separate property to that spouse. If a court does not disburse a spouse's separate property to that spouse, the court shall make written findings of fact that explain the factors that it considered in making its determination that the spouse's separate property should not be disbursed to that spouse.

(E)(1) The court may make a distributive award to facilitate, effectuate, or supplement a division of marital property. The court may require any distributive award to be secured by a lien on the payor's specific marital property or separate property.

(2) The court may make a distributive award in lieu of a division of marital property in order to achieve equity between the spouses, if the court determines that a division of the marital property in kind or in money would be impractical or burdensome.

(3) If a spouse has engaged in financial misconduct, including, but not limited to, the dissipation, destruction, concealment, or fraudulent disposition of assets, the court may compensate the offended spouse with a distributive award or with a greater award of marital property.

(F) In making a division of marital property and in determining whether to make and the amount of any distributive award under this section, the court shall consider all of the following factors:

- (1) The duration of the marriage;
- (2) The assets and liabilities of the spouses;
- (3) The desirability of awarding the family home, or the right to reside in the family home for reasonable periods of time, to the spouse with custody of the children of the marriage;
- (4) The liquidity of the property to be distributed;
- (5) The economic desirability of retaining intact an asset or an interest

in an asset;

(6) The tax consequences of the property division upon the respective awards to be made to each spouse;

(7) The costs of sale, if it is necessary that an asset be sold to effectuate an equitable distribution of property;

(8) Any division or disbursement of property made in a separation agreement that was voluntarily entered into by the spouses;

(9) Any other factor that the court expressly finds to be relevant and equitable.

(G) In any order for the division or disbursement of property or a distributive award made pursuant to this section, the court shall make written findings of fact that support the determination that the marital property has been equitably divided and shall specify the dates it used in determining the meaning of "during the marriage."

(H) Except as otherwise provided in this section, the holding of title to property by one spouse individually or by both spouses in a form of co-ownership does not determine whether the property is marital property or separate property.

(I) A division or disbursement of property or a distributive award made under this section is not subject to future modification by the court.

(J) The court may issue any orders under this section that it determines equitable, including, but not limited to, either of the following types of orders:

(1) An order granting a spouse the right to use the marital dwelling or any other marital property or separate property for any reasonable period of time;

(2) An order requiring the sale or encumbrancing of any real or personal property, with the proceeds from the sale and the funds from any loan secured by the encumbrance to be applied as determined by the court.

Sec. 3105.63. (A)(1) A petition for dissolution of marriage shall be signed by both spouses and shall have attached and incorporated a separation agreement agreed to by both spouses. The separation agreement shall provide for a division of all property; spousal support; if there are minor children of the marriage, the allocation of parental rights and responsibilities for the care of the minor children, the designation of a residential parent and legal custodian of the minor children, child support, and visitation rights; and, if the spouses so desire, an authorization for the court to modify the amount or terms of spousal support provided in the separation agreement. If there are minor children of the marriage, the spouses may address the allocation of the parental rights and responsibilities

for the care of the minor children by including in the separation agreement a plan under which both parents will have shared rights and responsibilities for the care of the minor children. The spouses shall file the plan with the petition for dissolution of marriage and shall include in the plan the provisions described in division (G) of section 3109.04 of the Revised Code.

(2) The division of property in the separation agreement shall include any participant account, as defined in section ~~145.71~~ 148.01 of the Revised Code, of either of the spouses, to the extent of the following:

(a) The moneys that have been deferred by a continuing member or participating employee, as defined in that section, and that have been transmitted to the Ohio public employees deferred compensation board during the marriage and any income that is derived from the investment of those moneys during the marriage;

(b) The moneys that have been deferred by an officer or employee of a municipal corporation and that have been transmitted to the governing board, administrator, depository, or trustee of the deferred compensation program of the municipal corporation during the marriage and any income that is derived from the investment of those moneys during the marriage;

(c) The moneys that have been deferred by an officer or employee of a government unit, as defined in section ~~145.74~~ 148.06 of the Revised Code, and that have been transmitted to the governing board, as defined in that section, during the marriage and any income that is derived from the investment of those moneys during the marriage.

(3) The separation agreement shall not require or permit the division or disbursement of the moneys and income described in division (A)(2) of this section to occur in a manner that is inconsistent with the law, rules, or plan governing the deferred compensation program involved or prior to the time that the spouse in whose name the participant account is maintained commences receipt of the moneys and income credited to the account in accordance with that law, rules, and plan.

(B) An amended separation agreement may be filed at any time prior to or during the hearing on the petition for dissolution of marriage. Upon receipt of a petition for dissolution of marriage, the court may cause an investigation to be made pursuant to the Rules of Civil Procedure.

(C) If a petition for dissolution of marriage contains an authorization for the court to modify the amount or terms of spousal support provided in the separation agreement, the modification shall be in accordance with section 3105.18 of the Revised Code.

Sec. 3307.661. On the death of a retirant or disability benefit recipient who at the time of death is receiving, under the plan described in sections

3307.50 to 3307.79 of the Revised Code, a service retirement allowance or disability benefit, the state teachers retirement system shall make a lump-sum payment of one thousand dollars to any designated or qualified beneficiary under division (D) of section 3307.562 of the Revised Code. If there is no beneficiary, the state teachers retirement board may approve payment to either the person responsible for the burial expenses or to the decedent's estate following the completion of an application on a form approved by the board.

A benefit paid under this section shall be treated as life insurance for purposes of this chapter and shall be funded solely from contributions made under section 3307.28 of the Revised Code on behalf of members participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code, and any earnings attributable to those contributions.

Sec. 3307.761. (A) A member of the state teachers retirement system participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has contributions on deposit with the Ohio police and fire pension fund or the state highway patrol retirement system shall, in computing years of total service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or purchased for service in the armed forces of the United States if a transfer to the state teachers retirement system is made under this division. At the request of the member, the Ohio police and fire pension fund or state highway patrol retirement system shall transfer to the state teachers retirement system, for each year of service, the sum of the following:

(1) An amount equal to the member's ~~payments for service in the armed forces of the United States and~~ accumulated contributions to the transferring fund or system, any payments by the member for service in the armed forces of the United States, and any amounts paid under section 742.375 or 5505.201 of the Revised Code to purchase service credit;

(2) An amount equal to the lesser of the employer's contributions to the Ohio police and fire pension fund or state highway patrol retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the state teachers retirement system;

(3) Interest, determined as provided in division (E) of this section, on the amounts specified in divisions (A)(1) and (2) of this section from the last day of the year for which the service credit in the transferring fund or system was earned or in which military service credit or service credit under section 742.35 or 5505.201 of the Revised Code was purchased or obtained to the date the transfer is made.

(B) A member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has at least eighteen months of contributing service with the state teachers retirement system, is a former member of the Ohio police and fire pension fund or state highway patrol retirement system, and has received a refund of contributions to that fund or system shall, in computing years of total service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or purchased for service in the armed forces of the United States if, for each year of service, the state teachers retirement system receives the sum of the following:

(1) An amount, which shall be paid by the member, equal to the amount refunded by the Ohio police and fire pension fund or the state highway patrol retirement system to the member for that year for accumulated contributions and payments for purchase of credit for service in the armed forces of the United States, with interest on that amount from the date of the refund to the date of the payment;

(2) Interest, which shall be transferred by the Ohio police and fire pension fund or state highway patrol retirement system, on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the refund was made;

(3) An amount, which shall be transferred by the Ohio police and fire pension fund or state highway patrol retirement system, equal to the lesser of the amount contributed by the employer to the Ohio police and fire pension fund or state highway patrol retirement system for that year or the amount that would have been contributed by the employer for the year had the member been a member of the state teachers retirement system, with interest on that amount from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date of the transfer.

On receipt of payment from the member, the state teachers retirement system shall notify the Ohio police and fire pension fund or the state highway patrol retirement system, which, on receipt of the notice, shall make the transfer required by this division. Interest shall be determined as provided in division (E) of this section.

A member may choose to purchase only part of the credit the member is eligible to purchase under this division in any one payment, subject to rules of the state teachers retirement board.

(C) A member is ineligible to obtain credit under this section for service

that is used in the calculation of any retirement benefit currently being paid or payable in the future.

(D) If a member of the state teachers retirement system who is not a current contributor elects to obtain credit under section 742.379 or 5505.202 of the Revised Code for service for which the member contributed to the state teachers retirement system or purchased credit for service in the armed forces of the United States, the state teachers retirement system shall transfer to the Ohio police and fire pension fund or state highway patrol retirement system, as applicable, the amount specified in division (D) of section 742.379 or division (B)(2) of section 5505.202 of the Revised Code.

(E) Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or of the fund or retirement system in which the credit was earned. The interest shall be compounded annually.

(F) The state teachers retirement board shall credit to a member's account in the teachers' savings fund the amounts described in divisions (A)(1) and (B)(1) of this section, except that the interest paid by the member under division (B)(1) of this section shall be credited to the employers' trust fund. The board shall credit to the employers' trust fund the amounts described in divisions (A)(2), (3), and (B)(2) of this section.

Sec. 3309.351. (A) A member of the school employees retirement system who has contributions on deposit with the Ohio police and fire pension fund or the state highway patrol retirement system shall, in computing years of total service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or purchased for service in the armed forces of the United States if a transfer to the school employees retirement system is made under this division. At the request of the member, the Ohio police and fire pension fund or state highway patrol retirement system shall transfer to the school employees retirement system, for each year of service, the sum of the following:

(1) An amount equal to the member's ~~payments for service in the armed forces of the United States and~~ accumulated contributions to the transferring fund or system, any payments by the member for service in the armed forces of the United States, and any amounts paid under section 742.375 or 5505.201 of the Revised Code to purchase service credit;

(2) An amount equal to the lesser of the employer's contributions to the Ohio police and fire pension fund or state highway patrol retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the school employees retirement

system;

(3) Interest, determined as provided in division (E) of this section, on the amounts specified in divisions (A)(1) and (2) of this section from the last day of the year for which the service credit in the transferring fund or system was earned or in which military service credit or service credit under section 742.375 or 5505.201 of the Revised Code was purchased or obtained to the date the transfer is made.

(B) A member who has at least eighteen months of contributing service with the school employees retirement system, is a former member of the Ohio police and fire pension fund or state highway patrol retirement system, and has received a refund of contributions to that fund or system shall, in computing years of total service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or purchased for service in the armed forces of the United States if, for each year of service, the school employees retirement system receives the sum of the following:

(1) An amount, which shall be paid by the member, equal to the amount refunded by the Ohio police and fire pension fund or the state highway patrol retirement system to the member for that year for accumulated contributions and payments for purchase of credit for service in the armed forces of the United States, with interest on that amount from the date of the refund to the date of the payment;

(2) Interest, which shall be transferred by the Ohio police and fire pension fund or state highway patrol retirement system, on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the refund was made;

(3) An amount, which shall be transferred by the Ohio police and fire pension fund or state highway patrol retirement system, that is equal to the lesser of the amount contributed by the employer to the Ohio police and fire pension fund or state highway patrol retirement system for that year or the amount that would have been contributed by the employer for the year had the member been a member of the school employees retirement system, with interest on that amount from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date of the transfer.

On receipt of payment from the member, the school employees retirement system shall notify the Ohio police and fire pension fund or the state highway patrol retirement system, which, on receipt of the notice, shall make the transfer required by this division. Interest shall be determined as

provided in division (E) of this section. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

(C) A member is ineligible to obtain service credit under this section for service that is used in the calculation of any retirement benefit currently being paid or payable in the future to the member.

Service credit obtained under this section shall be considered the equivalent of Ohio service credit.

(D) If a member of the school employees retirement system who is not a current contributor elects to obtain credit under section 742.379 or 5505.202 of the Revised Code for service for which the member contributed to the school employees retirement system or purchased credit for service in the armed forces of the United States, the school employees retirement system shall transfer to the Ohio police and fire pension fund or state highway patrol retirement system, as applicable, the amount specified in division (D) of section 742.379 or division (B)(2) of section 5505.202 of the Revised Code.

(E) Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the school employees retirement system or of the fund or retirement system in which the credit was earned. The interest shall be compounded annually.

Sec. 3309.50. Upon the death of a retirant or disability benefit recipient, who at the time of death is receiving a service retirement allowance or disability benefit from the school employees retirement system, a lump-sum payment of one thousand dollars shall be paid to any designated or qualified beneficiary under division (D) of section 3309.44 of the Revised Code, or, if no such designation has been filed or if the designated beneficiary is deceased or is not located within ninety days, the school employees retirement board may approve payment to either the person responsible for the burial expenses or to the decedent's estate following the completion of an application on a form approved by the board.

A benefit paid under this section shall be treated as life insurance for purposes of this chapter and shall be funded solely from contributions made under section 3309.49 of the Revised Code and any earnings attributable to those contributions.

Sec. 3375.411. A board of library trustees of a free public library, appointed pursuant to the provisions of sections 3375.06, 3375.08, 3375.12, 3375.15, and 3375.22 of the Revised Code, which has not less than seventy-five full-time employees, and which, prior to September 16, 1943, was providing for retirement of the employees of such library with

annuities, insurance, or other provisions, under authority granted by former section 7889 of the General Code, may provide such retirement, insurance, or other provisions in the same manner authorized by former section 7889 of the General Code, as follows: the library board of such library which has appropriated and paid the board's portion provided in such system or plan, may continue to appropriate and pay the board's portion provided in such system or plan out of the funds received to the credit of such board by taxation or otherwise. Each employee of such library who is to be included in a system of retirement shall contribute to the retirement fund not less than four per cent per annum of ~~his~~ the employee's salary from the time of ~~his~~ eligibility to join the retirement system to the time of ~~his~~ retirement. If a group insurance plan is installed by any library, not less than fifty per cent of the cost of such insurance shall be borne by the employees included in such plan.

Provided, any employee whose employment by said library began on or after September 16, 1943, may exempt ~~himself~~ self from inclusion in such retirement system, or withdraw from such retirement system. Upon such exemption or withdrawal, such person shall become a member of the public employees retirement system in accordance with sections 145.02, 145.03, and 145.28 of the Revised Code, respectively. All employees appointed for the first time on and after January 1, 1956 shall, for retirement purposes, be eligible only for membership in the public employees retirement system as provided in ~~sections 145.01 to 145.57, inclusive,~~ Chapter 145. of the Revised Code.

A library board which provides for the retirement of its employees with annuities, insurance, or other provisions under the authority granted by this section may, pursuant to a board resolution adopted within thirty days after the effective date of this section, terminate such retirement plan. Upon the effective date of such termination, which is specified in the resolution, each employee covered by such retirement plan shall become a member of the public employees retirement system.

Sec. 3381.13. All employees of a regional arts and cultural district shall be considered public employees within the meaning of section 145.01 of the Revised Code and its employees shall be subject to ~~sections 145.01 to 145.58~~ Chapter 145. of the Revised Code.

Sec. 5505.202. (A) As used in this section:

(1) "Full-time service" means full-time service as defined by rule which shall be adopted by the state highway patrol retirement board.

(2) "Qualified contributions" means contributions to the public employees retirement system, state teachers retirement system, or school

employees retirement system attributable to full-time service or purchase of credit for service in the armed forces of the United States.

(B)(1) For purposes of computing the pension payable under section 5505.17 or 5505.18 of the Revised Code, a member of the state highway patrol retirement system who is a former member of the public employees retirement system, school employees retirement system, or state teachers retirement system and has received a return of contributions from the former retirement system shall be given full credit for service credit earned for full-time service as a member of the former retirement system or purchased for service in the armed forces of the United States if, for each year of service credit, the state highway patrol retirement system receives the sum of the following:

(a) An amount, which shall be paid by the member to the member's credit in the employees savings fund, equal to the amount received by the member from the former retirement system for that year that is attributable to contributions made for full-time service and payments for credit purchased for service in the armed forces of the United States, plus interest on that amount from the date payment was made to the member by the former retirement system to the date the member makes the payment to the state highway patrol retirement system;

(b) Interest, which shall be transferred by the former retirement system, on the amount received by the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which the military service credit was purchased or obtained to the date the amount was paid to the member;

(c) An amount, which shall be transferred by the former retirement system, equal to the lesser of the employer's qualified contributions to the former retirement system for the year of service or the amount that would have been contributed by the employer for the year of service had the member been a member of the state highway patrol retirement system, with interest on that amount from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the transfer is made.

On receipt of payment from the member, the state highway patrol retirement system shall notify the former retirement system, which, on receipt of the notice, shall make the transfer required by this division. Interest shall be determined in accordance with division (E) of this section.

(2) For purposes of computing the pension payable under section 5505.17 or 5505.18 of the Revised Code, a member of the state highway patrol retirement system who has contributions on deposit with the public

employees retirement system, school employees retirement system, or state teachers retirement system shall be given full credit for service credit earned for full-time service as a member of that retirement system ~~or~~ any service credit purchased for service in the armed forces of the United States, and any service credit obtained under section 145.295, 3307.761, or 3309.381 of the Revised Code for service for which contributions were made to the Ohio police and fire pension fund. The credit shall be given if, for each year of service, the public employees retirement system, school employees retirement system, or state teachers retirement system transfers to the state highway patrol retirement system the sum of the following:

(a) An amount equal to the member's qualified contributions;

(b) An amount equal to the lesser of the employer's qualified contributions to the public employees retirement system, school employees retirement system, or state teachers retirement system or the amount that would have been contributed by the employer for the full-time service had the member been a member of the state highway patrol retirement system;

(c) An amount equal to any amount received by the retirement system under section 145.295, 3307.761, or 3309.351 of the Revised Code;

(d) Interest, determined in accordance with division (E) of this section, on the amounts specified in divisions (B)(2)(a) ~~and~~, (b), and (c) of this section from the last day of the year for which the service credit in the transferring retirement system was earned or in which military service credit or service credit under section 145.295, 3307.761, or 3309.351 of the Revised Code was purchased or obtained to the date the transfer is made.

On receipt of a request from the member, the appropriate retirement system shall make the transfer.

(3) For purposes of computing the pension payable under section 5505.17 or 5505.18 of the revised Code, a member of the state highway patrol retirement system who has contributions on deposit with the Cincinnati retirement system shall be given full credit for service credit earned for full-time service as a member of that retirement system or purchased from the retirement system for service in the armed forces of the United States if, for each year of service credit, the state highway patrol retirement system receives the sum of the following:

(a) An amount, which shall be paid by the member to the member's credit in the employees savings fund, equal to the amount withdrawn from the Cincinnati retirement system that is attributable to that year of service, with interest on that amount determined in accordance with division (I) of this section from the date of withdrawal to the date of payment;

(b) Interest, which shall be paid either by the member or the Cincinnati

etirement system, on the amount withdrawn from the Cincinnati retirement system that is attributable to the year of service from the last day of the year for which the service credit was earned or in which the military service credit was purchased or obtained to the date the amount was withdrawn;

(c) An amount, which shall be paid either by the member or the Cincinnati retirement system, equal to the lesser of the amount contributed by the employer to the Cincinnati retirement system for the year of service or the amount that would have been contributed by the employer for the year of service had the member been a member of the state highway patrol retirement system, with interest on that amount from the last day of the year for which the service credit was earned or in which military service was purchased or obtained to the date the payment is made.

(C) If a member who is not a current contributor and has not received a refund of accumulated contributions elects to receive credit under section 145.295, 3307.761, or 3309.351 of the Revised Code for service for which the member contributed to the state highway patrol retirement system and credit purchased for service in the armed forces of the United States, the state highway patrol retirement system shall transfer to the appropriate retirement system the amount specified in division (A) of section 145.295, division (A) of section 3307.761, or division (A) of section 3309.351 of the Revised Code.

(D)(1) A member is ineligible to purchase or otherwise receive credit under this section for service that is used in the calculation of any retirement benefit currently being paid or that is payable in the future to the member, or service rendered concurrently with any other period for which service credit has already been granted.

(2) Except as provided under division (D)(3) of this section, no service credit purchased under this section or received as a result of a transfer requested under this section shall be used to determine any member's eligibility for retirement under sections 5505.16 and 5505.17 of the Revised Code.

(3) Service credit obtained under this section by a member for credit purchased for service in the armed forces of the United States or for service as a state highway patrol cadet attending training school pursuant to section 5503.05 of the Revised Code shall be used to determine the member's eligibility for retirement under sections 5505.16 and 5505.17 of the Revised Code.

(4) Subject to rules of the state highway patrol retirement system, a member may choose to purchase only part of the credit the member is eligible to purchase under division (B)(1) or (3) of this section.

(E) At the request of the state highway patrol retirement system, the public employees retirement system, school employees retirement system, state teachers retirement system, or Cincinnati retirement system shall certify to the state highway patrol retirement system a copy of the records of service, salary, and contributions of a member who seeks service credit under this section.

Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the state highway patrol retirement system or of the retirement system in which the credit was earned. The interest shall be compounded annually.

The state highway patrol retirement system board may adopt rules establishing procedures for the purchase of service credit or the transfer of contributions under this section.

Sec. 5505.30. On the death of a person who at the time of death is receiving a pension from the state highway patrol retirement system under division (A)(1) or (2) of section 5505.17 or section 5505.18 of the Revised Code, a lump-sum payment of five thousand dollars shall be paid to the retirant's surviving spouse. If there is no surviving spouse, the payment shall be made to the retirant's estate.

Application for the payment shall be made on a form provided by the state highway patrol retirement board.

A benefit paid under this section shall be treated as life insurance for purposes of this chapter and shall be funded solely from contributions made under division (B) of section 5505.15 of the Revised Code and any earnings attributable to those contributions.

Sec. 6121.04. The Ohio water development authority may do any or all of the following:

(A) Adopt bylaws for the regulation of its affairs and the conduct of its business;

(B) Adopt an official seal;

(C) Maintain a principal office and suboffices at places within the state that it designates;

(D) Sue and plead in its own name and be sued and impleaded in its own name with respect to its contracts or torts of its members, employees, or agents acting within the scope of their employment, or to enforce its obligations and covenants made under sections 6121.06, 6121.08, and 6121.13 of the Revised Code. Any such actions against the authority shall be brought in the court of common pleas of the county in which the principal office of the authority is located or in the court of common pleas of

the county in which the cause of action arose, provided that the county is located within this state, and all summonses, exceptions, and notices of every kind shall be served on the authority by leaving a copy thereof at the principal office with the person in charge thereof or with the secretary-treasurer of the authority.

(E) Make loans and grants to governmental agencies for the acquisition or construction of water development projects by any such governmental agency and adopt rules and procedures for making such loans and grants;

(F) Acquire, construct, reconstruct, enlarge, improve, furnish, equip, maintain, repair, operate, or lease or rent to, or contract for operation by, a governmental agency or person, water development projects, and establish rules for the use of those projects;

(G) Make available the use or services of any water development project to one or more persons, one or more governmental agencies, or any combination thereof;

(H) Issue water development revenue bonds and notes and water development revenue refunding bonds of the state, payable solely from revenues as provided in section 6121.06 of the Revised Code, unless the bonds are refunded by refunding bonds, for the purpose of paying any part of the cost of one or more water development projects or parts thereof;

(I) Acquire by gift or purchase, hold, and dispose of real and personal property in the exercise of its powers and the performance of its duties under this chapter;

(J) Acquire, in the name of the state, by purchase or otherwise, on terms and in the manner that it considers proper, or by the exercise of the right of condemnation in the manner provided by section 6121.18 of the Revised Code, public or private lands, including public parks, playgrounds, or reservations, or parts thereof or rights therein, rights-of-way, property, rights, easements, and interests that it considers necessary for carrying out this chapter, but excluding the acquisition by the exercise of the right of condemnation of any waste water facility or water management facility owned by any person or governmental agency, and compensation shall be paid for public or private lands so taken, except that a government-owned waste water facility may be appropriated in accordance with section 6121.041 of the Revised Code;

(K) Adopt rules to protect augmented flow in waters of the state, to the extent augmented by a water development project, from depletion so it will be available for beneficial use, and to provide standards for the withdrawal from waters of the state of the augmented flow created by a water development project that is not returned to the waters of the state so

augmented and to establish reasonable charges therefor if considered necessary by the authority;

(L) Make and enter into all contracts and agreements and execute all instruments necessary or incidental to the performance of its duties and the execution of its powers under this chapter in accordance with the following requirements:

(1) When the cost under any such contract or agreement, other than compensation for personal services, involves an expenditure of more than ten thousand dollars, the authority shall make a written contract with the lowest responsive and responsible bidder, in accordance with section 9.312 of the Revised Code, after advertisement for not less than two consecutive weeks in a newspaper of general circulation in Franklin county, and in other publications that the authority determines, which shall state the general character of the work and the general character of the materials to be furnished, the place where plans and specifications therefor may be examined, and the time and place of receiving bids, provided that a contract or lease for the operation of a water development project constructed and owned by the authority or an agreement for cooperation in the acquisition or construction of a water development project pursuant to section 6121.13 of the Revised Code or any contract for the construction of a water development project that is to be leased by the authority to, and operated by, persons who are not governmental agencies and the cost of the project is to be amortized exclusively from rentals or other charges paid to the authority by persons who are not governmental agencies is not subject to the foregoing requirements and the authority may enter into such a contract or lease or such an agreement pursuant to negotiation and upon terms and conditions and for the period that it finds to be reasonable and proper in the circumstances and in the best interests of proper operation or of efficient acquisition or construction of the project.

(2) Each bid for a contract for the construction, demolition, alteration, repair, or reconstruction of an improvement shall contain the full name of every person interested in it and shall meet the requirements of section 153.54 of the Revised Code.

(3) Each bid for a contract except as provided in division (L)(2) of this section shall contain the full name of every person or company interested in it and shall be accompanied by a sufficient bond or certified check on a solvent bank that if the bid is accepted, a contract will be entered into and the performance thereof secured.

(4) The authority may reject any and all bids.

(5) A bond with good and sufficient surety, approved by the authority,

shall be required of every contractor awarded a contract except as provided in division (L)(2) of this section, in an amount equal to at least fifty per cent of the contract price, conditioned upon the faithful performance of the contract.

(M) Employ managers, superintendents, and other employees and retain or contract with consulting engineers, financial consultants, accounting experts, architects, attorneys, and other consultants and independent contractors that are necessary in its judgment to carry out this chapter, and fix the compensation thereof. All expenses thereof shall be payable solely from the proceeds of water development revenue bonds or notes issued under this chapter, from revenues, or from funds appropriated for that purpose by the general assembly.

(N) Receive and accept from any federal agency, subject to the approval of the governor, grants for or in aid of the construction of any water development project or for research and development with respect to waste water or water management facilities, and receive and accept aid or contributions from any source of money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which the grants and contributions are made;

(O) Engage in research and development with respect to waste water or water management facilities;

(P) Purchase fire and extended coverage and liability insurance for any water development project and for the principal office and suboffices of the authority, insurance protecting the authority and its officers and employees against liability for damage to property or injury to or death of persons arising from its operations, and any other insurance the authority may agree to provide under any resolution authorizing its water development revenue bonds or in any trust agreement securing the same;

(Q) Charge, alter, and collect rentals and other charges for the use or services of any water development project as provided in section 6121.13 of the Revised Code;

(R) Provide coverage for its employees under ~~sections 145.01 to 145.58~~ and Chapters 145., 4123., and 4141. of the Revised Code;

(S) Assist in the implementation and administration of the drinking water assistance fund and program created in section 6109.22 of the Revised Code and the water pollution control loan fund and program created in section 6111.036 of the Revised Code, including, without limitation, performing or providing fiscal management for the funds and investing and disbursing moneys in the funds, and enter into all necessary and appropriate agreements with the director of environmental protection for those purposes;

(T) Issue water development revenue bonds and notes of the state in principal amounts that are necessary for the purpose of raising moneys for the sole benefit of the water pollution control loan fund created in section 6111.036 of the Revised Code, including moneys to meet the requirement for providing matching moneys under division (D) of that section. The bonds and notes may be secured by appropriate trust agreements and repaid from moneys credited to the fund from payments of principal and interest on loans made from the fund, as provided in division (F) of section 6111.036 of the Revised Code.

(U) Issue water development revenue bonds and notes of the state in principal amounts that are necessary for the purpose of raising moneys for the sole benefit of the drinking water assistance fund created in section 6109.22 of the Revised Code, including moneys to meet the requirement for providing matching moneys under divisions (B) and (F) of that section. The bonds and notes may be secured by appropriate trust agreements and repaid from moneys credited to the fund from payments of principal and interest on loans made from the fund, as provided in division (F) of section 6109.22 of the Revised Code.

(V) Make loans to and enter into agreements with boards of county commissioners for the purposes of section 1507.071 of the Revised Code and adopt rules establishing requirements and procedures for making the loans and entering into the agreements;

(W) Do all acts necessary or proper to carry out the powers expressly granted in this chapter.

Any instrument by which real property is acquired pursuant to this section shall identify the agency of the state that has the use and benefit of the real property as specified in section 5301.012 of the Revised Code.

SECTION 2. That existing sections 124.24, 145.01, 145.04, 145.05, 145.06, 145.07, 145.09, 145.12, 145.14, 145.19, 145.20, 145.21, 145.22, 145.23, 145.25, 145.26, 145.27, 145.29, 145.291, 145.295, 145.297, 145.322, 145.325, 145.33, 145.331, 145.34, 145.36, 145.361, 145.38, 145.391, 145.41, 145.42, 145.45, 145.451, 145.452, 145.46, 145.47, 145.48, 145.491, 145.53, 145.55, 145.56, 145.563, 145.59, 145.71, 145.72, 145.73, 145.74, 145.75, 145.76, 306.45, 308.15, 742.379, 742.58, 2329.66, 2907.15, 2921.41, 3105.171, 3105.63, 3307.661, 3307.761, 3309.351, 3309.50, 3375.411, 3381.13, 5505.202, 5505.30, and 6121.04 and sections 145.49, 145.50, and 145.52 of the Revised Code are hereby repealed.

SECTION 3. The amendments made by this act to section 145.04 of the Revised Code do not affect the term of the retirant member holding office on the effective date of this act.

SECTION 4. On and after the effective date of this act, if necessary to ensure the integrity of the numbering of the Administrative Code, the Director of the Legislative Service Commission shall renumber the rules of the Ohio Deferred Compensation Program to reflect their transfer to Chapter 148. of the Revised Code from Chapter 145. of the Revised Code.

SECTION 5. (A) The Public Employees Retirement Board shall conduct a study to determine the best method of meeting the needs of members of the Public Employees Retirement System interested in participating in a defined contribution plan to be established under section 145.81 of the Revised Code. The study shall include an examination of members' preferences for all of the following:

- (1) Public and private investment opportunities;
- (2) Having life insurance, annuities, variable annuities, regulated investment trusts, pooled investment funds, or other forms of investment available through a defined contribution plan;
- (3) Having disability, health, and long-term care insurance available under a defined contribution plan and the manner in which a defined contribution plan sponsor would offer such insurance benefits.

(B) The board shall prepare a report of its study conducted under division (A) of this section and submit a copy of the report to each of the following not later than eighteen months after the effective date of this section:

- (1) The President of the Senate;
- (2) The Speaker of the House of Representatives;
- (3) The chairs of the Senate and House committees with primary responsibility for legislation concerning the Public Employees Retirement System;
- (4) The Ohio Retirement Study Council.

SECTION 6. Section 6121.04 of the Revised Code is presented in this act as a composite of the section as amended by both Sub. H.B. 19 and Am. S.B. 43 of the 123rd General Assembly, with the new language of neither of the acts shown in capital letters. This is in recognition of the principle stated in division (B) of section 1.52 of the Revised Code that such amendments are to be harmonized where not substantively irreconcilable and constitutes a legislative finding that such is the resulting version in effect prior to the effective date of this act.

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 _____