

## As Introduced

124th General Assembly  
Regular Session  
2001-2002

H. B. No. 157

REPRESENTATIVE Schuring

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### A B I L L

To amend sections 145.323, 742.37, 742.3711, 742.3716,  
742.3717, 742.3718, 742.3720, 3307.67, 3309.374,  
and 5505.174 of the Revised Code to provide that  
the annual cost of living increase paid to retired  
members and beneficiaries of Ohio's state  
retirement systems will be three per cent.

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### BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

**Section 1.** That sections 145.323, 742.37, 742.3711, 742.3716,  
742.3717, 742.3718, 742.3720, 3307.67, 3309.374, and 5505.174 of  
the Revised Code be amended to read as follows:

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**Sec. 145.323.** (A) ~~Beginning April 1, 1971, and each year~~  
~~thereafter, the board of the~~ The public employees retirement  
~~system shall determine the average percentage change in the~~  
~~consumer price index prepared by the United States bureau of labor~~  
~~statistics (U.S. City Average for Urban Wage Earners and Clerical~~  
~~Workers: "All Items 1982-84=100") for the twelve-calendar-month~~  
~~period prior to the first day of January over the next preceding~~  
~~twelve-calendar-month period, as reported by the bureau.~~

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~~Upon a determination by the board in any year that the change~~  
~~in the consumer price index is an increase or that the change plus~~

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~~the accumulation described in division (B) of this section is an~~  
~~increase, the board shall annually increase each allowance,~~  
~~pension, or benefit payable under this chapter by a percentage~~  
~~equal to the percentage increase in the consumer price index or to~~  
~~that increase plus the accumulation, except that the increase~~  
~~shall not exceed three per cent and, except that no allowance,~~  
~~pension, or benefit shall exceed the limit established by section~~  
~~415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26~~  
~~U.S.C.A. 415, as amended.~~

The first increase is payable to all persons becoming  
eligible after June 30, 1971, upon such persons receiving an  
allowance for twelve months. The increased amount is payable for  
the ensuing twelve-month period or until the next increase is  
granted under this section, whichever is later. Subsequent  
increases shall be determined from the date of the first increase  
paid to the former member in the case of an allowance being paid a  
beneficiary under an option, or from the date of the first  
increase to the survivor first receiving an allowance or benefit  
in the case of an allowance or benefit being paid to the  
subsequent survivors of the former member.

The date of the first increase under this section becomes the  
anniversary date for any future increases.

The allowance or benefit used in the first calculation of an  
increase under this section shall remain as the base for all  
future increases, unless a new base is established.

~~(B) Any percentage of change in the consumer price index in~~  
~~any year that is in excess of three per cent shall be accumulated~~  
~~and used to determine increases under this section in subsequent~~  
~~years. Any percentage of change in the consumer price index~~  
~~accumulated by an eligible person prior to the effective date of~~  
~~this amendment shall be used in determining any future increases~~  
~~under this section.~~

~~(C)~~ The board shall make all rules necessary to carry out 53  
this section. 54

**Sec. 742.37.** The board of trustees of the Ohio police and 55  
fire pension fund shall adopt rules for the management of the fund 56  
and for the disbursement of benefits and pensions as set forth in 57  
this section and section 742.39 of the Revised Code. Any payment 58  
of a benefit or pension under this section is subject to the 59  
provisions of section 742.461 of the Revised Code. Notwithstanding 60  
any other provision of this section, no pension or benefit paid or 61  
determined under division (B) or (C) of this section or section 62  
742.39 of the Revised Code shall exceed the limit established by 63  
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 64  
2085, 26 U.S.C.A. 415, as amended. 65

(A) Persons who were receiving benefit or pension payments 66  
from a police relief and pension fund established under former 67  
section 741.32 of the Revised Code, or from a firemen's relief and 68  
pension fund established under former section 521.02 or 741.02 of 69  
the Revised Code, at the time the assets of the fund were 70  
transferred to the Ohio police and fire pension fund, known at 71  
that time as the police and firemen's disability and pension fund, 72  
shall receive benefit and pension payments from the Ohio police 73  
and fire pension fund in the same amount and subject to the same 74  
conditions as such payments were being made from the former fund 75  
on the date of the transfer. 76

(B) A member of the fund who, pursuant to law, elected to 77  
receive benefits and pensions from a police relief and pension 78  
fund established under former section 741.32 of the Revised Code, 79  
or from a firemen's relief and pension fund established under 80  
former section 741.02 of the Revised Code, in accordance with the 81  
rules of the fund governing the granting of benefits or pensions 82  
therefrom in force on April 1, 1947, shall receive benefits and 83

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

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

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

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

(2) A member of the fund who has served fifteen or more years 116  
as an active member of a police or fire department and who 117  
voluntarily resigns or is discharged from the department for any 118  
reason other than dishonesty, cowardice, intemperate habits, or 119  
conviction of a felony, shall receive an annual pension, payable 120  
in twelve monthly installments, in an amount equal to one and 121  
one-half per cent of the member's average annual salary multiplied 122  
by the number of full years the member was in the active service 123  
of the department. The pension payments shall not commence until 124  
the member has attained the age of forty-eight years and until 125  
twenty-five years have elapsed from the date on which the member 126  
became a full-time regular police officer or firefighter in the 127  
department. 128

(3) A member of the fund who has completed fifteen or more 129  
years of active service in a police or fire department and who has 130  
attained sixty-two years of age, may retire from the department 131  
and, upon notifying the board in writing of the election to 132  
retire, shall receive an annual pension, payable in twelve monthly 133  
installments, in an amount equal to a percentage of the member's 134  
average annual salary. The percentage shall be the sum of two and 135  
one-half per cent for each of the first twenty years the member 136  
was in the active service of the department, plus two per cent for 137  
each of the twenty-first to twenty-fifth years the member was in 138  
the active service of the department, plus one and one-half per 139  
cent for each year in excess of twenty-five years the member was 140  
in the active service of the department. The annual pension shall 141  
not exceed seventy-two per cent of the member's average annual 142  
salary. 143

(4) With the exception of those persons who may make 144  
application for benefits as provided in section 742.26 of the 145  
Revised Code, no person receiving a pension or other benefit under 146  
division (C) of this section on or after July 24, 1986, shall be 147

entitled to apply for any new, changed, or different benefit.

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

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

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

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

(2) A surviving spouse of a deceased member of the fund shall receive a monthly pension of four hundred ten dollars if the surviving spouse is eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code. If the surviving spouse ceases to be eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code, the pension shall be increased, effective the first day of the first month following the day on which the surviving spouse ceases to be eligible for the benefit, to the amount it would be under division (D)(1) of this section had the spouse never been eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code.

(3) A pension paid under this division shall continue during

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

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

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

(G) Subject to the provisions of section 742.461 of the  
Revised Code, a member of the fund who voluntarily resigns or is

removed from active service in a police or fire department is 211  
entitled to receive an amount equal to the sums deducted from the 212  
member's salary and credited to the member's account in the fund, 213  
except that a member receiving a disability benefit or service 214  
pension is not entitled to receive any return of contributions to 215  
the fund. 216

(H) On and after January 1, 1970, all pensions shall be 217  
increased in accordance with the following provisions: 218

(1) A member of the fund who retired prior to January 1, 219  
1967, has attained age sixty-five on January 1, 1970, and was 220  
receiving a pension on December 31, 1969, pursuant to division (B) 221  
or (C)(1) of this section or former division (C)(2), (3), (4), or 222  
(5) of this section, shall have the pension increased by ten per 223  
cent. 224

(2) The monthly pension payable to eligible surviving spouses 225  
under division (D) of this section shall be increased by forty 226  
dollars for each surviving spouse receiving a pension on December 227  
31, 1969. 228

(3) The monthly pension payable to each eligible child under 229  
division (E) of this section shall be increased by ten dollars for 230  
each child receiving a pension on December 31, 1969. 231

(4) The monthly pension payable to each eligible dependent 232  
parent under division (F) of this section shall be increased by 233  
thirty dollars for each parent receiving a pension on December 31, 234  
1969. 235

(5) A member of the fund, including a survivor of a member, 236  
who is receiving a pension in accordance with the rules governing 237  
the granting of pensions and benefits in force on April 1, 1947, 238  
that provide an increase in the original pension from time to time 239  
pursuant to changes in the salaries of active members, shall not 240  
be eligible for the benefits provided in this division. 241



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

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

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

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

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

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

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

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

hundred dollars. 273

The following are not eligible to receive the increase 274  
provided by this division: 275

(1) A member of the fund who is receiving a pension or 276  
benefit in accordance with the rules in force on April 1, 1947, 277  
governing the granting of pensions and benefits, which provide an 278  
increase in the original pension or benefit from time to time 279  
pursuant to changes in the salaries of active members; 280

(2) A member of the fund who is receiving a pension or 281  
benefit under division (B) or (C)(2) of this section or former 282  
division (C)(3), (5), or (6) of this section based on volunteer or 283  
part-time service. 284

(K)(1) Except as otherwise provided in this division, every 285  
person who on July 24, 1986, is receiving an age and service or 286  
disability pension, allowance, or benefit pursuant to this chapter 287  
in an amount less than thirteen thousand dollars a year that is 288  
based upon an award made effective prior to February 28, 1984, 289  
shall receive an increase of six hundred dollars a year or the 290  
amount necessary to increase the pension or benefit to four 291  
thousand two hundred dollars after all adjustments required by 292  
this section, whichever is greater. 293

(2) Division (K)(1) of this section does not apply to the 294  
following: 295

(a) A member of the fund who is receiving a pension or 296  
benefit in accordance with rules in force on April 1, 1947, that 297  
govern the granting of pensions and benefits and that provide an 298  
increase in the original pension or benefit from time to time 299  
pursuant to changes in the salaries of active members; 300

(b) A member of the fund who is receiving a pension or 301  
benefit based on funded volunteer or funded part-time service. 302

(L) On and after July 24, 1986: 303

(1) The pension of each person receiving a pension under 304  
division (D) of this section on July 24, 1986, shall be increased 305  
to three hundred ten dollars per month. 306

(2) The pension of each person receiving a pension under 307  
division (E) of this section on July 24, 1986, shall be increased 308  
to ninety-three dollars per month. 309

**Sec. 742.3711.** (A) On application for retirement as provided 310  
in section 742.37 of the Revised Code, a member of the fund may 311  
elect to receive a retirement allowance payable throughout the 312  
member's life, or may elect, on the application for retirement, to 313  
receive the actuarial equivalent of the member's retirement 314  
allowance in a lesser amount payable for life and continuing after 315  
death to a surviving designated beneficiary under one of the 316  
following optional plans, provided the amount payable to the 317  
beneficiary shall not exceed the amount payable to the retiring 318  
member of the fund, and is certified by the actuary engaged by the 319  
board of trustees of the Ohio police and fire pension fund to be 320  
the actuarial equivalent of the member's retirement allowance and 321  
is approved by the board. 322

(1) Option 1. The member's lesser retirement allowance shall 323  
be paid for life to the sole beneficiary designated at the time of 324  
the member's retirement. 325

(2) Option 2. One-half or some other portion of the member's 326  
lesser retirement allowance shall be paid for life to the sole 327  
beneficiary designated at the time of the member's retirement. 328  
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(3) Option 3. Upon the member's death before the expiration 330  
of a certain period from the retirement date and elected by the 331  
member and approved by the retirement board, the member's lesser 332

retirement allowance shall be continued for the remainder of that  
period to the beneficiary the member has nominated by written  
designation and filed with the retirement board.

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

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

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

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

on a form approved by the board.

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

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

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

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

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

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

(c) That the spouse may consent to another plan of payment

and the procedure for giving consent; 396

(d) That consent is irrevocable once notice of consent is 397  
filed with the board. 398

Consent shall be valid only if it is signed, in writing, and 399  
witnessed by an employee of the board or a notary public. 400

(3) If the retirant does not select an optional plan as 401  
described in division (D)(1)(a) of this section and the board does 402  
not receive the written statement provided for in division 403  
(D)(1)(b) of this section, it shall determine and pay the 404  
retirement allowance in accordance with division (A)(2) of this 405  
section, except that the board may provide by rule for waiver by 406  
the board of the statement and payment of the allowance other than 407  
in accordance with division (A)(2) of this section if the retirant 408  
is unable to obtain the statement due to absence or incapacity of 409  
the spouse or other cause specified by the board. 410

(E) A member of the fund who has elected an optional plan 411  
under this section or section 742.3715 of the Revised Code may, 412  
with the consent of the designated beneficiary, cancel the 413  
optional plan and receive the retirement allowance payable 414  
throughout life the member would have received had the member not 415  
elected the optional plan, if the member makes a request to cancel 416  
the optional plan not later than one year after the later of 417  
September 9, 1988, or the date on which the member first receives 418  
a payment under this section or section 742.3715 of the Revised 419  
Code. Cancellation of the optional plan shall be effective the 420  
month after acceptance of the request by the trustees of the fund. 421  
No payment or adjustment shall be made in the retirement allowance 422  
payable throughout the member's life to compensate for the lesser 423  
allowance the member received under the optional plan. 424

The request to cancel the optional plan shall be made on a 425  
form provided by the fund and shall be valid only if the completed 426

form includes a signed statement of the designated beneficiary's understanding of and consent to the cancellation. The signature shall be verified by the trustees of the fund prior to their acceptance of the cancellation.

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

(G) A person is eligible to receive a benefit increase under this division if the person is receiving a retirement allowance or benefit under an optional plan elected under this section or section 742.3715 of the Revised Code based on an award made prior to July 24, 1986. A person is not eligible to receive an increase under this division if the person is receiving a pension or benefit in accordance with rules in force on April 1, 1947, that govern the granting of pensions and benefits and that provide an increase in the original pension or benefit from time to time pursuant to changes in the salaries of active members.

~~On or before the fifteenth day of April of each year, the The~~  
board shall ~~determine the average percentage change in the~~  
~~consumer price index prepared by the United States bureau of labor~~  
~~statistics (U.S. city average for urban wage earners and clerical~~  
~~workers: "all items 1982-84=100") for the twelve-month period~~  
~~prior to the first day of January over the next preceding~~  
~~twelve-calendar-month period, as reported by the bureau. On a~~  
~~determination by the board that this change is an increase or that~~  
~~the change plus the accumulation described in this division is an~~  
~~increase, the board shall annually increase all benefits payable~~  
under this section or section 742.3715 of the Revised Code to  
eligible persons by the actuarial equivalent of ~~an amount~~  
~~determined by multiplying twelve thousand three hundred sixty~~  
~~dollars by the percentage of the increase in the consumer price~~  
~~index, or that percentage plus the accumulation, except that the~~

~~percentage shall not exceed three per cent and no benefit shall~~ 459  
~~exceed the limit established by section 415 of the "Internal~~ 460  
~~Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as~~ 461  
~~amended.~~ 462

~~Any percentage of change in the consumer price index in any~~ 463  
~~year that is in excess of three per cent shall be accumulated and~~ 464  
~~used to determine increases under this section in succeeding~~ 465  
~~years. Any percentage of change in the consumer price index~~ 466  
~~accumulated by an eligible person prior to September 27, 1996,~~ 467  
~~shall be used in determining any future increases under this~~ 468  
~~section.~~ The first increase is payable to all eligible persons on 469  
July 1, 1988. The increase is payable for the ensuing twelve-month 470  
period or until the next increase is granted under this section, 471  
whichever is later. 472

The date of the first increase payable under this section 473  
shall be the anniversary date for future increases. 474

**Sec. 742.3716.** (A) As used in this section: 475

(1) "Eligible person" means a person who meets all of the 476  
following conditions: 477

(a) Has been receiving a pension or benefit under this 478  
chapter for one year or more based on an award made on or after 479  
July 24, 1986; 480

(b) Has not made the election provided for in division (B) of 481  
this section; 482

(c) Is not the spouse or survivor of a person who has made 483  
the election provided for in division (B) of this section; 484

(d) Is receiving a benefit in accordance with division (A), 485  
(B), or (C) of section 742.37, division (C)(2), (3), (4), or (5) 486  
of former section 742.37, section 742.3711, or section 742.39 of 487  
the Revised Code. 488



(2) "Recalculated average annual salary" means the highest  
average annual compensation of a member of the Ohio police and  
fire pension fund during any three years of contributions,  
including amounts included in terminal pay attributable to such  
three years, determined by dividing the member's total earnings as  
an employee during such years by three.

(B)(1) Notwithstanding section 742.37 or 742.39 of the  
Revised Code, a member of the fund who is not receiving a pension  
or benefit under this chapter and who on January 1, 1989, has  
completed fifteen or more years of active service in a police or  
fire department may elect to have any future benefit or pension  
paid to the member or the member's spouse or survivors under this  
chapter calculated on the basis of the member's recalculated  
average annual salary rather than the member's average annual  
salary. The election shall be made by the member prior to or at  
the time of making an election under section 742.3711 of the  
Revised Code.

(2) If the member eligible to make the election under  
division (B)(1) of this section dies prior to making the election  
and at the time of death is eligible to retire and receive a  
pension or benefit under division (C)(1) or (3) of section 742.37  
of the Revised Code, the person entitled to receive a benefit  
under section 742.3714 of the Revised Code may make the election  
provided for in division (B)(1) of this section.

(3) The election under division (B)(1) or (2) of this section  
shall be made on forms provided by the trustees of the fund. Once  
received by the fund, the election shall be irrevocable and shall  
bind the member and any other person who receives a pension or  
benefit based on the member's service. No person who receives a  
pension or benefit calculated in accordance with division (B) of  
this section is eligible to receive a cost-of-living allowance  
under this section. If the person making the election receives a

benefit under section 742.3714 of the Revised Code, that person is  
not eligible to receive a cost-of-living allowance under section  
742.3711 of the Revised Code.

~~(C)(1) On or before the fifteenth day of April of each year,~~  
~~the~~ The board of trustees of the Ohio police and fire pension fund  
shall ~~determine the average percentage change in the consumer~~  
~~price index prepared by the United States bureau of labor~~  
~~statistics (U.S. City Average for Urban Wage Earners and Clerical~~  
~~Workers: "All Items 1982-84=100") for the twelve-month period~~  
~~prior to the first day of January over the next preceding~~  
~~twelve-calendar-month period, as reported by the bureau. Upon a~~  
~~determination by the board that such change is an increase or that~~  
~~the change plus the accumulation described in division (C)(2) of~~  
~~this section is an increase, the board shall annually increase all~~  
~~benefits payable to eligible persons by a percentage equal to the~~  
~~percentage increase in the consumer price index or to that~~  
~~increase plus the accumulation, except that the increase shall not~~  
~~exceed three per cent and, except that~~ no benefit shall exceed the  
limit established by section 415 of the "Internal Revenue Code of  
1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

~~(2) Any percentage of change in the consumer price index in~~  
~~any year that is in excess of three per cent shall be accumulated~~  
~~and used to determine increases under this section in succeeding~~  
~~years. Any percentage of change in the consumer price index~~  
~~accumulated by an eligible person prior to September 27, 1996,~~  
~~shall be used in determining any future increases under this~~  
~~section. The first additional benefit increase is payable to all~~  
~~eligible persons who on July 1, 1988, have been receiving a~~  
~~pension or benefit for twelve months or longer. The additional~~  
~~benefit increase is payable for the ensuing twelve-month period or~~  
until the next increase is granted under this section, whichever

is later. 553

The date of the first ~~additional benefit increase~~ paid under 554  
this section shall be the anniversary date for future ~~additional~~ 555  
~~benefits~~ increases. The pension or benefit used in the first 556  
calculation of an ~~additional benefit increase~~ under this section 557  
shall remain as the base for all future ~~additional benefits~~ 558  
increases paid under this section, unless a new base is 559  
established by law. 560

~~(3) Additional benefits~~ (2) Increases paid in years 561  
subsequent to the year of the first ~~additional benefit increase~~ 562  
paid under this section shall be paid to all eligible persons who, 563  
on the date that the ~~additional benefit increase~~ is authorized by 564  
the board, have been receiving a pension or benefit for twelve 565  
months. 566

**Sec. 742.3717.** (A)(1) Except as provided in division (A)(2) 567  
of this section, as used in this section, "eligible person" means 568  
a person who meets both of the following conditions: 569

(a) The person is receiving an annual pension or benefit 570  
under division (A), (B), or (C) of section 742.37 or division 571  
(C)(2), (3), (4), or (5) of former section 742.37 of the Revised 572  
Code based on an award made prior to July 24, 1986. 573

(b) The person has not elected under section 742.3711 of the 574  
Revised Code to receive a retirement allowance under an optional 575  
benefit plan. 576

(2) A person is not an eligible person if the person is 577  
receiving a pension or benefit in accordance with rules in force 578  
on April 1, 1947, that govern the granting of pensions and 579  
benefits and that provide an increase in the original pension or 580  
benefit from time to time pursuant to changes in the salaries of 581  
active members. 582

(B)(1) ~~On or before the fifteenth day of April of each year,~~ 583  
~~the~~ The board of trustees of the Ohio police and fire pension fund 584  
~~shall determine the average percentage change in the consumer~~ 585  
~~price index prepared by the United States bureau of labor~~ 586  
~~statistics (U.S. city average for urban wage earners and clerical~~ 587  
~~workers: "all items 1982-84=100") for the twelve-month period~~ 588  
~~prior to the first day of January over the next preceding~~ 589  
~~twelve-calendar-month period, as reported by the bureau. Upon a~~ 590  
~~determination by the board that this change is an increase or that~~ 591  
~~the change plus the accumulation described in division (B)(2) of~~ 592  
~~this section is an increase, the board shall annually increase all~~ 593  
~~benefits payable to eligible persons by an amount determined by~~ 594  
~~multiplying twelve thousand three hundred sixty dollars by the~~ 595  
~~percentage of the increase in the consumer price index, or that~~ 596  
~~percentage plus the accumulation, except that the percentage shall~~ 597  
~~not exceed three per cent and no benefit shall exceed the limit~~ 598  
~~established by section 415 of the "Internal Revenue Code of 1986,"~~ 599  
100 Stat. 2085, 26 U.S.C.A. 415, as amended. 600

(2) ~~Any percentage of change in the consumer price index in~~ 601  
~~any year that is in excess of three per cent shall be accumulated~~ 602  
~~and used to determine increases under this section in succeeding~~ 603  
~~years. Any percentage of change in the consumer price index~~ 604  
~~accumulated by an eligible person prior to September 27, 1996,~~ 605  
~~shall be used in determining any future increases under this~~ 606  
~~section.~~ The first increase is payable to all eligible persons on 607  
July 1, 1988. The increase is payable for the ensuing twelve-month 608  
period or until the next increase is granted under this section, 609  
whichever is later. 610

The date of the first increase payable under this section 611  
shall be the anniversary date for future increases. 612

**Sec. 742.3718.** (A) Except as otherwise provided in this 613

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

(B) On and after July 1, 1988:

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

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

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

(D)(1) Except as provided in division (D)(2) of this section, the monthly pension of each person who is the surviving spouse of a deceased member of the fund and on ~~the effective date of this amendment~~ March 17, 2000, is receiving a pension of less than the amount described in division (D)(1) of section 742.37 of the

Revised Code shall be increased as follows:

(a) For the period beginning on the first day of the first month following ~~the effective date of this amendment~~ March 17, 2000, and ending June 30, 2000, to five hundred fifty dollars;

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

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

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

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

(1) If there are two dependent parents, to one hundred 677  
dollars; 678

(2) If there is one dependent parent, to two hundred dollars. 679  
680

**Sec. 742.3720.** As used in this section, "eligible person" 681  
means a person who has been receiving a pension under division (E) 682  
or (F) of section 742.37 of the Revised Code for twelve months or 683  
longer. 684

~~On or before the fifteenth day of April of each year, the The~~ 685  
~~board of trustees of the Ohio police and firemen's disability and~~ 686  
~~fire pension fund shall determine the average percentage change in~~ 687  
~~the consumer price index prepared by the United States bureau of~~ 688  
~~labor statistics (U.S. City Average for Urban Wage Earners and~~ 689  
~~Clerical Workers: "All Items 1982-84 = 100") for the~~ 690  
~~twelve-calendar-month period prior to the first day of January~~ 691  
~~over the next preceding twelve-calendar-month period, as reported~~ 692  
~~by the bureau. On a determination by the board that this change is~~ 693  
~~an increase, or that the change plus the accumulation described in~~ 694  
~~this section is an increase, the board shall annually increase~~ 695  
~~pensions payable to eligible persons by a percentage equal to the~~ 696  
~~percentage increase in the consumer price index or to that~~ 697  
~~increase plus the accumulation, except that the increase shall not~~ 698  
~~exceed three per cent and, except that~~ no pension shall exceed the 699  
limit established by section 415 of the "Internal Revenue Code of 700  
1986," 100 Stat. 2085, 26 U.S.C. 415, as amended. 701

~~Any percentage increase in the consumer price index in any~~ 702  
~~year that is in excess of three per cent shall be accumulated and~~ 703  
~~used to determine increases in succeeding years.~~ 704

The first increase under this section is payable to eligible 705  
persons beginning July 1, 2000. The increased amount is payable 706  
for the ensuing twelve-month period or until the next increase is 707

granted under this section, whichever is later.

The date of the first increase under this section is the anniversary date for any future increases. The pension used in the first calculation of an increase under this section shall remain as the base for all future increases paid under this section, unless a new base is established by law.

The board shall adopt any rules necessary to implement this section.

**Sec. 3307.67.** (A) ~~Beginning April 1, 1971, and each year thereafter, the~~ The state teachers retirement board shall ~~determine the average percentage change in the consumer price index prepared by the United States bureau of labor statistics (U.S. City Average for Urban Wage Earners and Clerical Workers: "All Items 1982-84=100") for the twelve-calendar-month period prior to the first day of January over the next preceding twelve-calendar-month period, as reported by the bureau.~~

~~Upon a determination by the board in any year that the change in the consumer price index is an increase or that the change plus the accumulation described in division (B) of this section is an increase, the board shall~~ annually increase each allowance or benefit payable under sections 3307.50 to 3307.79 of the Revised Code by ~~a percentage equal to the percentage increase in the consumer price index or to that increase plus the accumulation, except that the increase shall not exceed three per cent and,~~ except that no allowance or benefit shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

The first increase is payable to all persons becoming eligible after June 30, 1971, upon such persons receiving an allowance or benefit for twelve months. The increased amount is payable for the ensuing twelve-month period or until the next



increase is granted under this section, whichever is later.  
Subsequent increases shall be determined from the date of the  
first increase paid to the former member in the case of an  
allowance being paid a beneficiary under an option, or from the  
date of the first increase to the survivor first receiving an  
allowance or benefit in the case of an allowance or benefit being  
paid to the subsequent survivors of the former member.

The date of the first increase under this section becomes the  
anniversary date for any future increases.

The allowance or benefit used in the first calculation of an  
increase under this section shall remain as the base for all  
future increases, unless a new base is established.

~~(B) Any percentage of change in the consumer price index in  
any year that is in excess of three per cent shall be accumulated  
and used to determine increases under this section in subsequent  
years. Any percentage of change in the consumer price index  
accumulated by an eligible person prior to September 27, 1996,  
shall be used in determining any future increases under this  
section.~~

~~(C) The board shall make all rules necessary to carry out  
this section.~~

**Sec. 3309.374.** ~~(A) Beginning April 1, 1971, and each year  
thereafter, the board of the The school employees retirement  
system shall determine the average percentage change in the  
consumer price index prepared by the United States bureau of labor  
statistics (U.S. City Average for Urban Wage Earners and Clerical  
Workers: "All Items 1982-84=100") for the twelve calendar month  
period prior to the first day of January over the next preceding  
twelve calendar month period, as reported by the bureau.~~

~~Upon a determination by the board in any year that the change~~

~~in the consumer price index is an increase or that the change plus~~ 769  
~~the accumulation described in division (B) of this section is an~~ 770  
~~increase, the board shall annually increase each allowance,~~ 771  
pension, or benefit payable under this chapter by ~~a percentage~~ 772  
~~equal to the percentage increase in the consumer price index or to~~ 773  
~~that increase plus the accumulation, except that the increase~~ 774  
~~shall not exceed three per cent and, except that no allowance,~~ 775  
pension, or benefit shall exceed the limit established by section 776  
415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 777  
U.S.C.A. 415, as amended. 778

The first increase is payable to all persons becoming 779  
eligible after June 30, 1971, upon such persons receiving an 780  
allowance, pension, or benefit for twelve months. 781

The increased amount is payable for the ensuing twelve-month 782  
period or until the next increase is granted under this section, 783  
whichever is later. Subsequent increases shall be determined from 784  
the date of the first increase paid to the former member in the 785  
case of an allowance being paid a beneficiary under an option, or 786  
from the date of the first increase to the survivor first 787  
receiving an allowance or benefit in the case of an allowance or 788  
benefit being paid to the subsequent survivors of the former 789  
member. 790

The date of the first increase under this section becomes the 791  
anniversary date for any future increases. 792

The allowance or benefit used in the first calculation of an 793  
increase under this section shall remain as the base for all 794  
future increases, unless a new base is established. Any increase 795  
resulting from payment of a recalculated benefit under Section 3 796  
of Substitute Senate Bill No. 270 of the 123rd general assembly 797  
shall be included in the calculation of future increases under 798  
this section. 799

(B) ~~Any percentage of change in the consumer price index in any year that is in excess of three per cent shall be accumulated and used to determine increases under this section in subsequent years. Any percentage of change in the consumer price index accumulated by an eligible person prior to September 27, 1996, shall be used in determining any future increases under this section.~~

~~(C)~~ The board shall make all rules necessary to carry out this section.

**Sec. 5505.174.** (A) The following persons are eligible to receive an ~~additional benefit~~ increase under this section:

(1) Persons fifty-three years old or older who have been receiving pensions pursuant to division (B) of section 5505.16, division (A)(1) of section 5505.17, or division (B) of section 5505.18 of the Revised Code for not less than twelve months;

(2) Persons who have been receiving pensions pursuant to division (B) of section 5505.18 of the Revised Code for not less than sixty months regardless of age;

(3) Persons who have been receiving pensions pursuant to section 5505.162 or division (A)(3), (4), (5), (6), or (7) of section 5505.17 of the Revised Code for not less than twelve months regardless of age.

(B) ~~On the fifteenth day of September of each year, the~~ The state highway patrol retirement board shall ~~determine the average percentage change in the consumer price index prepared by the United States bureau of labor statistics (U.S. City Average for Urban Wage Earners and Clerical Workers: "All Items 1982-84=100")~~ for the twelve-month period prior to the first day of January over the next preceding twelve calendar month period, as reported by the bureau. Upon a determination by the board that the change is

~~an increase or that the change plus the accumulation described in~~  
~~division (C) of this section is an increase, the board shall~~  
annually increase each benefit payable under this chapter by a  
~~percentage equal to the percentage increase in the consumer price~~  
~~index or to that increase plus the accumulation, except that the~~  
~~increase shall not exceed three per cent and, except that no~~  
benefit shall exceed the limit established by section 415 of the  
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415,  
as amended.

~~For each person eligible to receive the additional benefit~~  
~~under this section, the accumulation shall commence on the later~~  
~~of May 6, 1988, or the effective date of the pension the person~~  
~~receives.~~

The first ~~additional benefit~~ increase is payable to all  
persons becoming eligible on or after November 18, 1981. The  
~~additional benefit~~ increase is payable for each ensuing  
twelve-month period or until the next increase is granted under  
this section, whichever is later.

The date of the first ~~additional benefit~~ increase paid under  
this section shall be the anniversary date for future ~~additional~~  
~~benefits~~ increases. The pension used in the first calculation of  
an ~~additional benefit~~ increase under this section shall remain as  
the base for all future ~~additional benefits~~ increases paid under  
this section, unless a new base is established.

~~Additional benefits~~ Increases paid in years subsequent to the  
year of the first ~~additional benefit~~ increase paid under this  
section shall be paid to all persons who, on the date that the  
~~additional benefit~~ increase is authorized by the board, are  
eligible ~~for the benefit~~ as provided in this section.

(C) ~~Any percentage of change in the consumer price index in~~  
~~any year that is in excess of three per cent shall be accumulated~~  
~~and used to determine increases under this section in subsequent~~

~~years. Any percentage of change in the consumer price index 862~~  
~~accumulated by an eligible person prior to the effective date of 863~~  
~~this amendment shall be used in determining any future increases 864~~  
~~under this section. 865~~

~~(D) The board shall adopt, and may amend or rescind, any rule 866~~  
~~necessary to carry out this section. 867~~

~~The board shall adopt, and may amend or rescind, any rule 868~~  
~~necessary to carry out this section. 869~~

**Section 2.** That existing sections 145.323, 742.37, 742.3711, 870  
742.3716, 742.3717, 742.3718, 742.3720, 3307.67, 3309.374, and 871  
5505.174 of the Revised Code are hereby repealed. 872