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124th General Assembly

Regular Session

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H. B. No. 157

REPRESENTATIVES Schuring, Hollister, Ogg, Barrett, D. Miller, Schneider,
Bocchieri, Key, DeWine, Lendrum, Hagan, Carmichael, Calvert, Fessler,
Grendell, Schmidt, Coates, Hughes, Salerno, Manning, Seitz, Jolivette,
Setzer, Driehaus, Ford, Distel, Carey, Metzger, Kilbane, Patton, Core, Rhine,
G. Smith, Britton, Sulzer, Jones, Redfern, Collier, Aslanides, Young, Olman,
Reidelbach, Clancy, Niehaus, Fedor, Strahorn, Peterson, Widowfield, Roman,
Oakar, Allen, Latta, S. Smith

A BILL

To amend sections 145.323, 742.37, 742.3711, 742.3716, 1
742.3717, 742.3718, 742.3720, 3307.67, 3309.374, 2
and 5505.174 of the Revised Code to provide that 3
the annual cost of living increase paid to retired 4
members and beneficiaries of Ohio's state 5
retirement systems will be three per cent. 6

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

Section 1. That sections 145.323, 742.37, 742.3711, 742.3716, 7
742.3717, 742.3718, 742.3720, 3307.67, 3309.374, and 5505.174 of 8
the Revised Code be amended to read as follows: 9

Sec. 145.323. (A) ~~Beginning April 1, 1971, and each year~~ 10
~~thereafter, the board of the~~ The public employees retirement 11
~~system shall determine the average percentage change in the~~ 12
~~consumer price index prepared by the United States bureau of labor~~ 13
~~statistics (U.S. City Average for Urban Wage Earners and Clerical~~ 14

~~Workers: "All Items 1982-84=100") for the twelve-calendar-month 15
period prior to the first day of January over the next preceding 16
twelve-calendar-month period, as reported by the bureau. 17~~

~~Upon a determination by the board in any year that the change 18
in the consumer price index is an increase or that the change plus 19
the accumulation described in division (B) of this section is an 20
increase, the board shall annually increase each allowance, 21
pension, or benefit payable under this chapter by a ~~percentage 22
equal to the percentage increase in the consumer price index or to 23
that increase plus the accumulation, except that the increase 24
shall not exceed three per cent and, except that no allowance, 25
pension, or benefit shall exceed the limit established by section 26
415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 27
U.S.C.A. 415, as amended. 28~~~~

The first increase is payable to all persons becoming 29
eligible after June 30, 1971, upon such persons receiving an 30
allowance for twelve months. The increased amount is payable for 31
the ensuing twelve-month period or until the next increase is 32
granted under this section, whichever is later. Subsequent 33
increases shall be determined from the date of the first increase 34
paid to the former member in the case of an allowance being paid a 35
beneficiary under an option, or from the date of the first 36
increase to the survivor first receiving an allowance or benefit 37
in the case of an allowance or benefit being paid to the 38
subsequent survivors of the former member. 39

The date of the first increase under this section becomes the 40
anniversary date for any future increases. 41

The allowance or benefit used in the first calculation of an 42
increase under this section shall remain as the base for all 43
future increases, unless a new base is established. 44

(B) ~~Any percentage of change in the consumer price index in 45~~

~~any year that is in excess of three per cent shall be accumulated 46
and used to determine increases under this section in subsequent 47
years. Any percentage of change in the consumer price index 48
accumulated by an eligible person prior to the effective date of 49
this amendment shall be used in determining any future increases 50
under this section. 51~~

~~(C) The board shall make all rules necessary to carry out 52
this section. 53~~

Sec. 742.37. The board of trustees of the Ohio police and 54
fire pension fund shall adopt rules for the management of the fund 55
and for the disbursement of benefits and pensions as set forth in 56
this section and section 742.39 of the Revised Code. Any payment 57
of a benefit or pension under this section is subject to the 58
provisions of section 742.461 of the Revised Code. Notwithstanding 59
any other provision of this section, no pension or benefit paid or 60
determined under division (B) or (C) of this section or section 61
742.39 of the Revised Code shall exceed the limit established by 62
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 63
2085, 26 U.S.C.A. 415, as amended. 64

(A) Persons who were receiving benefit or pension payments 65
from a police relief and pension fund established under former 66
section 741.32 of the Revised Code, or from a firemen's relief and 67
pension fund established under former section 521.02 or 741.02 of 68
the Revised Code, at the time the assets of the fund were 69
transferred to the Ohio police and fire pension fund, known at 70
that time as the police and firemen's disability and pension fund, 71
shall receive benefit and pension payments from the Ohio police 72
and fire pension fund in the same amount and subject to the same 73
conditions as such payments were being made from the former fund 74
on the date of the transfer. 75

(B) A member of the fund who, pursuant to law, elected to 76

receive benefits and pensions from a police relief and pension
fund established under former section 741.32 of the Revised Code,
or from a firemen's relief and pension fund established under
former section 741.02 of the Revised Code, in accordance with the
rules of the fund governing the granting of benefits or pensions
therefrom in force on April 1, 1947, shall receive benefits and
pensions from the Ohio police and fire pension fund in accordance
with such rules; provided, that any member of the fund who is not
receiving a benefit or pension from the fund on August 12, 1975,
may, upon application for a benefit or pension to be received on
or after August 12, 1975, elect to receive a benefit or pension in
accordance with division (C) of this section.

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

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

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A member who completed twenty-five years of active service, 109
has resigned or been discharged, and has left the sum deducted 110
from the member's salary on deposit in the pension fund shall, 111
upon attaining forty-eight years of age, be entitled to receive a 112
normal service pension benefit computed and paid under division 113
(C)(1) of this section. 114

(2) A member of the fund who has served fifteen or more years 115
as an active member of a police or fire department and who 116
voluntarily resigns or is discharged from the department for any 117
reason other than dishonesty, cowardice, intemperate habits, or 118
conviction of a felony, shall receive an annual pension, payable 119
in twelve monthly installments, in an amount equal to one and 120
one-half per cent of the member's average annual salary multiplied 121
by the number of full years the member was in the active service 122
of the department. The pension payments shall not commence until 123
the member has attained the age of forty-eight years and until 124
twenty-five years have elapsed from the date on which the member 125
became a full-time regular police officer or firefighter in the 126
department. 127

(3) A member of the fund who has completed fifteen or more 128
years of active service in a police or fire department and who has 129
attained sixty-two years of age, may retire from the department 130
and, upon notifying the board in writing of the election to 131
retire, shall receive an annual pension, payable in twelve monthly 132
installments, in an amount equal to a percentage of the member's 133
average annual salary. The percentage shall be the sum of two and 134
one-half per cent for each of the first twenty years the member 135
was in the active service of the department, plus two per cent for 136
each of the twenty-first to twenty-fifth years the member was in 137
the active service of the department, plus one and one-half per 138
cent for each year in excess of twenty-five years the member was 139
in the active service of the department. The annual pension shall 140

not exceed seventy-two per cent of the member's average annual salary. 141
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(4) With the exception of those persons who may make application for benefits as provided in section 742.26 of the Revised Code, no person receiving a pension or other benefit under division (C) of this section on or after July 24, 1986, shall be entitled to apply for any new, changed, or different benefit. 143
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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. 148
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(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: 153
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(a) For the period beginning July 1, 1999, and ending June 30, 2000, five hundred fifty dollars; 156
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(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.~~ 158
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(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 166
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increased, effective the first day of the first month following 172
the day on which the surviving spouse ceases to be eligible for 173
the benefit, to the amount it would be under division (D)(1) of 174
this section had the spouse never been eligible for a benefit 175
under division (B) or (D) of section 742.63 of the Revised Code. 176

(3) A pension paid under this division shall continue during 177
the natural life of the surviving spouse. Benefits to a deceased 178
member's surviving spouse that were terminated under a former 179
version of this section that required termination due to 180
remarriage and were not resumed prior to September 16, 1998, shall 181
resume on the first day of the month immediately following receipt 182
by the board of an application on a form provided by the board. 183

(E) Each surviving child of a deceased member of the fund 184
shall receive a monthly pension of one hundred fifty dollars until 185
the child attains the age of eighteen years, or marries, whichever 186
event occurs first. A pension under this division, however, shall 187
continue to be payable to a child under age twenty-two who is a 188
student in and attending an institution of learning or training 189
pursuant to a program designed to complete in each school year the 190
equivalent of at least two-thirds of the full-time curriculum 191
requirements of the institution, as determined by the board. If 192
any surviving child, regardless of age at the time of the member's 193
death, because of physical or mental disability, is totally 194
dependent upon the deceased member for support at the time of 195
death, the child shall receive a monthly pension under this 196
division during the child's natural life or until the child has 197
recovered from the disability. 198

(F) If a deceased member of the fund leaves no surviving 199
spouse or surviving children, but leaves two parents dependent 200
upon the deceased member for support, each parent shall be paid a 201
monthly pension of one hundred dollars. If there is only one 202
parent dependent upon the member for support, the parent shall be 203

paid a monthly pension of two hundred dollars. The pensions 204
provided for in this division shall be paid during the natural 205
life of the surviving parents, or until dependency ceases, or 206
until remarriage, whichever event occurs first. 207

(G) Subject to the provisions of section 742.461 of the 208
Revised Code, a member of the fund who voluntarily resigns or is 209
removed from active service in a police or fire department is 210
entitled to receive an amount equal to the sums deducted from the 211
member's salary and credited to the member's account in the fund, 212
except that a member receiving a disability benefit or service 213
pension is not entitled to receive any return of contributions to 214
the fund. 215

(H) On and after January 1, 1970, all pensions shall be 216
increased in accordance with the following provisions: 217

(1) A member of the fund who retired prior to January 1, 218
1967, has attained age sixty-five on January 1, 1970, and was 219
receiving a pension on December 31, 1969, pursuant to division (B) 220
or (C)(1) of this section or former division (C)(2), (3), (4), or 221
(5) of this section, shall have the pension increased by ten per 222
cent. 223

(2) The monthly pension payable to eligible surviving spouses 224
under division (D) of this section shall be increased by forty 225
dollars for each surviving spouse receiving a pension on December 226
31, 1969. 227

(3) The monthly pension payable to each eligible child under 228
division (E) of this section shall be increased by ten dollars for 229
each child receiving a pension on December 31, 1969. 230

(4) The monthly pension payable to each eligible dependent 231
parent under division (F) of this section shall be increased by 232
thirty dollars for each parent receiving a pension on December 31, 233
1969. 234

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(L) On and after July 24, 1986:

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

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

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

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

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

beneficiary designated at the time of the member's retirement. 327
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(3) Option 3. Upon the member's death before the expiration 329
of a certain period from the retirement date and elected by the 330
member and approved by the retirement board, the member's lesser 331
retirement allowance shall be continued for the remainder of that 332
period to the beneficiary the member has nominated by written 333
designation and filed with the retirement board. 334

Should the nominated beneficiary designated in writing become 335
deceased prior to the expiration of the guarantee period, then for 336
the purpose of completing payment for the remainder of the 337
guarantee period, the present value of such payments shall be paid 338
to the estate of the beneficiary last receiving. 339

(B)(1) On or after February 28, 1980, the death of a spouse 340
nominated as beneficiary or the death of any other nominated 341
beneficiary following retirement shall cancel any optional plan of 342
payment to provide continuing lifetime benefits to such nominated 343
beneficiary and return the member of the fund to the member's 344
single lifetime benefit equivalent, as determined by the board, to 345
be effective the month following receipt by the board of notice of 346
the death. 347

(2) On divorce, annulment, or marriage dissolution, a member 348
receiving a retirement allowance under a plan that provides for 349
continuation of all or part of the allowance after death for the 350
lifetime of the member's surviving spouse may, with the written 351
consent of the spouse or pursuant to an order of the court with 352
jurisdiction over the termination of the marriage, elect to cancel 353
the plan and receive the member's single lifetime benefit 354
equivalent as determined by the board. The election shall be made 355
on a form provided by the board and shall be effective the month 356
following its receipt by the board. 357

(C) Following marriage or remarriage, a member of the fund 358

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 390
life of the spouse; 391

(b) A description of the alternative plans of payment 392
available with the consent of the spouse; 393

(c) That the spouse may consent to another plan of payment 394
and the procedure for giving consent; 395

(d) That consent is irrevocable once notice of consent is 396
filed with the board. 397

Consent shall be valid only if it is signed, in writing, and 398
witnessed by an employee of the board or a notary public. 399

(3) If the retirant does not select an optional plan as 400
described in division (D)(1)(a) of this section and the board does 401
not receive the written statement provided for in division 402
(D)(1)(b) of this section, it shall determine and pay the 403
retirement allowance in accordance with division (A)(2) of this 404
section, except that the board may provide by rule for waiver by 405
the board of the statement and payment of the allowance other than 406
in accordance with division (A)(2) of this section if the retirant 407
is unable to obtain the statement due to absence or incapacity of 408
the spouse or other cause specified by the board. 409

(E) A member of the fund who has elected an optional plan 410
under this section or section 742.3715 of the Revised Code may, 411
with the consent of the designated beneficiary, cancel the 412
optional plan and receive the retirement allowance payable 413
throughout life the member would have received had the member not 414
elected the optional plan, if the member makes a request to cancel 415
the optional plan not later than one year after the later of 416
September 9, 1988, or the date on which the member first receives 417
a payment under this section or section 742.3715 of the Revised 418
Code. Cancellation of the optional plan shall be effective the 419
month after acceptance of the request by the trustees of the fund. 420

No payment or adjustment shall be made in the retirement allowance payable throughout the member's life to compensate for the lesser allowance the member received under the optional plan.

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

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

(G) 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 453
eligible persons by the actuarial equivalent of ~~an amount~~ 454
~~determined by multiplying twelve thousand three hundred sixty~~ 455
~~dollars by the percentage of the increase in the consumer price~~ 456
~~index, or that percentage plus the accumulation, except that the~~ 457
~~percentage shall not exceed three per cent and no benefit shall~~ 458
exceed the limit established by section 415 of the "Internal 459
Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as 460
amended. 461

~~Any percentage of change in the consumer price index in any~~ 462
~~year that is in excess of three per cent shall be accumulated and~~ 463
~~used to determine increases under this section in succeeding~~ 464
~~years. Any percentage of change in the consumer price index~~ 465
~~accumulated by an eligible person prior to September 27, 1996,~~ 466
~~shall be used in determining any future increases under this~~ 467
section. The first increase is payable to all eligible persons on 468
July 1, 1988. The increase is payable for the ensuing twelve-month 469
period or until the next increase is granted under this section, 470
whichever is later. 471

The date of the first increase payable under this section 472
shall be the anniversary date for future increases. 473

Sec. 742.3716. (A) As used in this section: 474

(1) "Eligible person" means a person who meets all of the 475
following conditions: 476

(a) Has been receiving a pension or benefit under this 477
chapter for one year or more based on an award made on or after 478
July 24, 1986; 479

(b) Has not made the election provided for in division (B) of 480
this section; 481

(c) Is not the spouse or survivor of a person who has made 482

the election provided for in division (B) of this section; 483

(d) Is receiving a benefit in accordance with division (A), 484
(B), or (C) of section 742.37, division (C)(2), (3), (4), or (5) 485
of former section 742.37, section 742.3711, or section 742.39 of 486
the Revised Code. 487

(2) "Recalculated average annual salary" means the highest 488
average annual compensation of a member of the Ohio police and 489
fire pension fund during any three years of contributions, 490
including amounts included in terminal pay attributable to such 491
three years, determined by dividing the member's total earnings as 492
an employee during such years by three. 493

(B)(1) Notwithstanding section 742.37 or 742.39 of the 494
Revised Code, a member of the fund who is not receiving a pension 495
or benefit under this chapter and who on January 1, 1989, has 496
completed fifteen or more years of active service in a police or 497
fire department may elect to have any future benefit or pension 498
paid to the member or the member's spouse or survivors under this 499
chapter calculated on the basis of the member's recalculated 500
average annual salary rather than the member's average annual 501
salary. The election shall be made by the member prior to or at 502
the time of making an election under section 742.3711 of the 503
Revised Code. 504

(2) If the member eligible to make the election under 505
division (B)(1) of this section dies prior to making the election 506
and at the time of death is eligible to retire and receive a 507
pension or benefit under division (C)(1) or (3) of section 742.37 508
of the Revised Code, the person entitled to receive a benefit 509
under section 742.3714 of the Revised Code may make the election 510
provided for in division (B)(1) of this section. 511

(3) The election under division (B)(1) or (2) of this section 512
shall be made on forms provided by the trustees of the fund. Once 513

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.

The date of the first ~~additional benefit~~ increase paid under this section shall be the anniversary date for future ~~additional benefits~~ increases. The pension or benefit 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 by law.

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

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

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

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

(2) A person is not an eligible person if the person is 576
receiving a pension or benefit in accordance with rules in force 577
on April 1, 1947, that govern the granting of pensions and 578
benefits and that provide an increase in the original pension or 579
benefit from time to time pursuant to changes in the salaries of 580
active members. 581

~~(B)(1) On or before the fifteenth day of April of each year,~~ 582
~~the~~ The board of trustees of the Ohio police and fire pension fund 583
shall ~~determine the average percentage change in the consumer~~ 584
~~price index prepared by the United States bureau of labor~~ 585
~~statistics (U.S. city average for urban wage earners and clerical~~ 586
~~workers: "all items 1982-84=100") for the twelve-month period~~ 587
~~prior to the first day of January over the next preceding~~ 588
~~twelve-calendar-month period, as reported by the bureau. Upon a~~ 589
~~determination by the board that this change is an increase or that~~ 590
~~the change plus the accumulation described in division (B)(2) of~~ 591
~~this section is an increase, the board shall annually increase all~~ 592
~~benefits payable to eligible persons by an amount determined by~~ 593
~~multiplying twelve thousand three hundred sixty dollars by the~~ 594
~~percentage of the increase in the consumer price index, or that~~ 595
~~percentage plus the accumulation, except that the percentage shall~~ 596
~~not exceed three per cent and no benefit shall exceed the limit~~ 597
~~established by section 415 of the "Internal Revenue Code of 1986,"~~ 598
100 Stat. 2085, 26 U.S.C.A. 415, as amended. 599

~~(2) Any percentage of change in the consumer price index in~~ 600
~~any year that is in excess of three per cent shall be accumulated~~ 601
~~and used to determine increases under this section in succeeding~~ 602
~~years. Any percentage of change in the consumer price index~~ 603
~~accumulated by an eligible person prior to September 27, 1996,~~ 604
~~shall be used in determining any future increases under this~~ 605
~~section.~~ The first increase is payable to all eligible persons on 606
July 1, 1988. The increase is payable for the ensuing twelve-month 607

period or until the next increase is granted under this section, 608
whichever is later. 609

The date of the first increase payable under this section 610
shall be the anniversary date for future increases. 611

Sec. 742.3718. (A) Except as otherwise provided in this 612
division, each person who on September 9, 1988, is receiving a 613
pension or benefit of less than five thousand dollars annually 614
under division (A) or (B) of section 742.37 of the Revised Code on 615
the basis of disability or service of twenty-five years or more, 616
under division (C)(1) of that section, or under division (C)(2) or 617
(5) of former section 742.37 of the Revised Code shall have the 618
pension or benefit increased to five thousand dollars a year, 619
effective July 1, 1988. This division does not apply to any person 620
receiving a pension or benefit based on funded volunteer or funded 621
part-time service. 622

(B) On and after July 1, 1988: 623

(1) The pension of each person receiving a pension or benefit 624
under division (D) of section 742.37 of the Revised Code shall be 625
increased to four hundred ten dollars a month. 626

(2) The pension of each person receiving a pension or benefit 627
under division (E) of section 742.37 of the Revised Code shall be 628
increased to one hundred eighteen dollars a month. 629

(C) Notwithstanding any average annual salary limitation in 630
section 742.37 of the Revised Code, each person who on July 1, 631
1999, is receiving an annual pension or benefit described in 632
division (A), (B), or (C)(1) or (3) of that section of less than 633
six thousand six hundred dollars shall have the pension increased 634
to that amount, effective July 1, 1999. The increase granted under 635
this division shall be included in a person's base for the purpose 636
of determining future increases under section 742.3716 of the 637
Revised Code. 638

(D)(1) Except as provided in division (D)(2) of this section, 639
the monthly pension of each person who is the surviving spouse of 640
a deceased member of the fund and on ~~the effective date of this~~ 641
~~amendment~~ March 17, 2000, is receiving a pension of less than the 642
amount described in division (D)(1) of section 742.37 of the 643
Revised Code shall be increased as follows: 644

(a) For the period beginning on the first day of the first 645
month following ~~the effective date of this amendment~~ March 17, 646
2000, and ending June 30, 2000, to five hundred fifty dollars; 647

(b) For the period beginning July 1, 2000, and the first day 648
of July of each year thereafter and continuing for the following 649
twelve months, to an amount equal to the greater of five hundred 650
fifty dollars or the monthly amount paid during the prior 651
twelve-month period plus ~~an amount determined by multiplying five~~ 652
~~hundred fifty~~ sixteen dollars by ~~the average percentage change in~~ 653
~~the consumer price index, not exceeding three per cent, as~~ 654
~~determined each year by the board of trustees of the Ohio police~~ 655
~~and fire pension fund under section 742.3716 of the Revised Code~~ 656
and fifty cents. 657

(2) An increase under division (D)(1) of this section shall 658
not be paid to a person who is receiving a pension under division 659
(D)(2) of section 742.37 of the Revised Code and a benefit under 660
division (B) or (D) of section 742.63 of the Revised Code until 661
the person ceases to be eligible for a benefit under division (B) 662
or (D) of section 742.63 of the Revised Code. The person's monthly 663
pension shall be increased, effective the first day of the first 664
month following the date on which the person ceases to be eligible 665
for the benefit, to the amount it would be under division (D)(1) 666
of this section had the person never been eligible for a benefit 667
under division (B) or (D) of section 742.63 of the Revised Code. 668

(E) The monthly pension of each person receiving a pension 670

under division (E) of section 742.37 of the Revised Code shall be
increased to one hundred fifty dollars effective July 1, 1999.

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

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

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

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

~~On or before the fifteenth day of April of each year, the The~~
board of trustees of the Ohio police and firemen's disability 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-calendar-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 section is an increase, the board shall annually increase~~
~~pensions 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 pension shall exceed the~~
limit established by section 415 of the "Internal Revenue Code of
1986," 100 Stat. 2085, 26 U.S.C. 415, as amended.

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

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

The date of the first 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," 732
100 Stat. 2085, 26 U.S.C.A. 415, as amended. 733

The first increase is payable to all persons becoming 734
eligible after June 30, 1971, upon such persons receiving an 735
allowance or benefit for twelve months. The increased amount is 736
payable for the ensuing twelve-month period or until the next 737
increase is granted under this section, whichever is later. 738
Subsequent increases shall be determined from the date of the 739
first increase paid to the former member in the case of an 740
allowance being paid a beneficiary under an option, or from the 741
date of the first increase to the survivor first receiving an 742
allowance or benefit in the case of an allowance or benefit being 743
paid to the subsequent survivors of the former member. 744

The date of the first increase under this section becomes the 745
anniversary date for any future increases. 746

The allowance or benefit used in the first calculation of an 747
increase under this section shall remain as the base for all 748
future increases, unless a new base is established. 749

~~(B) Any percentage of change in the consumer price index in 750
any year that is in excess of three per cent shall be accumulated 751
and used to determine increases under this section in subsequent 752
years. Any percentage of change in the consumer price index 753
accumulated by an eligible person prior to September 27, 1996, 754
shall be used in determining any future increases under this 755
section. 756~~

~~(C) The board shall make all rules necessary to carry out 757
this section. 758~~

Sec. 3309.374. ~~(A) Beginning April 1, 1971, and each year 759
thereafter, the board of the The school employees retirement 760
system shall determine the average percentage change in the 761
consumer price index prepared by the United States bureau of labor 762~~

~~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, 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, pension, 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. Any increase

resulting from payment of a recalculated benefit under Section 3
of Substitute Senate Bill No. 270 of the 123rd general assembly
shall be included in the calculation of future increases under
this section.

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~~(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.~~

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

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

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(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;

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(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;

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(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.

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~~(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~~

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~~Urban Wage Earners and Clerical Workers: "All Items 1982-84=100")~~ 825
~~for the twelve-month period prior to the first day of January over~~ 826
~~the next preceding twelve-calendar-month period, as reported by~~ 827
~~the bureau. Upon a determination by the board that the change is~~ 828
~~an increase or that the change plus the accumulation described in~~ 829
~~division (C) of this section is an increase, the board shall~~ 830
annually increase each benefit payable under this chapter by a 831
percentage equal to the percentage increase in the consumer price 832
index or to that increase plus the accumulation, except that the 833
increase shall not exceed three per cent and, except that no 834
benefit shall exceed the limit established by section 415 of the 835
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, 836
as amended. 837

~~For each person eligible to receive the additional benefit~~ 838
~~under this section, the accumulation shall commence on the later~~ 839
~~of May 6, 1988, or the effective date of the pension the person~~ 840
~~receives.~~ 841

The first ~~additional benefit~~ increase is payable to all 842
persons becoming eligible on or after November 18, 1981. The 843
~~additional benefit~~ increase is payable for each ensuing 844
twelve-month period or until the next increase is granted under 845
this section, whichever is later. 846

The date of the first ~~additional benefit~~ increase paid under 847
this section shall be the anniversary date for future ~~additional~~ 848
~~benefits~~ increases. The pension used in the first calculation of 849
an ~~additional benefit~~ increase under this section shall remain as 850
the base for all future ~~additional benefits~~ increases paid under 851
this section, unless a new base is established. 852

~~Additional benefits~~ Increases paid in years subsequent to the 853
year of the first ~~additional benefit~~ increase paid under this 854
section shall be paid to all persons who, on the date that the 855
~~additional benefit~~ increase is authorized by the board, are 856

eligible for the benefit as provided in this section. 857

~~(C) Any percentage of change in the consumer price index in 858
any year that is in excess of three per cent shall be accumulated 859
and used to determine increases under this section in subsequent 860
years. Any percentage of change in the consumer price index 861
accumulated by an eligible person prior to the effective date of 862
this amendment shall be used in determining any future increases 863
under this section. 864~~

~~(D) The board shall adopt, and may amend or rescind, any rule 865
necessary to carry out this section. 866~~

~~The board shall adopt, and may amend or rescind, any rule 867
necessary to carry out this section. 868~~

Section 2. That existing sections 145.323, 742.37, 742.3711, 869
742.3716, 742.3717, 742.3718, 742.3720, 3307.67, 3309.374, and 870
5505.174 of the Revised Code are hereby repealed. 871