

As Reported by the Senate Ways and Means Committee

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Sub. H. B. No. 157

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A B I L L

To amend sections 145.297, 145.323, 742.37, 742.3711, 1
742.3716, 742.3717, 742.3718, 742.63, 3307.67, 2
3309.374, and 5505.174 and to repeal section 3
742.3720 of the Revised Code to provide that the 4
annual cost of living increase paid to retired 5
members and beneficiaries of Ohio's state 6
retirement systems will be three per cent, and to 7
provide pension and death benefits to certain 8
surviving spouses of former members of local police 9
or firemen's pension funds established under former 10
Chapter 741. of the Revised Code. 11

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

Section 1. That sections 145.297, 145.323, 742.37, 742.3711, 12
742.3716, 742.3717, 742.3718, 742.63, 3307.67, 3309.374, and 13
5505.174 of the Revised Code be amended to read as follows: 14

Sec. 145.297. (A) As used in this section, "employing unit" 15
means: 16

(1) A municipal corporation, agency of a municipal 17
corporation designated by the legislative authority, park 18
district, conservancy district, sanitary district, health 19
district, township, department of a township designated by the 20
board of township trustees, metropolitan housing authority, public 21
library, county law library, union cemetery, joint hospital, or 22
other political subdivision or unit of local government. 23

(2) With respect to state employees, any entity of the state 24
including any department, agency, institution of higher education, 25
board, bureau, commission, council, office, or administrative body 26
or any part of such entity that is designated by the entity as an 27
employing unit. 28

(3)(a) With respect to employees of a board of alcohol, drug 29
addiction, and mental health services, that board. 30

(b) With respect to employees of a county board of mental 31
retardation and developmental disabilities, that board. 32

(c) With respect to other county employees, the county or any 33
county agency designated by the board of county commissioners. 34

(4) In the case of an employee whose employing unit is in 35
question, the employing unit is the unit through whose payroll the 36
employee is paid. 37

(B) An employing unit may establish a retirement incentive 38
plan for its eligible employees. In the case of a county or county 39
agency, decisions on whether to establish a retirement incentive 40
plan for any employees other than employees of a board of alcohol, 41
drug addiction, and mental health services or county board of 42
mental retardation and developmental disabilities and on the terms 43
of the plan shall be made by the board of county commissioners. In 44

the case of a municipal corporation or an agency of a municipal
corporation, decisions on whether to establish a retirement
incentive plan and on the terms of the plan shall be made by the
legislative authority.

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

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

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

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

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

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

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

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(a) An elected official;

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(b) A member of a board or commission;

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

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

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(2) The employee is or will be eligible to retire under 74
section 145.32, 145.34, 145.37, or division (A) of section 145.33 75
of the Revised Code on or before the date of termination of the 76
retirement incentive plan. Service credit to be purchased for the 77
employee under the retirement incentive plan shall be included in 78
making such determination. 79

(3) The employee agrees to retire under section 145.32, 80
145.34, 145.37, or division (A) of section 145.33 of the Revised 81
Code within ninety days after receiving notice from the public 82
employees retirement system that service credit has been purchased 83
for the employee under this section. 84

Participation in the plan shall be available to all eligible 85
employees except that the employing unit may limit the number of 86
participants in the plan to a specified percentage of its 87
employees who are members of the public employees retirement 88
system on the date the plan goes into effect. The percentage shall 89
not be less than five per cent of such employees. If participation 90
is limited, employees with more total service credit have the 91
right to elect to participate before employees with less total 92
service credit. In the case of employees with the same total 93
service credit, employees with a greater length of service with 94
the employing unit have the right to elect to participate before 95
employees with less service with the employing unit. Employees 96
with less than eighteen months of service with the employing unit 97
have the right to elect to participate only after all other 98
eligible employees have been given the opportunity to elect to 99
participate. For the purpose of determining which employees may 100
participate in a plan, total service credit includes service 101
credit purchased by the employee under this chapter after the date 102
on which the plan is established. 103

A retirement incentive plan that limits participation may 104
provide that an employee who does not notify the employing unit of 105

the employee's decision to participate in the plan within a 106
specified period of time will lose priority to participate in the 107
plan ahead of other employees with less seniority. The time given 108
to an employee to elect to participate ahead of other employees 109
shall not be less than thirty days after the employee receives 110
written notice that the employee may participate in the plan. 111

(D) A retirement incentive plan shall provide for purchase of 112
the same amount of service credit for each participating employee, 113
except that the employer may not purchase more service credit for 114
any employee than the lesser of the following: 115

(1) Five years of service credit; 116

(2) An amount of service credit equal to one-fifth of the 117
total service credited to the participant under this chapter, 118
exclusive of service credit purchased under this section. 119

For each year of service credit purchased under this section, 120
the employing unit shall pay an amount equal to the additional 121
liability resulting from the purchase of that year of service 122
credit, as determined by an actuary employed by the public 123
employees retirement board. 124

(E) Upon the election by an eligible employee to participate 125
in the retirement incentive plan, the employee and the employing 126
unit shall agree upon a date for payment or contracting for 127
payment in installments to the public employees retirement system 128
of the cost of the service credit to be purchased. The employing 129
unit shall submit to the public employees retirement system a 130
written request for a determination of the cost of the service 131
credit, and within forty-five days after receiving the request, 132
the board shall give the employing unit written notice of the 133
cost. 134

The employing unit shall pay or contract to pay in 135
installments the cost of the service credit to be purchased to the 136

public employees retirement system on the date agreed to by the 137
employee and the employing unit. The payment shall be made in 138
accordance with rules adopted by the public employees retirement 139
board. The rules may provide for payment in installments and for 140
crediting the purchased credit to the employee's account upon the 141
employer's contracting to pay the cost in installments. The board 142
shall notify the member when the member is credited with service 143
purchased under this section. If the employee does not retire 144
within ninety days after receiving notice that the employee has 145
been credited with the purchased service credit, the system shall 146
refund to the employing unit the amount paid for the service 147
credit. 148

No payment made to the public employees retirement system 149
under this section shall affect any payment required by section 150
145.48 of the Revised Code. 151

Sec. 145.323. (A) ~~Beginning April 1, 1971, and each year~~ 152
~~thereafter, the board of the~~ The public employees retirement 153
~~system shall determine the average percentage change in the~~ 154
~~consumer price index prepared by the United States bureau of labor~~ 155
~~statistics (U.S. City Average for Urban Wage Earners and Clerical~~ 156
~~Workers: "All Items 1982-84=100") for the twelve-calendar-month~~ 157
~~period prior to the first day of January over the next preceding~~ 158
~~twelve-calendar-month period, as reported by the bureau.~~ 159

~~Upon a determination by the board in any year that the change~~ 160
~~in the consumer price index is an increase or that the change plus~~ 161
~~the accumulation described in division (B) of this section is an~~ 162
~~increase, the board shall annually increase each allowance,~~ 163
~~pension, or benefit payable under this chapter by a percentage~~ 164
~~equal to the percentage increase in the consumer price index or to~~ 165
~~that increase plus the accumulation, except that the increase~~ 166
~~shall not exceed three per cent and, except that no allowance,~~ 167

pension, or benefit shall exceed the limit established by section 168
415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 169
U.S.C.A. 415, as amended. 170

The first increase is payable to all persons becoming 171
eligible after June 30, 1971, upon such persons receiving an 172
allowance for twelve months. The increased amount is payable for 173
the ensuing twelve-month period or until the next increase is 174
granted under this section, whichever is later. Subsequent 175
increases shall be determined from the date of the first increase 176
paid to the former member in the case of an allowance being paid a 177
beneficiary under an option, or from the date of the first 178
increase to the survivor first receiving an allowance or benefit 179
in the case of an allowance or benefit being paid to the 180
subsequent survivors of the former member. 181

The date of the first increase under this section becomes the 182
anniversary date for any future increases. 183

The allowance or benefit used in the first calculation of an 184
increase under this section shall remain as the base for all 185
future increases, unless a new base is established. 186

~~(B) Any percentage of change in the consumer price index in 187
any year that is in excess of three per cent shall be accumulated 188
and used to determine increases under this section in subsequent 189
years. Any percentage of change in the consumer price index 190
accumulated by an eligible person prior to the effective date of 191
this amendment shall be used in determining any future increases 192
under this section. 193~~

~~(C) The board shall make all rules necessary to carry out 194
this section. 195~~

Sec. 742.37. The board of trustees of the Ohio police and 196
fire pension fund shall adopt rules for the management of the fund 197
and for the disbursement of benefits and pensions as set forth in 198

this section and section 742.39 of the Revised Code. Any payment 199
of a benefit or pension under this section is subject to the 200
provisions of section 742.461 of the Revised Code. Notwithstanding 201
any other provision of this section, no pension or benefit paid or 202
determined under division (B) or (C) of this section or section 203
742.39 of the Revised Code shall exceed the limit established by 204
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 205
2085, 26 U.S.C.A. 415, as amended. 206

(A) Persons who were receiving benefit or pension payments 207
from a police relief and pension fund established under former 208
section 741.32 of the Revised Code, or from a firemen's relief and 209
pension fund established under former section 521.02 or 741.02 of 210
the Revised Code, at the time the assets of the fund were 211
transferred to the Ohio police and fire pension fund, known at 212
that time as the police and firemen's disability and pension fund, 213
shall receive benefit and pension payments from the Ohio police 214
and fire pension fund in the same amount and subject to the same 215
conditions as such payments were being made from the former fund 216
on the date of the transfer. 217

(B) A member of the fund who, pursuant to law, elected to 218
receive benefits and pensions from a police relief and pension 219
fund established under former section 741.32 of the Revised Code, 220
or from a firemen's relief and pension fund established under 221
former section 741.02 of the Revised Code, in accordance with the 222
rules of the fund governing the granting of benefits or pensions 223
therefrom in force on April 1, 1947, shall receive benefits and 224
pensions from the Ohio police and fire pension fund in accordance 225
with such rules; provided, that any member of the fund who is not 226
receiving a benefit or pension from the fund on August 12, 1975, 227
may, upon application for a benefit or pension to be received on 228
or after August 12, 1975, elect to receive a benefit or pension in 229
accordance with division (C) of this section. 230

(C) Members of the fund who have not elected to receive 231
benefits and pensions from a police relief and pension fund or a 232
firemen's relief and pension fund in accordance with the rules of 233
the fund in force on April 1, 1947, shall receive pensions and 234
benefits in accordance with the following provisions: 235

(1) A member of the fund who has completed twenty-five years 236
of active service in a police or fire department and has attained 237
forty-eight years of age may, at the member's election, retire 238
from the police or fire department, and upon notifying the board 239
in writing of the election, shall receive an annual pension, 240
payable in twelve monthly installments, in an amount equal to a 241
percentage of the member's average annual salary. The percentage 242
shall be the sum of two and one-half per cent for each of the 243
first twenty years the member was in the active service of the 244
department, plus two per cent for each of the twenty-first to 245
twenty-fifth years the member was in the active service of the 246
department, plus one and one-half per cent for each year in excess 247
of twenty-five years the member was in the active service of the 248
department. The annual pension shall not exceed seventy-two per 249
cent of the member's average annual salary. 250

A member who completed twenty-five years of active service, 251
has resigned or been discharged, and has left the sum deducted 252
from the member's salary on deposit in the pension fund shall, 253
upon attaining forty-eight years of age, be entitled to receive a 254
normal service pension benefit computed and paid under division 255
(C)(1) of this section. 256

(2) A member of the fund who has served fifteen or more years 257
as an active member of a police or fire department and who 258
voluntarily resigns or is discharged from the department for any 259
reason other than dishonesty, cowardice, intemperate habits, or 260
conviction of a felony, shall receive an annual pension, payable 261
in twelve monthly installments, in an amount equal to one and 262

one-half per cent of the member's average annual salary multiplied 263
by the number of full years the member was in the active service 264
of the department. The pension payments shall not commence until 265
the member has attained the age of forty-eight years and until 266
twenty-five years have elapsed from the date on which the member 267
became a full-time regular police officer or firefighter in the 268
department. 269

(3) A member of the fund who has completed fifteen or more 270
years of active service in a police or fire department and who has 271
attained sixty-two years of age, may retire from the department 272
and, upon notifying the board in writing of the election to 273
retire, shall receive an annual pension, payable in twelve monthly 274
installments, in an amount equal to a percentage of the member's 275
average annual salary. The percentage shall be the sum of two and 276
one-half per cent for each of the first twenty years the member 277
was in the active service of the department, plus two per cent for 278
each of the twenty-first to twenty-fifth years the member was in 279
the active service of the department, plus one and one-half per 280
cent for each year in excess of twenty-five years the member was 281
in the active service of the department. The annual pension shall 282
not exceed seventy-two per cent of the member's average annual 283
salary. 284

(4) With the exception of those persons who may make 285
application for benefits as provided in section 742.26 of the 286
Revised Code, no person receiving a pension or other benefit under 287
division (C) of this section on or after July 24, 1986, shall be 288
entitled to apply for any new, changed, or different benefit. 289

If a member covered by division (C) of this section or 290
section 742.38 of the Revised Code dies prior to the time the 291
member has received a payment and leaves a surviving spouse or 292
dependent child, the surviving spouse or dependent child shall 293
receive a pension under division (D) or (E) of this section. 294

(D)(1) Except as provided in division (D)(2) of this section, 295
a surviving spouse of a deceased member of the fund or a surviving 296
spouse described in division (D)(4) of this section shall receive 297
a monthly pension as follows: 298

(a) For the period beginning July 1, 1999, and ending June 299
30, 2000, five hundred fifty dollars; 300

(b) For the period beginning July 1, 2000, and the first day 301
of July of each year thereafter and continuing for the following 302
twelve months, an amount equal to the monthly amount paid during 303
the prior twelve-month period plus ~~an amount determined by~~ 304
~~multiplying five hundred fifty sixteen dollars by the average~~ 305
~~percentage change in the consumer price index, not exceeding three~~ 306
~~per cent, as determined each year by the board under section~~ 307
~~742.3716 of the Revised Code and fifty cents.~~ 308

(2) A surviving spouse of a deceased member of the fund shall 309
receive a monthly pension of four hundred ten dollars if the 310
surviving spouse is eligible for a benefit under division (B) or 311
(D) of section 742.63 of the Revised Code. If the surviving spouse 312
ceases to be eligible for a benefit under division (B) or (D) of 313
section 742.63 of the Revised Code, the pension shall be 314
increased, effective the first day of the first month following 315
the day on which the surviving spouse ceases to be eligible for 316
the benefit, to the amount it would be under division (D)(1) of 317
this section had the spouse never been eligible for a benefit 318
under division (B) or (D) of section 742.63 of the Revised Code. 319

(3) A pension paid under this division shall continue during 320
the natural life of the surviving spouse. Benefits to a deceased 321
member's surviving spouse that were terminated under a former 322
version of this section that required termination due to 323
remarriage and were not resumed prior to September 16, 1998, shall 324
resume on the first day of the month immediately following receipt 325
by the board of an application on a form provided by the board. 326

(4) A surviving spouse of a deceased member of or contributor to a fund established under former Chapter 521. or 741. of the Revised Code whose benefit or pension was terminated or not paid due to remarriage shall receive a monthly pension under division (D)(1) of this section. 327
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The pension shall commence on the first day of the month immediately following receipt by the board of a completed application on a form provided by the board and evidence acceptable to the board that at the time of death the deceased spouse was a member of or contributor to a police or firemen's relief and pension fund established under former Chapter 521. or 741. of the Revised Code and that the surviving spouse's benefits were terminated or not granted due to remarriage. 332
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(E)(1) 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. 340
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(2) An eligible surviving child shall receive a monthly pension as follows: 355
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(a) For the period beginning July 1, 2002, and ending June 30, 2003, one hundred sixty-three dollars and fifty cents; 357
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(b) For the period beginning July 1, 2003, and the first day 359
of each July thereafter and continuing for the following twelve 360
months, an amount equal to the monthly amount paid during the 361
prior twelve-month period plus four dollars and fifty cents. 362

(F)(1) If a deceased member of the fund leaves no surviving 363
spouse or surviving children, but leaves one or two parents 364
dependent upon the deceased member for support, each parent shall 365
be paid a monthly pension of ~~one hundred dollars~~. ~~If there is only~~ 366
~~one parent dependent upon the member for support, the parent shall~~ 367
~~be paid a monthly pension of two hundred dollars~~. The pensions 368
provided for in this division shall be paid during the natural 369
life of the surviving parents, or until dependency ceases, or 370
until remarriage, whichever event occurs first. 371

(2) Each eligible surviving parent shall be paid a monthly 372
pension as follows: 373

(a) For the period ending June 30, 2002, one hundred six 374
dollars for each parent or two hundred twelve dollars for a sole 375
dependent parent; 376

(b) For the period beginning July 1, 2002, and ending June 377
30, 2003, one hundred nine dollars for each parent or two hundred 378
eighteen dollars for a sole dependent parent; 379

(c) For the period beginning July 1, 2003, and the first day 380
of each July thereafter and continuing for the following twelve 381
months, an amount equal to the monthly amount paid during the 382
prior twelve-month period plus three dollars for each parent or 383
six dollars for a sole dependent parent. 384

(G) Subject to the provisions of section 742.461 of the 385
Revised Code, a member of the fund who voluntarily resigns or is 386
removed from active service in a police or fire department is 387
entitled to receive an amount equal to the sums deducted from the 388
member's salary and credited to the member's account in the fund, 389

except that a member receiving a disability benefit or service pension is not entitled to receive any return of contributions to the fund. 390
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(H) On and after January 1, 1970, all pensions shall be increased in accordance with the following provisions: 393
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(1) A member of the fund who retired prior to January 1, 1967, has attained age sixty-five on January 1, 1970, and was receiving a pension on December 31, 1969, pursuant to division (B) or (C)(1) of this section or former division (C)(2), (3), (4), or (5) of this section, shall have the pension increased by ten per cent. 395
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(2) The monthly pension payable to eligible surviving spouses under division (D) of this section shall be increased by forty dollars for each surviving spouse receiving a pension on December 31, 1969. 401
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(3) The monthly pension payable to each eligible child under division (E) of this section shall be increased by ten dollars for each child receiving a pension on December 31, 1969. 405
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(4) The monthly pension payable to each eligible dependent parent under division (F) of this section shall be increased by thirty dollars for each parent receiving a pension on December 31, 1969. 408
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(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. 412
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(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 418
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this section shall have the pension or benefit increased as 421
follows: 422

(1) If the member's annual pension or benefit is less than 423
two thousand seven hundred dollars, it shall be increased to three 424
thousand dollars. 425

(2) If the member's annual pension or benefit is two thousand 426
seven hundred dollars or more, it shall be increased by three 427
hundred dollars. 428

The following shall not be eligible to receive increased 429
pensions or benefits as provided in this division: 430

(a) A member of the fund who is receiving a pension or 431
benefit in accordance with the rules in force on April 1, 1947, 432
governing the granting of pensions and benefits, which provide an 433
increase in the original pension or benefit from time to time 434
pursuant to changes in the salaries of active members; 435

(b) A member of the fund who is receiving a pension or 436
benefit under division (A) or (B) of this section, based on funded 437
volunteer or funded part-time service, or off-duty disability, or 438
partial on-duty disability, or early vested service; 439

(c) A member of the fund who is receiving a pension under 440
division (C)(1) of this section, based on funded volunteer or 441
funded part-time service. 442

(J) On and after July 1, 1977, a member of the fund who was 443
receiving an annual pension or benefit on December 31, 1973, 444
pursuant to division (B) of this section, based upon partial 445
disability, off-duty disability, or early vested service, or 446
pursuant to former division (C)(3), (5), or (6) of this section, 447
shall have such annual pension or benefit increased by three 448
hundred dollars. 449

The following are not eligible to receive the increase 450

provided by this division: 451

(1) A member of the fund who is receiving a pension or 452
benefit in accordance with the rules in force on April 1, 1947, 453
governing the granting of pensions and benefits, which provide an 454
increase in the original pension or benefit from time to time 455
pursuant to changes in the salaries of active members; 456

(2) A member of the fund who is receiving a pension or 457
benefit under division (B) or (C)(2) of this section or former 458
division (C)(3), (5), or (6) of this section based on volunteer or 459
part-time service. 460

(K)(1) Except as otherwise provided in this division, every 461
person who on July 24, 1986, is receiving an age and service or 462
disability pension, allowance, or benefit pursuant to this chapter 463
in an amount less than thirteen thousand dollars a year that is 464
based upon an award made effective prior to February 28, 1984, 465
shall receive an increase of six hundred dollars a year or the 466
amount necessary to increase the pension or benefit to four 467
thousand two hundred dollars after all adjustments required by 468
this section, whichever is greater. 469

(2) Division (K)(1) of this section does not apply to the 470
following: 471

(a) A member of the fund who is receiving a pension or 472
benefit in accordance with rules in force on April 1, 1947, that 473
govern the granting of pensions and benefits and that provide an 474
increase in the original pension or benefit from time to time 475
pursuant to changes in the salaries of active members; 476

(b) A member of the fund who is receiving a pension or 477
benefit based on funded volunteer or funded part-time service. 478

(L) On and after July 24, 1986: 479

(1) The pension of each person receiving a pension under 480

division (D) of this section on July 24, 1986, shall be increased
to three hundred ten dollars per month.

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(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.

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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.

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(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.

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(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.

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

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Should the nominated beneficiary designated in writing become 512
deceased prior to the expiration of the guarantee period, then for 513
the purpose of completing payment for the remainder of the 514
guarantee period, the present value of such payments shall be paid 515
to the estate of the beneficiary last receiving. 516

(B)(1) On or after February 28, 1980, the death of a spouse 517
nominated as beneficiary or the death of any other nominated 518
beneficiary following retirement shall cancel any optional plan of 519
payment to provide continuing lifetime benefits to such nominated 520
beneficiary and return the member of the fund to the member's 521
single lifetime benefit equivalent, as determined by the board, to 522
be effective the month following receipt by the board of notice of 523
the death. 524

(2) On divorce, annulment, or marriage dissolution, a member 525
receiving a retirement allowance under a plan that provides for 526
continuation of all or part of the allowance after death for the 527
lifetime of the member's surviving spouse may, with the written 528
consent of the spouse or pursuant to an order of the court with 529
jurisdiction over the termination of the marriage, elect to cancel 530
the plan and receive the member's single lifetime benefit 531
equivalent as determined by the board. The election shall be made 532
on a form provided by the board and shall be effective the month 533
following its receipt by the board. 534

(C) Following marriage or remarriage, a member of the fund 535
may elect not later than one year after the date of marriage or 536
remarriage a new optional plan of payment based on the actuarial 537
equivalent of the member's single lifetime benefit as determined 538
by the board. The plan and the member's lesser retirement 539
allowance shall become effective on the date the election is made 540
on a form approved by the board. 541

(D)(1) Unless one of the following occurs, an application for 542
retirement by a married person shall be considered an election of 543

a benefit under option 2 as provided for in division (A)(2) of 544
this section under which one-half of the lesser retirement 545
allowance payable during the life of the retirant will be paid 546
after death to the retirant's spouse for life as sole beneficiary: 547

(a) The retirant selects an optional plan under division (A) 548
of this section providing for payment after death to the 549
retirant's spouse for life as sole beneficiary of more than 550
one-half of the lesser retirement allowance payable during the 551
life of the retirant; 552

(b) The retirant submits to the retirement board a written 553
statement signed by the spouse attesting that the spouse consents 554
to the retirant's election to receive a single lifetime retirement 555
allowance or a payment under an optional benefit plan under which 556
after the death of the retirant the surviving spouse will receive 557
less than one-half of the lesser retirement allowance payable 558
during the life of the retirant. 559

(2) An application for retirement shall include an 560
explanation of all of the following: 561

(a) That, if the member is married, unless the spouse 562
consents to another plan of payment, the member's retirement 563
allowance will be paid under "option 2" and consist of the 564
actuarial equivalent of the member's retirement allowance in a 565
lesser amount payable for life and one-half of the lesser 566
allowance continuing after death to the surviving spouse for the 567
life of the spouse; 568

(b) A description of the alternative plans of payment 569
available with the consent of the spouse; 570

(c) That the spouse may consent to another plan of payment 571
and the procedure for giving consent; 572

(d) That consent is irrevocable once notice of consent is 573
filed with the board. 574

Consent shall be valid only if it is signed, in writing, and 575
witnessed by an employee of the board or a notary public. 576

(3) If the retirant does not select an optional plan as 577
described in division (D)(1)(a) of this section and the board does 578
not receive the written statement provided for in division 579
(D)(1)(b) of this section, it shall determine and pay the 580
retirement allowance in accordance with division (A)(2) of this 581
section, except that the board may provide by rule for waiver by 582
the board of the statement and payment of the allowance other than 583
in accordance with division (A)(2) of this section if the retirant 584
is unable to obtain the statement due to absence or incapacity of 585
the spouse or other cause specified by the board. 586

(E) A member of the fund who has elected an optional plan 587
under this section or section 742.3715 of the Revised Code may, 588
with the consent of the designated beneficiary, cancel the 589
optional plan and receive the retirement allowance payable 590
throughout life the member would have received had the member not 591
elected the optional plan, if the member makes a request to cancel 592
the optional plan not later than one year after the later of 593
September 9, 1988, or the date on which the member first receives 594
a payment under this section or section 742.3715 of the Revised 595
Code. Cancellation of the optional plan shall be effective the 596
month after acceptance of the request by the trustees of the fund. 597
No payment or adjustment shall be made in the retirement allowance 598
payable throughout the member's life to compensate for the lesser 599
allowance the member received under the optional plan. 600

The request to cancel the optional plan shall be made on a 601
form provided by the fund and shall be valid only if the completed 602
form includes a signed statement of the designated beneficiary's 603
understanding of and consent to the cancellation. The signature 604
shall be verified by the trustees of the fund prior to their 605
acceptance of the cancellation. 606

(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~~ 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 exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

~~Any percentage of change in the consumer price index in any~~ 639
~~year that is in excess of three per cent shall be accumulated and~~ 640
~~used to determine increases under this section in succeeding~~ 641
~~years. Any percentage of change in the consumer price index~~ 642
~~accumulated by an eligible person prior to September 27, 1996,~~ 643
~~shall be used in determining any future increases under this~~ 644
~~section.~~ The first increase is payable to all eligible persons on 645
July 1, 1988. The increase is payable for the ensuing twelve-month 646
period or until the next increase is granted under this section, 647
whichever is later. 648

The date of the first increase payable under this section 649
shall be the anniversary date for future increases. 650

Sec. 742.3716. (A) As used in this section: 651

(1) "Eligible person" means a person who meets all of the 652
following conditions: 653

(a) Has been receiving a pension or benefit under this 654
chapter for one year or more based on an award made on or after 655
July 24, 1986; 656

(b) Has not made the election provided for in division (B) of 657
this section; 658

(c) Is not the spouse or survivor of a person who has made 659
the election provided for in division (B) of this section; 660

(d) Is receiving a benefit in accordance with division (A), 661
(B), or (C) of section 742.37, division (C)(2), (3), (4), or (5) 662
of former section 742.37, section 742.3711, or section 742.39 of 663
the Revised Code. 664

(2) "Recalculated average annual salary" means the highest 665
average annual compensation of a member of the Ohio police and 666
fire pension fund during any three years of contributions, 667
including amounts included in terminal pay attributable to such 668

three years, determined by dividing the member's total earnings as
an employee during such years by three.

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(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.

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(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.

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(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.

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~~(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 733
shall remain as the base for all future ~~additional benefits~~ 734
increases paid under this section, unless a new base is 735
established by law. 736

~~(3) Additional benefits~~ (2) Increases paid in years 737
subsequent to the year of the first ~~additional benefit~~ increase 738
paid under this section shall be paid to all eligible persons who, 739
on the date that the ~~additional benefit~~ increase is authorized by 740
the board, have been receiving a pension or benefit for twelve 741
months. 742

Sec. 742.3717. (A)(1) Except as provided in division (A)(2) 743
of this section, as used in this section, "eligible person" means 744
a person who meets both of the following conditions: 745

(a) The person is receiving an annual pension or benefit 746
under division (A), (B), or (C) of section 742.37 or division 747
(C)(2), (3), (4), or (5) of former section 742.37 of the Revised 748
Code based on an award made prior to July 24, 1986. 749

(b) The person has not elected under section 742.3711 of the 750
Revised Code to receive a retirement allowance under an optional 751
benefit plan. 752

(2) A person is not an eligible person if the person is 753
receiving a pension or benefit in accordance with rules in force 754
on April 1, 1947, that govern the granting of pensions and 755
benefits and that provide an increase in the original pension or 756
benefit from time to time pursuant to changes in the salaries of 757
active members. 758

(B)(1) ~~On or before the fifteenth day of April of each year,~~ 759
~~the~~ The board of trustees of the Ohio police and fire pension fund 760
shall ~~determine the average percentage change in the consumer~~ 761
~~price index prepared by the United States bureau of labor~~ 762
~~statistics (U.S. city average for urban wage earners and clerical~~ 763

~~workers: "all items 1982-84=100") for the twelve-month period 764~~
~~prior to the first day of January over the next preceding 765~~
~~twelve-calendar-month period, as reported by the bureau. Upon a 766~~
~~determination by the board that this change is an increase or that 767~~
~~the change plus the accumulation described in division (B)(2) of 768~~
~~this section is an increase, the board shall annually increase all 769~~
~~benefits payable to eligible persons by an amount determined by 770~~
~~multiplying twelve thousand three hundred sixty dollars by the 771~~
~~percentage of the increase in the consumer price index, or that 772~~
~~percentage plus the accumulation, except that the percentage shall 773~~
~~not exceed three per cent and no benefit shall exceed the limit 774~~
~~established by section 415 of the "Internal Revenue Code of 1986," 775~~
~~100 Stat. 2085, 26 U.S.C.A. 415, as amended. 776~~

~~(2) Any percentage of change in the consumer price index in 777~~
~~any year that is in excess of three per cent shall be accumulated 778~~
~~and used to determine increases under this section in succeeding 779~~
~~years. Any percentage of change in the consumer price index 780~~
~~accumulated by an eligible person prior to September 27, 1996, 781~~
~~shall be used in determining any future increases under this 782~~
~~section. The first increase is payable to all eligible persons on 783~~
~~July 1, 1988. The increase is payable for the ensuing twelve-month 784~~
~~period or until the next increase is granted under this section, 785~~
~~whichever is later. 786~~

~~The date of the first increase payable under this section 787~~
~~shall be the anniversary date for future increases. 788~~

Sec. 742.3718. ~~(A) Except as otherwise provided in this 789~~
~~division, each person who on September 9, 1988, is receiving a 790~~
~~pension or benefit of less than five thousand dollars annually 791~~
~~under division (A) or (B) of section 742.37 of the Revised Code on 792~~
~~the basis of disability or service of twenty-five years or more, 793~~
~~under division (C)(1) of that section, or under division (C)(2) or 794~~
~~(5) of former section 742.37 of the Revised Code shall have the 795~~

pension or benefit increased to five thousand dollars a year, 796
effective July 1, 1988. This division does not apply to any person 797
receiving a pension or benefit based on funded volunteer or funded 798
part-time service. 799

(B) On and after July 1, 1988: 800

(1) The pension of each person receiving a pension or benefit 801
under division (D) of section 742.37 of the Revised Code shall be 802
increased to four hundred ten dollars a month. 803

(2) The pension of each person receiving a pension or benefit 804
under division (E) of section 742.37 of the Revised Code shall be 805
increased to one hundred eighteen dollars a month. 806

(C) Notwithstanding any average annual salary limitation in 807
section 742.37 of the Revised Code, each person who on July 1, 808
1999, is receiving an annual pension or benefit described in 809
division (A), (B), or (C)(1) or (3) of that section of less than 810
six thousand six hundred dollars shall have the pension increased 811
to that amount, effective July 1, 1999. The increase granted under 812
this division shall be included in a person's base for the purpose 813
of determining future increases under section 742.3716 of the 814
Revised Code. 815

(D)(1) Except as provided in division (D)(2) of this section, 816
the monthly pension of each person who is the surviving spouse of 817
a deceased member of the fund and on ~~the effective date of this~~ 818
~~amendment~~ March 17, 2000, is receiving a pension of less than the 819
amount described in division (D)(1) of section 742.37 of the 820
Revised Code shall be increased as follows: 821

(a) For the period beginning on the first day of the first 822
month following ~~the effective date of this amendment~~ March 17, 823
2000, and ending June 30, 2000, to five hundred fifty dollars; 824

(b) For the period beginning July 1, 2000, and the first day 825

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.~~

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(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.

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(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.

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(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:

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

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

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Sec. 742.63. The board of trustees of the Ohio police and 857
fire pension fund shall adopt rules for the management of the Ohio 858
public safety officers death benefit fund and for disbursements of 859
benefits as set forth in this section. 860

(A) As used in this section: 861

(1) "Member" means ~~a~~ all of the following: 862

(a) A member of the Ohio police and fire pension fund or a 863
member of or contributor to a police or firemen's relief and 864
pension fund established under former Chapter 521. or 741. of the 865
Revised Code; 866

(b) A member of the state highway patrol retirement system, 867
~~or a~~ 868

(c) A member of the public employees retirement system who at 869
the time of the member's death was a one of the following: 870

(i) A county sheriff or deputy sheriff,~~a~~ 871

(ii) A full-time regular police officer in a municipal 872
corporation or township,~~a~~ 873

(iii) A full-time regular firefighter employed by the state, 874
an instrumentality of the state, a municipal corporation, a 875
township, a joint fire district, or another political subdivision, 876
~~a~~ 877

(iv) A full-time park district ranger or patrol trooper,~~a~~ 878

(v) A full-time law enforcement officer of the department of 879
natural resources,~~a~~ 880

(vi) A full-time department of public safety enforcement 881
agent,~~a~~ 882

(vii) A full-time law enforcement officer of parks, waterway 883
lands, or reservoir lands under the control of a municipal 884

corporation, ai	885
(viii) A full-time law enforcement officer of a conservancy district, ai	886 887
(ix) A correction officer at an institution under the control of a county, a group of counties, a municipal corporation, or the department of rehabilitation and correction, ai	888 889 890
(x) A state university law enforcement officer, or a.	891
(d) A member of a retirement system operated by a municipal corporation who at the time of death was a full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of the municipal corporation.	892 893 894 895
(2) Notwithstanding section 742.01 of the Revised Code, " <u>fire or police department</u> " includes a fire department of the state or an instrumentality of the state or of a municipal corporation, township, joint fire district, or other political subdivision, the state highway patrol, a county sheriff's office, the security force of an institution under the control of the department of rehabilitation and correction, the security force of a jail or workhouse under the control of a county, group of counties, or municipal corporation, the security force of a metropolitan, county, or township park district, the security force of lands under the control of the department of natural resources, department of public safety enforcement agents, the security force of parks, waterway lands, or reservoir lands under the control of a municipal corporation, the security force of a conservancy district, the police department of a township or municipal corporation, and the police force of a state university.	896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911
(3) " <u>Firefighter or police officer</u> " includes a state highway patrol trooper, a county sheriff or deputy sheriff, a correction officer at an institution under the control of a county, a group of counties, a municipal corporation, or the department of	912 913 914 915

rehabilitation and correction, a police officer employed by a 916
township or municipal corporation, a firefighter employed by the 917
state, an instrumentality of the state, a municipal corporation, a 918
township, a joint fire district, or another political subdivision, 919
a full-time park district ranger or patrol trooper, a full-time 920
law enforcement officer of the department of natural resources, a 921
full-time department of public safety enforcement agent, a 922
full-time law enforcement officer of parks, waterway lands, or 923
reservoir lands under the control of a municipal corporation, a 924
full-time law enforcement officer of a conservancy district, and a 925
state university law enforcement officer. 926

(4) "Correction officer" includes, in addition to any 927
correction officer, any correction corporal, sergeant, lieutenant, 928
or captain, and the equivalents of all such persons. 929

(5) "A park district ranger or patrol trooper" means a peace 930
officer commissioned to make arrests, execute warrants, and 931
preserve the peace upon lands under the control of a board of park 932
commissioners of a metropolitan, county, or township park 933
district. 934

(6) "Metropolitan, county, or township park district" means a 935
park district created under the authority of Chapter 511. or 1545. 936
of the Revised Code. 937

(7) "Conservancy district" means a conservancy district 938
created under the authority of Chapter 6101. of the Revised Code. 939

(8) "Law enforcement officer" means an officer commissioned 940
to make arrests, execute warrants, and preserve the peace upon 941
lands under the control of the governmental entity granting the 942
commission. 943

(9) "Department of natural resources law enforcement officer" 944
includes a forest officer designated pursuant to section 1503.29 945
of the Revised Code, a preserve officer designated pursuant to 946

section 1517.10 of the Revised Code, a wildlife officer designated 947
pursuant to section 1531.13 of the Revised Code, a park officer 948
designated pursuant to section 1541.10 of the Revised Code, and a 949
state watercraft officer designated pursuant to section 1547.521 950
of the Revised Code. 951

(10) "Retirement eligibility date" means the last day of the 952
month in which a deceased member would have first become eligible, 953
had the member lived, for the retirement pension provided under 954
section 145.33, Chapter 521. or 741., division (C)(1) of section 955
742.37, or division (A)(1) of section 5505.17 of the Revised Code 956
or provided by a retirement system operated by a municipal 957
corporation. 958

(11) "Death benefit amount" means an amount equal to the full 959
monthly salary received by a deceased member prior to death, minus 960
an amount equal to the benefit received under section 145.45, 961
742.37, 742.3714, or 5505.17 of the Revised Code or the benefit 962
received from a retirement system operated by a municipal 963
corporation, plus any increases in salary that would have been 964
granted the deceased member. 965

(12) "Killed in the line of duty" means either of the 966
following: 967

(a) Death in the line of duty; 968

(b) Death from injury sustained in the line of duty, 969
including heart attack or other fatal injury or illness caused 970
while in the line of duty. 971

(B) A spouse of a deceased member shall receive a death 972
benefit each month equal to the full death benefit amount, 973
provided that the deceased member was a firefighter or police 974
officer killed in the line of duty and there are no surviving 975
children eligible for a benefit under this section. The spouse 976
shall receive this benefit during the spouse's natural life until 977

the deceased member's retirement eligibility date, on which date 978
the benefit provided under this division shall terminate. 979

(C)(1) If a member killed in the line of duty as a 980
firefighter or police officer is survived only by a child or 981
children, the child or children shall receive a benefit each month 982
equal to the full death benefit amount. If there is more than one 983
surviving child, the benefit shall be divided equally among these 984
children. 985

(2) If the death benefit paid under this division is divided 986
among two or more surviving children and any of the children 987
become ineligible to continue receiving a portion of the benefit 988
as provided in division (H) of this section, the full death 989
benefit amount shall be paid to the remaining eligible child or 990
divided among the eligible children so that the benefit paid to 991
the remaining eligible child or children equals the full death 992
benefit amount. 993

(3) Notwithstanding divisions (C)(1) and (2) of this section, 994
all death benefits paid under this division shall terminate on the 995
deceased member's retirement eligibility date. 996

(D) If a member killed in the line of duty as a firefighter 997
or police officer is survived by both a spouse and a child or 998
children, the monthly benefit provided shall be as follows: 999

(1)(a) If there is a surviving spouse and one surviving 1000
child, the spouse shall receive an amount each month equal to 1001
one-half of the full death benefit amount and the child shall 1002
receive an amount equal to one-half of the full death benefit 1003
amount. 1004

(b) If the surviving spouse dies or the child becomes 1005
ineligible as provided in division (H) of this section, the 1006
surviving spouse or child remaining eligible shall receive the 1007
full death benefit amount. 1008

(2)(a) If there is a surviving spouse and more than one child, the spouse shall receive an amount each month equal to one-third of the full death benefit amount and the children shall receive an amount, equally divided among them, equal to two-thirds of the full death benefit amount.

(b) If a spouse and more than one child each are receiving a death benefit under division (D)(2)(a) of this section and the spouse dies, the children shall receive an amount each month, equally divided among them, equal to the full death benefit amount.

(c) If a spouse and more than one child each are receiving a benefit under division (D)(2)(a) of this section and any of the children becomes ineligible to receive a benefit as provided in division (H) of this section, the spouse and remaining eligible child or children shall receive a death benefit as follows:

(i) If there are two or more remaining eligible children, the spouse shall receive an amount each month equal to one-third of the full death benefit amount and the children shall receive an amount each month, equally divided among them, equal to two-thirds of the full death benefit amount;

(ii) If there is one remaining eligible child, the spouse shall receive an amount each month equal to one-half of the full death benefit amount, and the child shall receive an amount each month equal to one-half of the full death benefit amount.

(d) If a spouse and more than one child each are receiving a benefit under division (D)(2)(a) of this section and all of the children become ineligible to receive a benefit as provided in division (H) of this section, the spouse shall receive the full death benefit amount.

(3) Notwithstanding divisions (D)(1) and (2) of this section, death benefits paid under this division to a surviving spouse

shall terminate on the member's retirement eligibility date. Death
benefits paid to a surviving child or children shall terminate on
the deceased member's retirement eligibility date unless earlier
terminated pursuant to division (H) of this section.

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(E) If a member, on or after January 1, 1980, is killed in
the line of duty as a firefighter or police officer and is
survived by only a parent or parents dependent upon the member for
support, the parent or parents shall receive an amount each month
equal to the full death benefit amount. If there is more than one
surviving parent dependent upon the deceased member for support,
the death benefit amount shall be divided equally among the
surviving parents. On the death of one of the surviving parents,
the full death benefit amount shall be paid to the other parent.

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(F)(1) The following shall receive a monthly death benefit
under this division:

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(a) A surviving spouse whose benefits are terminated in
accordance with division (B) or (D)(3) of this section on the
deceased member's retirement eligibility date, or who would
qualify for a benefit under division (B) or (D) of this section
except that the deceased member reached the member's retirement
eligibility date prior to the member's death, shall receive a
monthly death benefit under this division. The;

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(b) A qualified surviving spouse of a deceased member of or
contributor to a police or firemen's relief and pension fund
established under former Chapter 521. or 741. of the Revised Code
who was a firefighter or police officer killed in the line of
duty.

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(2) The monthly death benefit shall be one-half of an amount
equal to the monthly salary received by the deceased member prior
to the member's death, plus any salary increases the deceased
member would have received prior to the member's retirement

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eligibility date. The benefit shall terminate on the surviving 1072
spouse's death. A death benefit payable under this division shall 1073
be reduced by an amount equal to any allowance or benefit payable 1074
to the surviving spouse under section 742.3714 of the Revised 1075
Code. 1076

(3) A benefit granted to a surviving spouse under division 1077
(F)(1)(b) of this section shall commence on the first day of the 1078
month immediately following receipt by the board of a completed 1079
application on a form provided by the board and any evidence the 1080
board may require to establish that the deceased spouse was killed 1081
in the line of duty. 1082

(G)(1) If there is not a surviving spouse eligible to receive 1083
a death benefit under division (F) of this section or the 1084
surviving spouse receiving a death benefit under that division 1085
dies, a surviving child or children whose benefits under division 1086
(C) or (D) of this section are or have been terminated pursuant to 1087
division (C)(3) or (D)(3) of this section or who would qualify for 1088
a benefit under division (C) or (D) of this section except that 1089
the deceased member reached the member's retirement eligibility 1090
date prior to the member's death shall receive a monthly death 1091
benefit under this division. The monthly death benefit shall be 1092
one-half of an amount equal to the monthly salary received by the 1093
deceased member prior to the member's death, plus any salary 1094
increases the member would have received prior to the member's 1095
retirement eligibility date. If there is more than one surviving 1096
child, the benefit shall be divided equally among the surviving 1097
children. 1098

(2) If two or more surviving children each are receiving a 1099
benefit under this division and any of those children becomes 1100
ineligible to continue receiving a benefit as provided in division 1101
(H) of this section, the remaining eligible child or children 1102
shall receive an amount equal to one-half of the monthly salary 1103

received by the deceased member prior to death, plus any salary 1104
increases the deceased member would have received prior to the 1105
retirement eligibility date. If there is more than one remaining 1106
eligible child, the benefit shall be divided equally among the 1107
eligible children. 1108

(3) A death benefit, or portion of a death benefit, payable 1109
to a surviving child under this division shall be reduced by an 1110
amount equal to any allowance or benefit payable to that child 1111
under section 742.3714 of the Revised Code, but the reduction in 1112
that child's benefit shall not affect the amount payable to any 1113
other surviving child entitled to a portion of the death benefit. 1114

(H) A death benefit paid to a surviving child under division 1115
(C), (D), or (G) of this section shall terminate on the death of 1116
the child or, unless one of the following is the case, when the 1117
child reaches age eighteen: 1118

(1) The child, because of physical or mental disability, is 1119
unable to provide the child's own support, in which case the death 1120
benefit shall terminate when the disability is removed; 1121

(2) The child is unmarried, under age twenty-two, and a 1122
student in and attending an institution of learning or training 1123
pursuant to a program designed to complete in each school year the 1124
equivalent of at least two-thirds of the full-time curriculum 1125
requirements of the institution, as determined by the trustees of 1126
the fund. 1127

(I) Acceptance of any death benefit under this section does 1128
not prohibit a spouse or child from receiving other benefits 1129
provided under the Ohio police and fire pension fund, the state 1130
highway patrol retirement system, the public employees retirement 1131
system, or a retirement system operated by a municipal 1132
corporation. 1133

(J) No person shall receive a benefit under this section if 1134

any of the following occur: 1135

(1) The person fails to exercise the right to a monthly 1136
survivor benefit under division (A) or (B) of section 145.45, 1137
division (D), (E), or (F) of section 742.37, or division (A)(3), 1138
(4), or (7) of section 5505.17 of the Revised Code; to a monthly 1139
survivor benefit from a retirement system operated by a municipal 1140
corporation; or to a retirement allowance under section 742.3714 1141
of the Revised Code. 1142

(2) The member's accumulated contributions under this chapter 1143
or Chapter 145. or 5505. of the Revised Code are refunded unless 1144
the member had been a member of the public employees retirement 1145
system and had fewer than eighteen months of total service credit 1146
at the time of death. 1147

(3) In the case of a full-time park district ranger or patrol 1148
trooper, a full-time law enforcement officer of the department of 1149
natural resources, a full-time law enforcement officer of parks, 1150
waterway lands, or reservoir lands under the control of a 1151
municipal corporation, a full-time law enforcement officer of a 1152
conservancy district, a correction officer at an institution under 1153
the control of a county, group of counties, or municipal 1154
corporation, or a member of a retirement system operated by a 1155
municipal corporation who at the time of the member's death was a 1156
full-time law enforcement officer of parks, waterway lands, or 1157
reservoir lands under the control of the municipal corporation, 1158
the member died prior to April 9, 1981, in the case of a benefit 1159
under division (B), (C), or (D) of this section, or prior to 1160
January 1, 1980, in the case of a benefit under division (E) of 1161
this section. 1162

(4) In the case of a full-time department of public safety 1163
enforcement agent who prior to June 30, 1999, was a liquor control 1164
investigator of the department of public safety, the member died 1165
prior to December 23, 1986; 1166

(5) In the case of a full-time department of public safety enforcement agent other than an enforcement agent who, prior to June 30, 1999, was a liquor control investigator, the member died prior to June 30, 1999.

(K) A surviving spouse whose benefit was terminated prior to ~~the effective date of this amendment~~ June 30, 1999, due to remarriage shall receive a benefit under division (B), (D), or (F) of this section beginning on the first day of the month following receipt by the board of an application on a form provided by the board. The benefit amount shall be determined as of that date.

(1) If the benefit will begin prior to the deceased member's retirement eligibility date, it shall be paid under division (B) or (D) of this section and shall terminate as provided in those divisions. A benefit paid to a surviving spouse under division (D) of this section shall be determined in accordance with that division, even if benefits paid to surviving children are reduced as a result.

(2) If the benefit will begin on or after the deceased member's retirement eligibility date, it shall be paid under division (F) of this section and shall terminate as provided in that division. A benefit paid to a surviving spouse under division (F) of this section shall be determined in accordance with that division, even if benefits paid to surviving children are terminated as a result.

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.~~ 1198

~~Upon a determination by the board in any year that the change~~ 1199
~~in the consumer price index is an increase or that the change plus~~ 1200
~~the accumulation described in division (B) of this section is an~~ 1201
~~increase, the board shall annually increase each allowance or~~ 1202
~~benefit payable under sections 3307.50 to 3307.79 of the Revised~~ 1203
~~Code by a percentage equal to the percentage increase in the~~ 1204
~~consumer price index or to that increase plus the accumulation,~~ 1205
~~except that the increase shall not exceed three per cent and,~~ 1206
~~except that~~ no allowance or benefit shall exceed the limit 1207
established by section 415 of the "Internal Revenue Code of 1986," 1208
100 Stat. 2085, 26 U.S.C.A. 415, as amended. 1209

The first increase is payable to all persons becoming 1210
eligible after June 30, 1971, upon such persons receiving an 1211
allowance or benefit for twelve months. The increased amount is 1212
payable for the ensuing twelve-month period or until the next 1213
increase is granted under this section, whichever is later. 1214
Subsequent increases shall be determined from the date of the 1215
first increase paid to the former member in the case of an 1216
allowance being paid a beneficiary under an option, or from the 1217
date of the first increase to the survivor first receiving an 1218
allowance or benefit in the case of an allowance or benefit being 1219
paid to the subsequent survivors of the former member. 1220

The date of the first increase under this section becomes the 1221
anniversary date for any future increases. 1222

The allowance or benefit used in the first calculation of an 1223
increase under this section shall remain as the base for all 1224
future increases, unless a new base is established. 1225

~~(B) Any percentage of change in the consumer price index in~~ 1226
~~any year that is in excess of three per cent shall be accumulated~~ 1227
~~and used to determine increases under this section in subsequent~~ 1228

~~years. Any percentage of change in the consumer price index 1229
accumulated by an eligible person prior to September 27, 1996, 1230
shall be used in determining any future increases under this 1231
section. 1232~~

~~(C) The board shall make all rules necessary to carry out 1233
this section. 1234~~

~~Sec. 3309.374. (A) Beginning April 1, 1971, and each year 1235
thereafter, the board of the The school employees retirement 1236
system shall determine the average percentage change in the 1237
consumer price index prepared by the United States bureau of labor 1238
statistics (U.S. City Average for Urban Wage Earners and Clerical 1239
Workers: "All Items 1982-84=100") for the twelve-calendar-month 1240
period prior to the first day of January over the next preceding 1241
twelve-calendar-month period, as reported by the bureau. 1242~~

~~Upon a determination by the board in any year that the change 1243
in the consumer price index is an increase or that the change plus 1244
the accumulation described in division (B) of this section is an 1245
increase, the board shall annually increase each allowance, 1246
pension, or benefit payable under this chapter by a percentage 1247
equal to the percentage increase in the consumer price index or to 1248
that increase plus the accumulation, except that the increase 1249
shall not exceed three per cent and, except that no allowance, 1250
pension, or benefit shall exceed the limit established by section 1251
415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 1252
U.S.C.A. 415, as amended. 1253~~

~~The first increase is payable to all persons becoming 1254
eligible after June 30, 1971, upon such persons receiving an 1255
allowance, pension, or benefit for twelve months. 1256~~

~~The increased amount is payable for the ensuing twelve-month 1257
period or until the next increase is granted under this section, 1258
whichever is later. Subsequent increases shall be determined from 1259~~

the date of the first increase paid to the former member in the 1260
case of an allowance being paid a beneficiary under an option, or 1261
from the date of the first increase to the survivor first 1262
receiving an allowance or benefit in the case of an allowance or 1263
benefit being paid to the subsequent survivors of the former 1264
member. 1265

The date of the first increase under this section becomes the 1266
anniversary date for any future increases. 1267

The allowance or benefit used in the first calculation of an 1268
increase under this section shall remain as the base for all 1269
future increases, unless a new base is established. Any increase 1270
resulting from payment of a recalculated benefit under Section 3 1271
of Substitute Senate Bill No. 270 of the 123rd general assembly 1272
shall be included in the calculation of future increases under 1273
this section. 1274

~~(B) Any percentage of change in the consumer price index in 1275
any year that is in excess of three per cent shall be accumulated 1276
and used to determine increases under this section in subsequent 1277
years. Any percentage of change in the consumer price index 1278
accumulated by an eligible person prior to September 27, 1996, 1279
shall be used in determining any future increases under this 1280
section. 1281~~

~~(C) The board shall make all rules necessary to carry out 1282
this section. 1283~~

Sec. 5505.174. (A) The following persons are eligible to 1284
receive an ~~additional benefit~~ increase under this section: 1285

(1) Persons fifty-three years old or older who have been 1286
receiving pensions pursuant to division (B) of section 5505.16, 1287
division (A)(1) of section 5505.17, or division (B) of section 1288
5505.18 of the Revised Code for not less than twelve months; 1289

(2) Persons who have been receiving pensions pursuant to 1290
division (B) of section 5505.18 of the Revised Code for not less 1291
than sixty months regardless of age; 1292

(3) Persons who have been receiving pensions pursuant to 1293
section 5505.162 or division (A)(3), (4), (5), (6), or (7) of 1294
section 5505.17 of the Revised Code for not less than twelve 1295
months regardless of age. 1296

~~(B) On the fifteenth day of September of each year, the The 1297
state highway patrol retirement board shall determine the average 1298
percentage change in the consumer price index prepared by the 1299
United States bureau of labor statistics (U.S. City Average for 1300
Urban Wage Earners and Clerical Workers: "All Items 1982-84=100") 1301
for the twelve-month period prior to the first day of January over 1302
the next preceding twelve-calendar-month period, as reported by 1303
the bureau. Upon a determination by the board that the change is 1304
an increase or that the change plus the accumulation described in 1305
division (C) of this section is an increase, the board shall 1306
annually increase each benefit payable under this chapter by a 1307
percentage equal to the percentage increase in the consumer price 1308
index or to that increase plus the accumulation, except that the 1309
increase shall not exceed three per cent and, except that no 1310
benefit shall exceed the limit established by section 415 of the 1311
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, 1312
as amended. 1313~~

~~For each person eligible to receive the additional benefit 1314
under this section, the accumulation shall commence on the later 1315
of May 6, 1988, or the effective date of the pension the person 1316
receives. 1317~~

The first ~~additional benefit~~ increase is payable to all 1318
persons becoming eligible on or after November 18, 1981. The 1319
~~additional benefit~~ increase is payable for each ensuing 1320
twelve-month period or until the next increase is granted under 1321

this section, whichever is later. 1322

The date of the first ~~additional benefit increase~~ paid under 1323
this section shall be the anniversary date for future ~~additional~~ 1324
~~benefits increases~~. The pension used in the first calculation of 1325
an ~~additional benefit increase~~ under this section shall remain as 1326
the base for all future ~~additional benefits increases~~ paid under 1327
this section, unless a new base is established. 1328

~~Additional benefits Increases~~ paid in years subsequent to the 1329
year of the first ~~additional benefit increase~~ paid under this 1330
section shall be paid to all persons who, on the date that the 1331
~~additional benefit increase~~ is authorized by the board, are 1332
eligible for the benefit as provided in this section. 1333

~~(C) Any percentage of change in the consumer price index in 1334
any year that is in excess of three per cent shall be accumulated 1335
and used to determine increases under this section in subsequent 1336
years. Any percentage of change in the consumer price index 1337
accumulated by an eligible person prior to the effective date of 1338
this amendment shall be used in determining any future increases 1339
under this section. 1340~~

~~(D) The board shall adopt, and may amend or rescind, any rule 1341
necessary to carry out this section. 1342~~

~~The board shall adopt, and may amend or rescind, any rule 1343
necessary to carry out this section. 1344~~

Section 2. That existing sections 145.297, 145.323, 742.37, 1345
742.3711, 742.3716, 742.3717, 742.3718, 742.63, 3307.67, 3309.374, 1346
and 5505.174 and section 742.3720 of the Revised Code are hereby 1347
repealed. 1348

Section 3. Section 742.63 of the Revised Code is presented in 1349
this act as a composite of the section as amended by both Sub. 1350
H.B. 222 and Am. Sub. H.B. 283 of the 123rd General Assembly. The 1351

General Assembly, applying the principle stated in division (B) of 1352
section 1.52 of the Revised Code that amendments are to be 1353
harmonized if reasonably capable of simultaneous operation, finds 1354
that the composite is the resulting version of the section in 1355
effect prior to the effective date of the section as presented in 1356
this act. 1357