

As Passed by the Senate

124th General Assembly

Regular Session

2001-2002

Sub. H. B. No. 373

REPRESENTATIVES Hughes, Womer Benjamin, Jones, Willamowski,
Manning, Flowers, Ogg, Hollister, Schaffer, Boccieri, Lendrum, Brown,
Schuring, Schneider, Wolpert, G. Smith, McGregor, Reidelbach, Grendell,
Core, Carano, Redfern, D. Miller, Sulzer, Salerno, Widowfield, Cirelli, Perry,
Hartnett, Coates, Latell, Strahorn, S. Smith, Oakar, DeBose, Key, Gilb, Latta,
Carmichael, Oلمان, Flannery, Collier, Callender, Evans, Calvert, Hoops,
Allen, Otterman, Barrett, Woodard, Kearns, Carey, Metzger, Beatty, Fedor,
Rhine

SENATORS Spada, Blessing, Roberts, Austria, Hagan, Hottinger

A B I L L

To amend sections 742.21, 742.212, 742.214, 742.221, 1
742.23, 742.24, 742.251, 742.27, 742.37, 742.371, 2
742.375, 742.376, 742.3711, 742.3714, 742.3716, 3
742.44, 742.442, 742.443, 742.444, 742.52, 5505.01, 4
5505.15, 5505.162, 5505.163, and 5505.18 and to 5
enact section 5505.178 of the Revised Code to 6
revise the laws governing the Ohio Police and Fire 7
Pension Fund's Deferred Retirement Option Plan and 8
the State Highway Patrol Retirement System. 9

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

Section 1. That sections 742.21, 742.212, 742.214, 742.221, 10
742.23, 742.24, 742.251, 742.27, 742.37, 742.371, 742.375, 11
742.376, 742.3711, 742.3714, 742.3716, 742.44, 742.442, 742.443, 12
742.444, 742.52, 5505.01, 5505.15, 5505.162, 5505.163, and 5505.18 13

be amended and section 5505.178 of the Revised Code be enacted to 14
read as follows: 15

Sec. 742.21. (A) As used in this section and sections 742.211 16
to 742.214 of the Revised Code: 17

(1) "Full-time service" has the meaning established by rule 18
of the board of trustees of the Ohio police and fire pension fund. 19

(2) "Military service credit" means credit for service in the 20
armed forces of the United States purchased or obtained from the 21
fund, the Cincinnati retirement system, or a non-uniform 22
retirement system. 23

(3) "Non-uniform retirement system" or "non-uniform system" 24
means the public employees retirement system, school employees 25
retirement system, or state teachers retirement system. 26

(B) Unless section 742.212 of the Revised Code applies and 27
except as provided in ~~division~~ divisions (G) and (I) of this 28
section, in computing the pension and benefits payable under 29
section 742.37 or 742.39 of the Revised Code, the Ohio police and 30
fire pension fund shall give a member of the fund who is in the 31
active service of a police or fire department ~~and~~, is not 32
receiving a pension or benefit payment from the fund, and is not a 33
participant in the deferred retirement option plan established 34
under section 742.43 of the Revised Code full credit for service 35
credit earned for full-time service as a member of the Cincinnati 36
retirement system or purchased or obtained as military service 37
credit if, for each year of service credit, the fund receives the 38
sum of the following: 39

(1) An amount, which shall be paid by the member, equal to 40
the amount withdrawn by the member from the retirement system that 41
is attributable to the year of service credit, with interest at a 42
rate established by the board on that amount from the date of 43

withdrawal to the date of payment;

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

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

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

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

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(C)(1) Except as provided in ~~division~~ divisions (G) and (I) of this section, in computing the pension and benefits payable under section 742.37 or 742.39 of the Revised Code, the fund shall give a member of the fund who is in the active service of a police or fire department, is not receiving a pension or benefit payment from the fund, ~~and~~ has withdrawn the member's contributions from a non-uniform retirement system, and is not a participant in the deferred retirement option plan established under section 742.43 of the Revised Code full credit for service credit earned for

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full-time service as a member of the non-uniform system or 75
purchased or obtained as military service credit if, for each year 76
of service, the fund receives the sum of the following: 77

(a) An amount, which shall be paid by the member, equal to 78
the amount withdrawn by the member from the non-uniform system 79
that is attributable to that year of service credit, with interest 80
at a rate established by the board on that amount from the date of 81
withdrawal to the date of payment; 82

(b) If the member is seeking credit for service under the 83
public employees retirement system or state teachers retirement 84
system, an amount, which shall be paid by the member, equal to the 85
amount of any employer contributions and interest on employee 86
contributions the member received under section 145.40 or 3307.563 87
of the Revised Code; 88

(c) Interest, which shall be transferred by the non-uniform 89
system, on the amount withdrawn by the member from the non-uniform 90
system that is attributable to the year of service from the last 91
day of the year for which the service credit was earned or in 92
which payment was made for military service credit to the date the 93
withdrawal was made; 94

(d) An amount, which shall be transferred by the non-uniform 95
system, equal to the lesser of the amount contributed by the 96
employer to the non-uniform system for the year of service or the 97
amount that would have been contributed by the employer for the 98
year of service had the member been employed by the member's 99
current employer as a member of a police or fire department at the 100
time the credit was earned, with interest on that amount from the 101
last day of the year for which the service credit was earned or in 102
which payment was made for military service credit to the date the 103
transfer is made; 104

(e) If the member became a member of the fund on or after 105
September 16, 1998, the amount, which shall be paid by the member, 106

determined pursuant to division (I) of this section. 107

(2) On receipt of payment from the member, the fund shall 108
notify the non-uniform system, and on receipt of the notice, the 109
non-uniform system shall make the transfer. Interest shall be 110
determined in accordance with division (H) of this section. 111

(3) The amount transferred under division (C)(1) of this 112
section by the public employees retirement system or state 113
teachers retirement system shall not include any amount of 114
employer contributions and interest on employee contributions the 115
member received under section 145.40 or 3307.563 of the Revised 116
Code. 117

(D) Except as provided in ~~division~~ divisions (G) and (I) of 118
this section, in computing the pension and benefits payable under 119
section 742.37 or 742.39 of the Revised Code, the fund shall give 120
a member of the fund who is in the active service of a police or 121
fire department, is not receiving a pension or benefit from the 122
fund, ~~and~~ has contributions on deposit with a non-uniform 123
retirement system, and is not a participant in the deferred 124
retirement option plan established under section 742.43 of the 125
Revised Code full credit for service credit earned for full-time 126
service as a member of the non-uniform system or service credit 127
purchased or obtained as military service credit if both of the 128
following occur: 129

(1) The non-uniform system transfers to the fund, for each 130
year of service, the sum of the following: 131

(a) The amount, contributed by the member or, in the case of 132
military service credit, paid by the member, that is attributable 133
to that service; 134

(b) An amount equal to the lesser of the amount contributed 135
by the employer to the non-uniform system for the year of service 136
or the amount that would have been contributed by the employer for 137

the year of service had the member been employed by the member's 138
current employer as a member of a police or fire department at the 139
time the credit was earned; 140

(c) Interest on the amounts specified in divisions (D)(1)(a) 141
and (b) of this section from the last day of the year for which 142
the service credit in the non-uniform system was earned or in 143
which military service credit was purchased or obtained to the 144
date the transfer is made. 145

(2) If the member became a member of the fund on or after 146
September 16, 1998, the member pays the amount determined pursuant 147
to division (I) of this section. 148

On receipt of a request from the member, the appropriate 149
non-uniform system shall make the transfer specified in division 150
(D)(1) of this section. Interest shall be determined in accordance 151
with division (H) of this section. 152

(E) Subject to board rules, a member of the fund may choose 153
to purchase in any one payment only part of the credit the member 154
is eligible to purchase under division (B) or (C)(1) of this 155
section. 156

(F) At the request of the fund, the non-uniform retirement 157
system or Cincinnati retirement system shall certify to the fund a 158
copy of the records of the service and contributions of a member 159
of the fund who seeks service credit under this section. 160

(G) A member of the fund is ineligible to receive credit 161
under this section for service that is used in the calculation of 162
any retirement benefit currently being paid or payable in the 163
future to the member under any other retirement program, service 164
rendered concurrently with any other period for which service 165
credit has already been granted, or for service credit that may be 166
transferred under section 742.214 of the Revised Code. 167

(H) Interest charged under this section shall be calculated 168

separately for each year of service credit. Unless otherwise
specified in this section, it shall be calculated at the lesser of
the actuarial assumption rate for that year of the fund or of the
system in which the credit was earned. The interest shall be
compounded annually.

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

(I) The amount to be paid pursuant to division (B)(4),
(C)(1)(e), or (D)(2) of this section or division (B)(2) or
(C)(2)(b) of section 742.212 of the Revised Code is the sum of the
following:

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

(2) An amount equal to the difference between the amount paid
or transferred under division (B)(3), (C)(1)(d), or (D)(1)(b) of
this section or division (B)(2) or (C)(2)(b) of section 742.212 of
the Revised Code and the amount that would have been contributed
by the employer for the service had the member been employed by
the member's current employer as a member of a police or fire
department;

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

At the request of a member, in lieu of requiring payment of
all or part of the amount determined under this division the fund
may grant the member an amount of service credit under division
(B), (C), or (D) of this section or division (B) or (C) of section
742.212 of the Revised Code that is less than the amount for which

the member is eligible. The service credit granted shall be the
same percentage of the service credit for which the member is
eligible that the amount the fund receives under division (B),
(C), or (D) of this section or division (B) or (C) of section
742.212 of the Revised Code is of the total amount it would
receive under those divisions if the full amount determined under
this division was paid.

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

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

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(K) A member of the fund who has purchased service credit 232
under this section, or the member's estate, is entitled to a 233
refund of the amount or portion of the amount paid to purchase the 234
credit if the purchased credit or portion of credit does not 235
increase a pension or benefit payable under section 742.37 or 236
742.39 or calculated under section 742.442 of the Revised Code. 237
The refund cancels an equivalent amount of service credit. 238

(L) If a member or former member of the fund who is not a 239
current contributor and has not received a refund of accumulated 240
contributions elects to receive credit under section 145.295, 241
3307.761, or 3309.73 of the Revised Code for service for which the 242
member contributed to the fund or purchased as military service 243
credit, the fund shall transfer to the non-uniform retirement 244
system the amount specified in division (B) of section 145.295 of 245
the Revised Code, division (C) of section 3307.761 of the Revised 246
Code, or division (B) of section 3309.73 of the Revised Code. 247
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(M) The board shall adopt rules establishing a payroll 249
deduction plan for the purchase of service credit under this 250
section. The rules shall meet the requirements described in 251
section 742.56 of the Revised Code. 252

Sec. 742.212. (A) If the conditions described in division (A) 253
of section 742.211 of the Revised Code are met, a member of the 254
Ohio police and fire pension fund who is not receiving a pension 255
or benefit from the fund and is not a participant in the deferred 256
retirement option plan established under section 742.43 of the 257
Revised Code is eligible to obtain credit for service as a member 258
of the Cincinnati retirement system under this section. 259

(B) A member of the fund who has contributions on deposit 260
with the Cincinnati retirement system shall, in computing years of 261

service credit, be given credit for service credit earned for 262
full-time service under the Cincinnati retirement system or 263
purchased or obtained as military service credit if both of the 264
following occur: 265

(1) For each year of service, the Cincinnati retirement 266
system transfers to the Ohio police and fire pension fund the sum 267
of the following: 268

(a) The amount, contributed by the member, or, in the case of 269
military service credit, paid by the member, that is attributable 270
to that service; 271

(b) An amount equal to the lesser of the amount contributed 272
by the employer to the Cincinnati retirement system for the year 273
of service or the amount that would have been contributed by the 274
employer for the year of service had the member been employed by 275
the member's current employer as a member of the Ohio police and 276
fire pension fund at the time the credit was earned; 277

(c) Interest on the amounts specified in divisions (B)(1)(a) 278
and (b) of this section from the last day of the year for which 279
the service credit was earned or in which payment was made for 280
military service credit to the date the transfer is made. 281

(2) If the member became a member of the fund on or after 282
September 16, 1998, the member pays the amount determined pursuant 283
to division (I) of section 742.21 of the Revised Code. 284

(C)(1) A member of the fund who has received a refund of the 285
member's contributions to the Cincinnati retirement system shall, 286
in computing years of service, be given credit for service credit 287
earned for full-time service under the Cincinnati retirement 288
system or purchased or obtained as military service credit if both 289
of the following occur: 290

(a) For each year of service, the Cincinnati retirement 291
system transfers to the Ohio police and fire pension fund the sum 292

of the following:	293
(i) Interest on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;	294 295 296 297
(ii) An amount equal to the lesser of the amount contributed by the employer to the Cincinnati retirement system for the year of service or the amount that would have been contributed by the employer for the year of service had the member been employed by the member's current employer as a member of the Ohio police and fire pension fund at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.	298 299 300 301 302 303 304 305
(b) The member pays the sum of the following:	306
(i) An amount equal to the amount refunded by the Cincinnati retirement system to the member for that year for contributions and payments for military service credit, with interest at a rate established by the board of trustees of the Ohio police and fire pension fund on that amount from the date of the refund to the date of payment;	307 308 309 310 311 312
(ii) An amount equal to the interest, if any, the member received when the refund was made that is attributable to the year of service;	313 314 315
(iii) If the member became a member of the fund on or after September 16, 1998, an amount paid by the member determined pursuant to division (I) of section 742.21 of the Revised Code.	316 317 318
(2) The amount transferred under division (C)(1)(a) of this section shall not include any interest the Cincinnati retirement system paid the person when it made the refund.	319 320 321
(D) Interest charged under this section shall be calculated	322

separately for each year of service credit. Unless otherwise
specified in this section, it shall be calculated at the lesser of
the actuarial assumption rate for that year of the fund or the
Cincinnati retirement system. The interest shall be compounded
annually.

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

Interest charged under this section shall be calculated separately
for each year of ~~service~~ service credit. Unless otherwise
specified in this section, it shall be calculated at the lesser of
the actuarial assumption rate for that year of the fund or the
Cincinnati retirement system. The interest shall be compounded
annually.

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

(G) At the request of the fund, the Cincinnati retirement
system shall certify to the fund a copy of the records of the
service and contributions of a member of the fund who seeks
service credit under this section.

On receipt of payment from the member under division
(C)(1)(b) of this section, the Ohio police and fire pension fund
shall notify the Cincinnati retirement system. On receipt of the
notice, the Cincinnati retirement system shall transfer the amount
described in division (C)(1)(a) of this section.

(H) A member of the fund who has purchased service credit
under this section, or the member's estate, is entitled to a
refund of the amount or portion of the amount paid to purchase the

credit if the purchased credit does not increase a pension or
benefit payable under section 742.37 or 742.39 or calculated under
section 742.442 of the Revised Code. The refund cancels an
equivalent amount of service credit.

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

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Sec. 742.214. (A) As used in this section, "transferred
service credit" means service credit purchased or obtained under
section 145.295, 145.2913, 3307.761, 3307.765, 3309.73, or
3309.731 of the Revised Code prior to the date a member commenced
the employment covered by the Ohio police and fire pension fund
for which the member is currently contributing to the fund.

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(B) A member of the Ohio police and fire pension fund who is
in the active service of a police or fire department ~~and~~, has
contributions on deposit with, but is no longer contributing to, a
non-uniform retirement system, and is not a participant in the
deferred retirement option plan established under section 742.43
of the Revised Code shall, in computing years of service, be given
full credit for transferred service credit if a transfer to the
Ohio police and fire pension fund is made under this section. At
the request of a member, the non-uniform system shall transfer to
the Ohio police and fire pension fund the sum of the following:

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(1) An amount equal to the amounts transferred to the
non-uniform system under section 145.295, 145.2913, 3307.761,
3307.765, 3309.73, or 3309.731 of the Revised Code;

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(2) Interest, determined as provided in division (E) of this
section, on the amount specified in division (B)(1) of this
section for the period from the last day of the year in which the
transfer under section 145.295, 145.2913, 3307.761, 3307.765,

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3309.73, or 3309.731 of the Revised Code was made to the date a
transfer is made under this section.

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(C) A member of the fund ~~with at least eighteen months of~~
~~contributing service credit with the Ohio police and fire pension~~
~~fund~~ who is in the active service of a police or fire department,
~~and~~ has received a refund of contributions to a non-uniform
retirement system, and is not a participant in the deferred
retirement option plan established under section 742.43 of the
Revised Code shall, in computing years of service, be given full
credit for transferred service credit if, for each year of
service, the Ohio police and fire pension fund receives the sum of
the following:

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(1) An amount, which shall be paid by the member, equal to
the amount refunded by the non-uniform system to the member for
that year for transferred service credit, with interest on that
amount from the date of the refund to the date a payment is made
under this section;

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(2) Interest, which shall be transferred by the non-uniform
system, on the amount refunded to the member for the period from
the last day of the year in which the transfer under section
145.295, 145.2913, 3307.761, 3307.765, 3309.73, or 3309.731 of the
Revised Code was made to the date the refund was made;

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(3) If the non-uniform system retained any portion of the
amount transferred under section 145.295, 145.2913, 3307.761,
3307.765, 3309.73, or 3309.731 of the Revised Code, an amount,
which shall be transferred by the non-uniform system, equal to the
amount retained, with interest on that amount for the period from
the last day of the year in which the transfer under section
145.295, 145.2913, 3307.761, 3307.765, 3309.73, or 3309.731 of the
Revised Code was made to the date a transfer is made under this
section.

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

(D) Service credit purchased or obtained under this section shall be used in computing the pension and benefits payable under section 742.37 or 742.39 of the Revised Code. A member may choose to purchase only part of the credit the member is eligible to purchase under division (C) of this section in any one payment, subject to rules adopted by the board of trustees of the Ohio police and fire pension fund. A member is ineligible to purchase or obtain service credit under this section for service to be used in the calculation of any retirement benefit currently being paid or payable to the member in the future under any other retirement program or for service credit that may be purchased or obtained under section 742.21 of the Revised Code.

(E) Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the Ohio police and fire pension fund or of the non-uniform retirement system to which the credit was transferred under section 145.295, 145.2913, 3307.761, 3307.765, 3309.73, or 3309.731 of the Revised Code. The interest shall be compounded annually.

(F) Any amounts transferred or paid under divisions (B) and (C) of this section that are attributable to contributions made by the member or to amounts paid to purchase service credit shall be credited to the police officers' contribution fund or firefighters' contribution fund created under section 742.59 of the Revised Code, as applicable. Any remaining amounts shall be credited to one or more of the funds created under that section as determined by the board.

(G) At the request of the Ohio police and fire pension fund, 448
the non-uniform retirement system shall certify to the fund a copy 449
of the records of the service and contributions of a member of the 450
fund who seeks service credit under this section. The non-uniform 451
retirement system shall specify the portions of the amounts 452
transferred that are attributable to employee contributions, 453
employer contributions, and interest. 454

(H) If a member of the fund who is not a current contributor 455
elects to receive service credit under section 145.2913, 3307.765, 456
or 3309.731 of the Revised Code for transferred service credit, as 457
defined in those sections, the fund shall transfer to the 458
non-uniform retirement system, as applicable, the amount specified 459
in division (B) or (C) of section 145.2913, division (B) or (C) of 460
section 3307.765, or division (B) or (C) of section 3309.731 of 461
the Revised Code. 462

(I) The board may adopt rules to implement this section. 463

Sec. 742.221. A member of the Ohio police and fire pension 464
fund who, during the period of employment as a member of a police 465
or fire department, is removed from active pay status due to 466
pregnancy or a medical disability leave not exceeding one year for 467
each such leave, and who is not a participant in the deferred 468
retirement option plan established under section 742.43 of the 469
Revised Code shall, in computing years of active service in such 470
department under division (C) of section 742.37 or section 742.39 471
of the Revised Code, be given full credit for time for which 472
contributions were not made during such leave of absence if all of 473
the following conditions are met: 474

(A) The leave was approved by the member's employing 475
authority. 476

(B) During the period of the leave the member was not 477
entitled to receive disability benefits from the fund. 478

(C) The member pays into the fund an amount equal to the 479
employee contributions that would have been deducted from the base 480
pay had the member remained on active pay status, plus interest 481
compounded annually from the date the leave commenced to the date 482
of payment. The rate of interest shall be determined by the board 483
of trustees of the Ohio police and fire pension fund. 484

Sec. 742.23. A member of the fund who is an employee of the 485
police department of a municipal corporation ~~and~~, who has resigned 486
or has been honorably discharged from membership in the fire 487
department of the same municipal corporation, and who is not a 488
participant in the deferred retirement option plan established 489
under section 742.43 of the Revised Code shall, in computing years 490
of service in the police department under section 742.37 or 742.39 491
of the Revised Code, be given full credit for time served in such 492
fire department, provided the member has paid into the Ohio police 493
and fire pension fund a sum equal to that which the member would 494
have been required to pay, under former section 741.12 and section 495
742.31 of the Revised Code, as a member of such fire department 496
during the years for which service credit is claimed had the 497
member been contributing a percentage of the member's salary to a 498
firemen's relief and pension fund or to the Ohio police and fire 499
pension fund as provided by such sections during such years. 500

Sec. 742.24. A member of the fund who is an employee of the 501
fire department of a municipal corporation ~~and~~, who has resigned 502
or has been honorably discharged from membership in the police 503
department of the same municipal corporation, and who is not a 504
participant in the deferred retirement option plan established 505
under section 742.43 of the Revised Code shall, in computing years 506
of service in the fire department under section 742.37 or 742.39 507
of the Revised Code, be given full credit for the time served in 508
such police department, provided the member has paid into the Ohio 509

police and fire pension fund a sum equal to that which the member 510
would have been required to pay, under former section 741.43 and 511
section 742.31 of the Revised Code, as a member of such police 512
department during the years for which service credit is claimed 513
had the member been contributing a percentage of the member's 514
salary to a police relief and pension fund or to the Ohio police 515
and fire pension fund, as provided by such sections during such 516
years. 517

Sec. 742.251. (A) A member of the Ohio police and fire 518
pension fund who is not a participant in the deferred retirement 519
option plan established under section 742.43 of the Revised Code, 520
in computing years of active service under division (C) of section 521
742.37 or section 742.39 of the Revised Code, shall be given full 522
credit for full-time out-of-state or federal service, other than 523
military service, purchased under this section. A member may 524
purchase credit for such service if all of the following 525
conditions are met: 526

(1) The service was rendered as an employee of an entity of 527
state or local government, or of an entity of the United States 528
government; 529

(2) The member is eligible to retire under this chapter or 530
will become eligible to retire as a result of purchasing the 531
credit; 532

(3) The member agrees to retire within ninety days after 533
receiving notice of the amount determined under division (B) of 534
this section. 535

(B) On receipt of a request from a member eligible to 536
purchase credit under this section, the fund shall obtain from its 537
actuary certification of the amount of the additional liability to 538
the fund for each year of credit the member is eligible to 539
purchase and shall notify the member of that amount. For each year 540

of credit purchased, the member shall pay to the fund an amount 541
equal to the additional liability resulting from the purchase of 542
credit for that year. Payment shall be made in full at the time of 543
purchase. 544

(C) The number of years of service purchased under this 545
section shall not exceed five. 546

(D) A member may not purchase credit under this section for 547
service that is used in the calculation of any public or private 548
retirement benefit, other than federal social security benefits, 549
currently being paid or payable in the future to the member. 550

(E) If the member does not retire within ninety days after 551
purchasing credit under this section, the fund shall withdraw the 552
credit and refund the amount paid by the member. 553

Sec. 742.27. (A) As used in this section, "lay off" means to 554
cease to employ a person pursuant to sections 124.321 to 124.328 555
of the Revised Code or pursuant to any similar provisions that 556
apply to the person under any of the following: 557

(1) A collective bargaining agreement entered into under 558
Chapter 4117. of the Revised Code; 559

(2) Any ordinance, resolution, contract, agreement, policy, 560
or procedure governing employment. 561

(B) A member of the Ohio police and fire pension fund who, 562
during employment as a member of a police or fire department, is 563
removed from active pay status by being laid off by the member's 564
employer, shall, in computing years of active service under 565
division (C) of section 742.37 or section 742.39 of the Revised 566
Code, be given full credit for time for which contributions were 567
not made during the period the member was laid off, if all of the 568
following conditions are met: 569

(1) During the time the member was laid off, the member was 570

not entitled to receive disability benefits from the fund. 571

(2) During the time the member was laid off, the member did 572
not render any service that is used in the calculation of any 573
public or private retirement benefit, except any federal social 574
security retirement benefit, currently being paid or payable in 575
the future to the member. 576

(3) The fund receives the amount determined under division 577
(C) of this section from the member, the member's employer, or the 578
member and the employer. 579

(4) At the time the fund receives the amount described in 580
division (B)(3) of this section, the member is not a participant 581
in the deferred retirement option plan established under section 582
742.43 of the Revised Code. 583

The total amount of service purchased by any member under 584
this section shall not exceed two years. A member may choose to 585
purchase only part of such credit in any one payment, subject to 586
board rules. 587

(C) The amount paid for the credit purchased under this 588
section shall be an amount equal to the additional liability to 589
the fund resulting from the purchase of the credit, as determined 590
by an actuary employed by the board of trustees of the fund. 591

(D) The board shall have final authority to determine and fix 592
the amount of the payment for credit purchased under this section. 593
The employer may pay all or part of the payment. 594

(E) The board shall adopt rules for the implementation of 595
this section. 596

Sec. 742.37. The board of trustees of the Ohio police and 597
fire pension fund shall adopt rules for the management of the fund 598
and for the disbursement of benefits and pensions as set forth in 599
this section and section 742.39 of the Revised Code. Any payment 600

of a benefit or pension under this section is subject to the 601
provisions of section 742.461 of the Revised Code. Notwithstanding 602
any other provision of this section, no pension or benefit paid or 603
determined under division (B) or (C) of this section or section 604
742.39 of the Revised Code shall exceed the limit established by 605
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 606
2085, 26 U.S.C.A. 415, as amended. 607

(A) Persons who were receiving benefit or pension payments 608
from a police relief and pension fund established under former 609
section 741.32 of the Revised Code, or from a firemen's relief and 610
pension fund established under former section 521.02 or 741.02 of 611
the Revised Code, at the time the assets of the fund were 612
transferred to the Ohio police and fire pension fund, known at 613
that time as the police and firemen's disability and pension fund, 614
shall receive benefit and pension payments from the Ohio police 615
and fire pension fund in the same amount and subject to the same 616
conditions as such payments were being made from the former fund 617
on the date of the transfer. 618

(B) A member of the fund who, pursuant to law, elected to 619
receive benefits and pensions from a police relief and pension 620
fund established under former section 741.32 of the Revised Code, 621
or from a firemen's relief and pension fund established under 622
former section 741.02 of the Revised Code, in accordance with the 623
rules of the fund governing the granting of benefits or pensions 624
therefrom in force on April 1, 1947, shall receive benefits and 625
pensions from the Ohio police and fire pension fund in accordance 626
with such rules; provided, that any member of the fund who is not 627
receiving a benefit or pension from the fund on August 12, 1975, 628
may, upon application for a benefit or pension to be received on 629
or after August 12, 1975, elect to receive a benefit or pension in 630
accordance with division (C) of this section. 631

(C) Members of the fund who have not elected to receive 632

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. ~~Except while participating in
the deferred retirement option plan established under section
742.43 of the Revised Code, upon~~ Upon notifying the board in
writing of the election, the member shall receive an annual
pension, payable in twelve monthly installments, in an amount
equal to a percentage of the member's average annual salary. The
percentage shall be the sum of two and one-half per cent for each
of the first twenty years the member was in the active service of
the department, plus two per cent for each of the twenty-first to
twenty-fifth years the member was in the active service of the
department, plus one and one-half per cent for each year in excess
of twenty-five years the member was in the active service of the
department. The annual pension shall not exceed seventy-two per
cent of the member's average annual salary.

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

While participating in the deferred retirement option plan
established under section 742.43 of the Revised Code, a member
shall not be considered to have elected retirement under division
(C)(1) of this section. On notifying the board under division
(B)(1) of section 742.444 of the Revised Code of the member's

election to terminate active service, a member described in
division (B) of that section shall receive an annual pension under
division (C)(1) of this section calculated in accordance with
section 742.442 of the Revised Code and rules that shall be
adopted by the board of trustees of the Ohio police and fire
pension fund.

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

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

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not exceed seventy-two per cent of the member's average annual
salary.

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

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

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

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

(b) For the period beginning July 1, 2000, and ending June
30, 2002, five hundred fifty dollars plus an amount determined by
multiplying five hundred fifty dollars by the average percentage
change in the consumer price index, not exceeding three per cent,
as determined by the board under former section 742.3716 of the
Revised Code;

(c) For the period beginning July 1, 2002, and the period
beginning 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
sixteen dollars and fifty cents.

(2) A surviving spouse of a deceased member of the fund shall
receive a monthly pension of four hundred ten dollars if the

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surviving spouse is eligible for a benefit under division (B) or 728
(D) of section 742.63 of the Revised Code. If the surviving spouse 729
ceases to be eligible for a benefit under division (B) or (D) of 730
section 742.63 of the Revised Code, the pension shall be 731
increased, effective the first day of the first month following 732
the day on which the surviving spouse ceases to be eligible for 733
the benefit, to the amount it would be under division (D)(1) of 734
this section had the spouse never been eligible for a benefit 735
under division (B) or (D) of section 742.63 of the Revised Code. 736

(3) A pension paid under this division shall continue during 737
the natural life of the surviving spouse. Benefits to a deceased 738
member's surviving spouse that were terminated under a former 739
version of this section that required termination due to 740
remarriage and were not resumed prior to September 16, 1998, shall 741
resume on the first day of the month immediately following receipt 742
by the board of an application on a form provided by the board. 743

(4) A surviving spouse of a deceased member of or contributor 744
to a fund established under former Chapter 521. or 741. of the 745
Revised Code whose benefit or pension was terminated or not paid 746
due to remarriage shall receive a monthly pension under division 747
(D)(1) of this section. 748

The pension shall commence on the first day of the month 749
immediately following receipt by the board of a completed 750
application on a form provided by the board and evidence 751
acceptable to the board that at the time of death the deceased 752
spouse was a member of or contributor to a police or firemen's 753
relief and pension fund established under former Chapter 521. or 754
741. of the Revised Code and that the surviving spouse's benefits 755
were terminated or not granted due to remarriage. 756

(E)(1) Each surviving child of a deceased member of the fund 757
shall receive a monthly pension until the child attains the age of 758
eighteen years, or marries, whichever event occurs first. A 759

pension under this division, however, shall continue to be payable 760
to a child under age twenty-two who is a student in and attending 761
an institution of learning or training pursuant to a program 762
designed to complete in each school year the equivalent of at 763
least two-thirds of the full-time curriculum requirements of the 764
institution, as determined by the board. If any surviving child, 765
regardless of age at the time of the member's death, because of 766
physical or mental disability, is totally dependent upon the 767
deceased member for support at the time of death, the child shall 768
receive a monthly pension under this division during the child's 769
natural life or until the child has recovered from the disability. 770

(2) An eligible surviving child shall receive a monthly 771
pension as follows: 772

(a) For the period beginning July 1, 2001, and ending June 773
30, 2002, a monthly pension of one hundred fifty dollars plus the 774
cost of living increase provided for in former section 742.3720 of 775
the Revised Code; 776

(b) For the period beginning July 1, 2002, and ending June 777
30, 2003, one hundred sixty-three dollars and fifty cents; 778

(c) For the period beginning July 1, 2003, and the period 779
beginning the first day of each July thereafter and continuing for 780
the following twelve months, an amount equal to the monthly amount 781
paid during the prior twelve-month period plus four dollars and 782
fifty cents. 783

(F)(1) If a deceased member of the fund leaves no surviving 784
spouse or surviving children, but leaves one or two parents 785
dependent upon the deceased member for support, each parent shall 786
be paid a monthly pension. The pensions provided for in this 787
division shall be paid during the natural life of the surviving 788
parents, or until dependency ceases, or until remarriage, 789
whichever event occurs first. 790

(2) Each eligible surviving parent shall be paid a monthly pension as follows: 791
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(a) For the period ending June 30, 2002, one hundred six dollars for each parent or two hundred twelve dollars for a sole dependent parent; 793
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(b) For the period beginning July 1, 2002, and ending June 30, 2003, one hundred nine dollars for each parent or two hundred eighteen dollars for a sole dependent parent; 796
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(c) For the period beginning July 1, 2003, and the first day of each July thereafter and continuing for the following twelve months, an amount equal to the monthly amount paid during the prior twelve-month period plus three dollars for each parent or six dollars for a sole dependent parent. 799
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(G) Subject to the provisions of section 742.461 of the Revised Code, a member of the fund who voluntarily resigns or is removed from active service in a police or fire department is entitled to receive an amount equal to the sums deducted from the member's salary and credited to the member's account in the fund, except that a member receiving a disability benefit or service pension is not entitled to receive any return of contributions to the fund. 804
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(H) On and after January 1, 1970, all pensions shall be increased in accordance with the following provisions: 812
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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. 814
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(2) The monthly pension payable to eligible surviving spouses under division (D) of this section shall be increased by forty 820
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dollars for each surviving spouse receiving a pension on December 31, 1969. 822
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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. 824
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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. 827
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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. 831
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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 this section shall have the pension or benefit increased as follows: 837
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(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. 842
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(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. 845
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The following shall not be eligible to receive increased pensions or benefits as provided in this division: 848
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(a) A member of the fund who is receiving a pension or benefit in accordance with the rules in force on April 1, 1947, 850
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governing the granting of pensions and benefits, which provide an 852
increase in the original pension or benefit from time to time 853
pursuant to changes in the salaries of active members; 854

(b) A member of the fund who is receiving a pension or 855
benefit under division (A) or (B) of this section, based on funded 856
volunteer or funded part-time service, or off-duty disability, or 857
partial on-duty disability, or early vested service; 858

(c) A member of the fund who is receiving a pension under 859
division (C)(1) of this section, based on funded volunteer or 860
funded part-time service. 861

(J) On and after July 1, 1977, a member of the fund who was 862
receiving an annual pension or benefit on December 31, 1973, 863
pursuant to division (B) of this section, based upon partial 864
disability, off-duty disability, or early vested service, or 865
pursuant to former division (C)(3), (5), or (6) of this section, 866
shall have such annual pension or benefit increased by three 867
hundred dollars. 868

The following are not eligible to receive the increase 869
provided by this division: 870

(1) A member of the fund who is receiving a pension or 871
benefit in accordance with the rules in force on April 1, 1947, 872
governing the granting of pensions and benefits, which provide an 873
increase in the original pension or benefit from time to time 874
pursuant to changes in the salaries of active members; 875

(2) A member of the fund who is receiving a pension or 876
benefit under division (B) or (C)(2) of this section or former 877
division (C)(3), (5), or (6) of this section based on volunteer or 878
part-time service. 879

(K)(1) Except as otherwise provided in this division, every 880
person who on July 24, 1986, is receiving an age and service or 881
disability pension, allowance, or benefit pursuant to this chapter 882

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.

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

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(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;

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

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(L) On and after July 24, 1986:

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(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.

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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. 742.371. A member of the fund who is in the active
service of a police or fire department ~~and~~, is not receiving a
pension or benefit payment from the Ohio police and fire pension
fund, and is not a participant in the deferred retirement option
plan established under section 742.43 of the Revised Code shall,
in computing years of active service in such department under
division (C) of section 742.37 or section 742.39 of the Revised
Code, be given credit for time previously served in the active

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full-time service of an Ohio police or fire department, provided 913
both of the following occur: 914

(A) The member was a member of a police or firemen's relief 915
and pension fund or the Ohio police and fire pension fund during 916
the entire period for which such active service credit is claimed. 917
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(B) The member pays into the Ohio police and fire pension 919
fund the amount received by the member under division (I) of 920
former section 521.11, division (I) of former section 741.18, 921
division (I) of former section 741.49, or division (G) of section 922
742.37 of the Revised Code, with interest compounded annually 923
thereon at a rate to be determined by the board of trustees of the 924
Ohio police and fire pension fund, from the date of such receipt 925
to the date of such deposit. 926

Subject to board rules, a member may choose to purchase in 927
any one payment only part of the credit that may be purchased 928
under this section. 929

At the request of the fund, the employer shall certify to the 930
board the dates the member was in the active service of the police 931
or fire department. 932

Sec. 742.375. Except for service credit transferred under 933
section 742.214 of the Revised Code, a member of the fund who is 934
in the active service of a police or fire department ~~and~~, is not 935
receiving a pension or benefit payment from the Ohio police and 936
fire pension fund, and is not a participant in the deferred 937
retirement option plan established under section 742.43 of the 938
Revised Code shall, in computing years of active service in such 939
department under division (C) of section 742.37 or section 742.39 940
of the Revised Code, be given full credit for the time served in 941
the state highway patrol retirement system, provided such member 942
pays into the Ohio police and fire pension fund the amount 943

received by the member under section 5505.19 of the Revised Code, 944
with interest compounded annually thereon at a rate to be 945
determined by the board of trustees of the Ohio police and fire 946
pension fund from the date of such receipt to the date of such 947
deposit. The member may choose to purchase only part of such 948
credit in any one payment, subject to board rules. 949

Upon certification by the board to the board of the state 950
highway patrol retirement system of such payment by the member of 951
the fund, the state highway patrol retirement board shall pay from 952
the employer's accumulation fund under division (C) of section 953
5505.03 of the Revised Code to the Ohio police and fire pension 954
fund an amount equal to the payment of the member of the fund. 955

Sec. 742.376. A member of the fund who is in the active 956
service of a police or fire department ~~and~~, is not receiving a 957
pension or benefit payment from the Ohio police and fire pension 958
fund, and is not a participant in the deferred retirement option 959
plan established under section 742.43 of the Revised Code shall, 960
in computing years of active service in such department under 961
division (C) of section 742.37 or section 742.39 of the Revised 962
Code, be given full credit for service as a full-time police 963
officer or firefighter, provided that all of the following occur: 964

(A) Such service was rendered prior to January 1, 1967. 965

(B) The municipal corporation or township, at the time such 966
service was rendered, had not established a police or firemen's 967
relief and pension fund to which the member could otherwise have 968
made pension contributions. 969

(C) The member was enrolled in the public employees 970
retirement system, contributed thereto, and has withdrawn the 971
member's retirement contributions. 972

(D) The member pays into the Ohio police and fire pension 973
fund the amount withdrawn by the member from the public employees 974

retirement system, with interest compounded annually thereon at a rate to be determined by the board from the date of such withdrawal to the date of deposit. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

Purchase of such credit in the Ohio police and fire pension fund shall forever bar the member from reinstating such credit in the public employees retirement system.

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

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

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

(3) Option 3. Upon the member's death before the expiration of a certain period from the retirement date and elected by the member and approved by the retirement board, the member's lesser

retirement allowance shall be continued for the remainder of that 1006
period to the beneficiary the member has nominated by written 1007
designation and filed with the retirement board. 1008

Should the nominated beneficiary designated in writing become 1009
deceased prior to the expiration of the guarantee period, then for 1010
the purpose of completing payment for the remainder of the 1011
guarantee period, the present value of such payments shall be paid 1012
to the estate of the beneficiary last receiving. 1013

(B)(1) ~~On or after February 28, 1980, the~~ The death of a 1014
spouse nominated as beneficiary or the death of any other 1015
nominated beneficiary following a member's retirement or election 1016
under section 742.44 of the Revised Code to participate in the 1017
deferred retirement option plan shall cancel any optional plan of 1018
payment to provide continuing lifetime benefits to such nominated 1019
beneficiary and return the member of the fund to the member's 1020
single lifetime benefit equivalent, as determined by the board, to 1021
be effective the month following receipt by the board of notice of 1022
the death. 1023

(2) On divorce, annulment, or marriage dissolution, a member 1024
receiving a retirement allowance under a plan that provides for 1025
continuation of all or part of the allowance after death for the 1026
lifetime of the member's surviving spouse may, with the written 1027
consent of the spouse or pursuant to an order of the court with 1028
jurisdiction over the termination of the marriage, elect to cancel 1029
the plan and receive the member's single lifetime benefit 1030
equivalent as determined by the board. The election shall be made 1031
on a form provided by the board and shall be effective the month 1032
following its receipt by the board. 1033

(C) Following marriage or remarriage, a member of the fund 1034
receiving a pension under section 742.37 or 742.39 of the Revised 1035
Code may elect not later than one year after the date of marriage 1036
or remarriage a new optional plan of payment based on the 1037

actuarial equivalent of the member's single lifetime benefit as 1038
determined by the board. The plan and the member's lesser 1039
retirement allowance shall become effective on the date the 1040
election is made on a form approved by the board. 1041

(D)(1) Unless one of the following occurs, an application for 1042
retirement by a married person shall be considered an election of 1043
a benefit under option 2 as provided for in division (A)(2) of 1044
this section under which one-half of the lesser retirement 1045
allowance payable during the life of the retirant will be paid 1046
after death to the retirant's spouse for life as sole beneficiary: 1047

(a) The retirant selects an optional plan under division (A) 1048
of this section providing for payment after death to the 1049
retirant's spouse for life as sole beneficiary of more than 1050
one-half of the lesser retirement allowance payable during the 1051
life of the retirant; 1052

(b) The retirant submits to the retirement board a written 1053
statement signed by the spouse attesting that the spouse consents 1054
to the retirant's election to receive a single lifetime retirement 1055
allowance or a payment under an optional benefit plan under which 1056
after the death of the retirant the surviving spouse will receive 1057
less than one-half of the lesser retirement allowance payable 1058
during the life of the retirant. 1059

(2) An application for retirement shall include an 1060
explanation of all of the following: 1061

(a) That, if the member is married, unless the spouse 1062
consents to another plan of payment, the member's retirement 1063
allowance will be paid under "option 2" and consist of the 1064
actuarial equivalent of the member's retirement allowance in a 1065
lesser amount payable for life and one-half of the lesser 1066
allowance continuing after death to the surviving spouse for the 1067
life of the spouse; 1068

(b) A description of the alternative plans of payment 1069
available with the consent of the spouse; 1070

(c) That the spouse may consent to another plan of payment 1071
and the procedure for giving consent; 1072

(d) That consent is irrevocable once notice of consent is 1073
filed with the board. 1074

Consent shall be valid only if it is signed, in writing, and 1075
witnessed by an employee of the board or a notary public. 1076

(3) If the retirant does not select an optional plan as 1077
described in division (D)(1)(a) of this section and the board does 1078
not receive the written statement provided for in division 1079
(D)(1)(b) of this section, it shall determine and pay the 1080
retirement allowance in accordance with division (A)(2) of this 1081
section, except that the board may provide by rule for waiver by 1082
the board of the statement and payment of the allowance other than 1083
in accordance with division (A)(2) of this section if the retirant 1084
is unable to obtain the statement due to absence or incapacity of 1085
the spouse or other cause specified by the board. 1086

(E) A member of the fund who has elected an optional plan 1087
under this section or section 742.3715 of the Revised Code may, 1088
with the consent of the designated beneficiary, cancel the 1089
optional plan and receive the retirement allowance payable 1090
throughout life the member would have received had the member not 1091
elected the optional plan, if the member makes a request to cancel 1092
the optional plan not later than one year after the later of 1093
September 9, 1988, or the date on which the member first receives 1094
a payment under this section or section 742.3715 of the Revised 1095
Code. Cancellation of the optional plan shall be effective the 1096
month after acceptance of the request by the trustees of the fund. 1097
No payment or adjustment shall be made in the retirement allowance 1098
payable throughout the member's life to compensate for the lesser 1099

allowance the member received under the optional plan. 1100

The request to cancel the optional plan shall be made on a 1101
form provided by the fund and shall be valid only if the completed 1102
form includes a signed statement of the designated beneficiary's 1103
understanding of and consent to the cancellation. The signature 1104
shall be verified by the trustees of the fund prior to their 1105
acceptance of the cancellation. 1106

(F) Any option elected and payments made under this section 1107
shall be in addition to any benefit payable under divisions (D), 1108
(E), and (F) of section 742.37 of the Revised Code. 1109

(G) A person is eligible to receive a benefit increase under 1110
this division if the person is receiving a retirement allowance or 1111
benefit under an optional plan elected under this section or 1112
section 742.3715 of the Revised Code based on an award made prior 1113
to July 24, 1986. A person is not eligible to receive an increase 1114
under this division if the person is receiving a pension or 1115
benefit in accordance with rules in force on April 1, 1947, that 1116
govern the granting of pensions and benefits and that provide an 1117
increase in the original pension or benefit from time to time 1118
pursuant to changes in the salaries of active members. 1119

The board shall annually increase all benefits payable under 1120
this section or section 742.3715 of the Revised Code to eligible 1121
persons by the actuarial equivalent of three hundred sixty 1122
dollars, except that no benefit shall exceed the limit established 1123
by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 1124
2085, 26 U.S.C.A. 415, as amended. 1125

The first increase is payable to all eligible persons on July 1126
1, 1988. The increase is payable for the ensuing twelve-month 1127
period or until the next increase is granted under this section, 1128
whichever is later. 1129

The date of the first increase payable under this section 1130

shall be the anniversary date for future increases.

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Sec. 742.3714. As used in this section, "contingent dependent beneficiary" means a person so designated pursuant to this section by a member or former member of the Ohio police and fire pension fund.

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Prior to retiring under section 742.37 of the Revised Code, a member or former member of the fund who is, or within twelve months will be, eligible to retire and receive a pension or benefit under division (C)(1) or (3) of section 742.37 of the Revised Code may designate one dependent, not the member's or former member's spouse, as the contingent dependent beneficiary. The determination of what constitutes a dependent for the purposes of this section shall be made by the board of trustees of the fund in accordance with rules adopted pursuant to this section. The designation shall be made on a form provided by the board and shall be filed with the board. The designation may be changed or withdrawn in accordance with rules adopted by the board pursuant to this section. The designation shall be used only for the purposes of this section and shall cease to have effect if the member or former member retires under section 742.37 of the Revised Code, or dies prior to retirement and is survived by a spouse. The board shall annually inform members and eligible former members of the fund of the right to designate a contingent dependent beneficiary under this section.

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In addition to any other pension, allowance, or benefit payable under this chapter, the surviving spouse of a deceased member or former member of the fund who at the time of the member's or former member's death was eligible to retire and receive a pension or benefit under division (C)(1) or (3) of section 742.37 of the Revised Code, but had not retired, shall receive an annual retirement allowance under this section, payable

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in twelve monthly installments. If on the date of death of the member or former member there is no surviving spouse, the allowance shall be paid to the contingent dependent beneficiary. If on such date there is no surviving spouse and no person designated as a contingent dependent beneficiary who is determined by the board of trustees to be a dependent of the member or former member, no allowance or benefit shall be paid under this section.

~~The~~ Unless at the time of death the member was participating in the deferred retirement option plan established under section 742.43 of the Revised Code, the allowance paid under this section shall be an amount equal to the amount the surviving spouse or contingent dependent beneficiary would have been entitled to receive had the member or former member retired effective the day following the date of death having selected an option 2 plan under division (A)(2) of section 742.3711 of the Revised Code providing for one-half of the member's or former member's lesser retirement allowance to be paid to the surviving spouse or contingent dependent beneficiary. ~~Payments~~ The allowance paid under this section to the surviving spouse or contingent dependent beneficiary of a member who at the time of death was participating in the deferred retirement option plan established under section 742.43 of the Revised Code shall be an amount calculated in accordance with section 742.442 of the Revised Code and rules that shall be adopted by the board of trustees of the Ohio police and fire pension fund.

Payments under this section are payable effective the first day of the first month following the death of the member or former member of the fund.

Sec. 742.3716. (A) (1) As used in this section:

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

~~(a)~~(i) Has been receiving a pension or benefit under this chapter for one year or more based on an award made on or after July 24, 1986; 1193
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~~(b)~~(ii) Has not made the election provided for in division (B) of this section; 1196
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~~(c)~~(iii) Is not the spouse or survivor of a person who has made the election provided for in division (B) of this section; 1198
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~~(d)~~(iv) Is receiving a benefit in accordance with division (A), (B), or (C) of section 742.37, division (C)(2), (3), (4), or (5) of former section 742.37, section 742.3711, or section 742.39 of the Revised Code. 1200
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~~(2)~~(b) "Recalculated average annual salary" means the highest average annual compensation of a member of the Ohio police and fire pension fund during any three years of contributions, including amounts included in terminal pay attributable to such three years, determined by dividing the member's total earnings as an employee during such years by three. 1204
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(2) In the case of a member participating in the deferred retirement option plan established under section 742.43 of the Revised Code or a member described in division (B) of section 742.444 of the Revised Code, the period of one year or more described in division (A)(1)(a)(i) of this section begins on the effective date of the member's election under section 742.44 of the Revised Code. 1210
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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 1217
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average annual salary rather than the member's average annual 1224
salary. The election shall be made by the member prior to or at 1225
the time of making an election under section 742.3711 of the 1226
Revised Code. This division does not apply to a member of the fund 1227
who ~~has~~ elected to participate in the deferred retirement option 1228
plan established under section 742.43 of the Revised Code unless 1229
the member's participation has terminated pursuant to division (C) 1230
of section 742.444 or to section 742.445 of the Revised Code. 1231

(2) If the member eligible to make the election under 1232
division (B)(1) of this section dies prior to making the election 1233
and at the time of death is eligible to retire and receive a 1234
pension or benefit under division (C)(1) or (3) of section 742.37 1235
of the Revised Code, the person entitled to receive a benefit 1236
under section 742.3714 of the Revised Code may make the election 1237
provided for in division (B)(1) of this section. 1238

(3) The election under division (B)(1) or (2) of this section 1239
shall be made on forms provided by the trustees of the fund. Once 1240
received by the fund, the election shall be irrevocable and shall 1241
bind the member and any other person who receives a pension or 1242
benefit based on the member's service. No person who receives a 1243
pension or benefit calculated in accordance with division (B) of 1244
this section is eligible to receive a cost-of-living allowance 1245
under this section. If the person making the election receives a 1246
benefit under section 742.3714 of the Revised Code, that person is 1247
not eligible to receive a cost-of-living allowance under section 1248
742.3711 of the Revised Code. 1249

(C)(1) The board of trustees of the Ohio police and fire 1251
pension fund shall annually increase all benefits payable to 1252
eligible persons by three per cent, except that no benefit shall 1253
exceed the limit established by section 415 of the "Internal 1254
Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as 1255

amended.

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The first 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 increase is payable for the ensuing twelve-month period or until the next increase is granted under this section, whichever is later.

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The date of the first increase paid under this section shall be the anniversary date for future increases. The pension or benefit 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. In the case of a member who has elected to participate in the deferred retirement option plan established under section 742.43 of the Revised Code or a member described in division (B) of section 742.444 of the Revised Code, the pension amount used in the first calculation of an increase under this section shall be the amount calculated under section 742.442 of the Revised Code unless the member's participation has terminated pursuant to division (C) of section 742.444 or to section 742.445 of the Revised Code.

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

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Sec. 742.44. Except as provided in section 742.14 of the Revised Code, at any time prior to filing an application for retirement under division (C)(1) of section 742.37 of the Revised Code, a member who is eligible to retire under that division may elect to participate in the deferred retirement option plan established under section 742.43 of the Revised Code.

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To make an election, an eligible member shall complete and submit to the Ohio police and fire pension fund a form prescribed by the fund. At this time the member may, but is not required to, elect under section 742.3711 of the Revised Code to have the member's monthly pension calculated as a retirement allowance payable throughout the member's life or a retirement allowance ~~that continues to a surviving beneficiary under option 2 in~~ division (A) of section 742.3711 of the Revised Code. Unless rescinded during a period specified in rules adopted under section 742.43 of the Revised Code, the election is irrevocable from the date it is received by the fund until the employee ceases to participate in the plan as provided in section 742.444 of the Revised Code.

A member is not required to specify the number of years or portion of a year the member will participate in the plan but must agree to terminate active service in a police or fire department and begin receiving the member's pension not later than the date that is eight years after the effective date of the election to participate in the plan or be subject to the forfeiture provisions of division (C) of section 742.444 of the Revised Code.

The effective date of an election made under this section is the first day of the employer's first payroll period immediately following the board's receipt of the notice of election.

Sec. 742.442. For each member who elects to participate in the deferred retirement option plan, the Ohio police and fire pension fund shall determine under division (C)(1) of section 742.37 of the Revised Code the monthly pension amount that would be payable to the member had the member elected to receive a pension under that division. In determining the pension amount, the fund shall use the member's total service credit and average annual salary as of the last day of the employer's payroll period

immediately prior to the effective date of the member's election 1318
to participate in the plan. The pension amount shall be calculated 1319
as a retirement allowance payable for the member's life, except 1320
that, if at the time of electing to participate in the plan the 1321
member selected ~~another~~ the plan of payment in option 2 of 1322
division (A) of section 742.3711 of the Revised Code, the pension 1323
shall be calculated using ~~the~~ that plan of payment ~~selected~~. 1324
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A member who participates in the plan is not eligible to make 1326
an election under division (B) of section 742.3716 of the Revised 1327
Code. 1328

Sec. 742.443. (A) During the period beginning on the 1329
effective date of an election to participate in the deferred 1330
retirement option plan and ending on the date participation 1331
ceases, a member's monthly pension amount determined under section 1332
742.442 of the Revised Code shall accrue to the member's benefit. 1333
To this amount shall be added any benefit increases the member 1334
would be eligible for under division (C) of section 742.3716 of 1335
the Revised Code had the member, on the effective date of the 1336
member's election, retired under division (C)(1) of section 742.37 1337
of the Revised Code. 1338

(B)(1) The amounts contributed under section 742.31 of the 1339
Revised Code by a member participating in the deferred retirement 1340
option plan shall accrue to the member's benefit as follows: 1341

(a) During the period beginning on the first day of the first 1342
payroll period after the election's effective date and ending on 1343
the earlier of the date that is two years thereafter or the date 1344
the member ceases participation in the plan, fifty per cent of the 1345
member's contributions for that period; 1346

(b) During the period beginning on the date that is two years 1347

and one day after accruals begin under this division and ending on 1348
the earlier of the date that is three years thereafter or the date 1349
the member ceases participation in the plan, seventy-five per cent 1350
of the member's contributions for that period; 1351

(c) During the period beginning on the date that is three 1353
years and one day after accruals begin under this section and 1354
ending on the date the member ceases participation in the plan, 1355
one hundred per cent of the member's contributions for that 1356
period. 1357

(2) The Ohio police and fire pension fund shall credit the 1358
portion of a member's contributions that are not accrued to the 1359
member's benefit under division (B)(1) of this section to the 1360
police officers' contribution fund or firefighters' contribution 1361
fund, as appropriate. 1362

(C) During the period beginning on the election's effective 1363
date and ending on the day before the date the member ceases 1364
participation in the plan distributions under division (B)(3) of 1365
section 742.444 of the Revised Code are completed, the amounts 1366
described in divisions (A) and (B)(1) of this section shall earn 1367
interest at an annual rate established by the board of trustees of 1368
the fund and compounded annually using a method established by 1369
rule adopted under section 742.43 of the Revised Code. 1370

Sec. 742.444. (A) A member's participation in the deferred 1371
retirement option plan ceases on the occurrence of the earliest of 1372
the following: 1373

(1) Termination of the member's active service in a police or 1374
fire department; 1375

(2) The last day of the eight-year period that begins on the 1376
effective date of the member's election to participate in the 1377
plan; 1378

(3) Acceptance by the member of a disability benefit awarded 1379
by the board of trustees of the Ohio police and fire pension fund, 1380
unless the acceptance is revoked by the member in accordance with 1381
rules adopted by the board; 1382

(4) The member's death. 1383

(B) If a member terminates active service in a police or fire 1384
department not later than eight years after the effective date of 1385
the member's election to participate in the plan, all of the 1386
following apply: 1387

(1) The member shall notify the Ohio police and fire pension 1388
fund of the date of termination on a form prescribed by the fund. 1389
The member is not eligible to make another election under section 1390
742.44 of the Revised Code. 1391

(2) If the member's termination of active service occurs on 1392
or after the date that is the first day of the fourth year after 1393
the effective date of the election to participate in the plan, the 1394
entire amount that has accrued to the member's benefit under the 1395
deferred retirement option plan shall be distributed to the member 1396
pursuant to the member's selection under division (B)(3) of this 1397
section. If the termination of active service occurs before the 1398
date that is four years after the effective date of the election 1399
to participate, the member shall forfeit the total amount of the 1400
interest credited under division (C) of section 742.443 of the 1401
Revised Code. 1402

(3) The member shall select one of the following as the 1403
method of distribution of the amount to be distributed to the 1404
member: 1405

(a) A single payment; 1406

(b) Periodic payments as determined by the board. 1407

The fund shall retain amounts accrued to the benefit of a 1408

member under the plan until a form specifying the method of 1409
distribution selected is filed with the fund by the member or an 1410
authorized representative of the member. 1411

The board shall afford a member who selects periodic payments 1412
the opportunity at least once during each calendar year to change 1413
the member's selection. 1414

(4) Distribution of the amount accrued to a member's benefit 1415
under the deferred retirement option plan shall not commence until 1416
the date that is the first day of the fourth year after the 1417
effective date of the election. 1418

(5) The member shall select a plan of payment under section 1419
742.3711 of the Revised Code for the pension payable to the member 1420
under division (C) of section 742.37 of the Revised Code, unless 1421
the member selected a plan of payment at the time of electing to 1422
participate in the plan. The pension shall commence on not later 1423
than the first day of the second month following the date the 1424
employee ceases to participate in the plan. 1425

(C) If, at the end of the eight-year period that begins on 1426
the effective date of a member's election to participate in the 1427
plan, the member has failed to terminate active service in a 1428
police or fire department, all of the following apply: 1429

(1) No further amounts shall accrue to the member's benefit, 1430
and the member shall forfeit all amounts that have accrued to the 1431
member's benefit under section 742.443 of the Revised Code. The 1432
amounts forfeited shall be treated as if the member had continued 1433
in the active service of a police or fire department and not 1434
elected to participate in the plan. 1435

(2) The member shall be granted service credit for the period 1436
the member was participating in the plan, and when the member's 1437
pension is calculated under section 742.37 of the Revised Code, 1438
the calculation shall be made as though the member had never 1439

participated in the plan. 1440

(3) Further contributions, and service credit for those 1441
contributions, shall be credited as provided in sections 742.31 1442
through 742.34 of the Revised Code. 1443

Sec. 742.52. (A) A member of the Ohio police and ~~and~~ fire 1444
pension fund who is not receiving a disability benefit or pension 1445
from the fund and is not a participant in the deferred retirement 1446
option plan established under section 742.43 of the Revised Code 1447
may purchase service credit, which shall be used in computing the 1448
member's years of service, for each year of service incurred by 1449
reason of having been on active duty, active duty for training, 1450
initial active duty for training, inactive duty training, 1451
full-time national guard duty, and a period for which a member is 1452
absent from a position of employment for the purpose of an 1453
examination to determine the fitness of the member to perform a 1454
duty, as a member of the armed forces of the United States if the 1455
member is honorably discharged. Credits which are not authorized 1456
under former sections 742.18, 742.19, 742.20, and 742.21 or 1457
section 742.521 of the Revised Code may be purchased at any time. 1458
The number of years purchased under this division shall not exceed 1459
five. 1460

(B) For the purposes of this division, "prisoner of war" 1461
means any regularly appointed, enrolled, enlisted, or inducted 1462
member of the armed forces of the United States who was captured, 1463
separated, and incarcerated by an enemy of the United States. 1464

A member who is not a participant in the deferred retirement 1465
option plan established under section 742.43 of the Revised Code 1466
may purchase service credit which shall be considered as the 1467
equivalent of Ohio service for each year of service the member was 1468
a prisoner of war. The number of years purchased under this 1469
division shall not exceed five. Service credit may be purchased 1470

under this division for the same years of service used to purchase 1471
service credit under division (A) of this section. The member may 1472
choose to purchase only part of such credit in any one payment, 1473
subject to board rules. 1474

(C) The total number of years purchased under this section 1475
shall not exceed the member's total accumulated number of years of 1476
Ohio service. 1477

(D) For each year of service purchased under division (A) or 1478
(B) of this section, the member shall pay to the fund for credit 1479
to the member's accumulated account an amount determined by the 1480
member rate of contribution in effect at the time the military 1481
service began or four per cent, whichever is greater, multiplied 1482
by the annual compensation for full-time employment during the 1483
first year of full-time service in Ohio covered by any state or 1484
municipal retirement system of this state following termination of 1485
military service. To this amount shall be added an amount equal to 1486
compound interest at a rate established by the board of trustees 1487
of the Ohio police and fire pension fund from the date active 1488
military service terminated to date of payment. For the purpose of 1489
this section, the board may define full-time service in Ohio 1490
covered by any state or municipal retirement system of this state. 1491
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(E) A member is ineligible to purchase service credit under 1493
this section for any year of military service that was: 1494

(1) Used in the calculation of any retirement benefit 1495
currently being paid to the member or payable in the future under 1496
any other retirement program, except for retired pay for 1497
non-regular service under Chapter 1223. of Section 1662 of Title 1498
XVI of the "National Defense Authorization Act for Fiscal Year 1499
1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739, or 1500
social security; 1501

(2) Used to obtain service credit under former section 1502

742.18, 742.19, 742.20, or 742.21 or section 742.521 of the
Revised Code. At the time the credit is purchased the member shall
certify on a form furnished by the trustees that the member does
and will conform to this requirement. Any benefit paid under this
section to which the member is not entitled shall be recovered by
any recovery procedures available under this chapter.

"Armed forces" of the United States includes army, navy, air
force, marine corps, coast guard, or any reserve component of such
forces; national guard; the commissioned corps of the United
States public health service; the merchant marine service during
wartime; auxiliary corps as established by congress; service as a
red cross nurse with the army, navy, air force, hospital service
of the United States, army nurse corps, navy nurse corps, or
serving full-time with the American red cross in a combat zone;
and such other service as may be designated by congress as
included therein.

A member of the fund who has purchased service credit under
this section, or the member's estate, is entitled to be refunded
the amount paid to purchase such credit, or a pro rata portion
thereof, provided that the purchased service credit, or a portion
of the purchased service credit, does not serve to increase a
pension or benefit paid under section 742.37 or 742.39 or
calculated under section 742.442 of the Revised Code. The refund
of any amount paid to purchase credit under this section, or a pro
rata portion thereof, shall cancel an equivalent amount of service
credit.

Sec. 5505.01. As used in this chapter:

(A) "Employee" means any qualified employee in the uniform
division of the state highway patrol, any qualified employee in
the radio division hired prior to November 2, 1989, and any state
highway patrol cadet attending training school pursuant to section

5503.05 of the Revised Code whose attendance at the school begins 1534
on or after June 30, 1991. "Employee" includes the superintendent 1535
of the state highway patrol. In all cases of doubt, the state 1536
highway patrol retirement board shall determine whether any person 1537
is an employee as defined in this division, and the decision of 1538
the board is final. 1539

(B) "Prior service" means all service rendered as an employee 1540
of the state highway patrol prior to September 5, 1941, to the 1541
extent credited by the board, provided that in no case shall prior 1542
service include service rendered prior to November 15, 1933. 1543
1544

(C) "Total service" means all service rendered by an employee 1545
to the extent credited by the board. Total service includes all of 1546
the following: 1547

(1) Contributing service rendered by the employee since last 1548
becoming a member of the state highway patrol retirement system; 1549

(2) All prior service credit; 1550

(3) Restored service credit as provided in this chapter; 1551

(4) Military service credit purchased under division (D) of 1552
section 5505.16 or section 5505.25 of the Revised Code; 1553

(5) Credit granted under division (C) of section 5505.17 or 1554
section 5505.201, 5505.40, or 5505.402 of the Revised Code; 1555

(6) Credit for any period, not to exceed three years, during 1556
which the member was out of service and receiving benefits under 1557
Chapters 4121. and 4123. of the Revised Code. 1558

(D) "Beneficiary" means any person, except a retirant, who is 1559
in receipt of a pension or other benefit payable from funds of the 1560
retirement system. 1561

(E) "Regular interest" means interest compounded at rates 1562
designated from time to time by the retirement board. 1563

(F) "Plan" means the provisions of this chapter.	1564
(G) "Retirement system" or "system" means the state highway patrol retirement system created and established in the plan.	1565 1566
(H) "Contributing service" means all service rendered by a member since September 4, 1941, for which deductions were made from the member's salary under the plan.	1567 1568 1569
(I) "Retirement board" or "board" means the state highway patrol retirement board provided for in the plan.	1570 1571
(J) Except as provided in section 5505.18 of the Revised Code, "member" means any employee included in the membership of the retirement system, whether or not rendering contributing service.	1572 1573 1574 1575
(K) "Retirant" means any member who retires with a pension payable from the retirement system.	1576 1577
(L) "Accumulated contributions" means the sum of <u>all the following credited to a member's individual account in the employees' savings fund:</u>	1578 1579 1580
<u>(1) All amounts deducted from the salary of a the member and credited to the member's individual account in the employees' savings fund;</u>	1581 1582 1583
<u>(2) All amounts paid by the member to purchase state highway patrol retirement system service credit pursuant to this chapter or other state law.</u>	1584 1585 1586
(M)(1) Except as provided in division (M)(2) of this section, "final average salary" means the average of the highest salary paid a member during any three consecutive or nonconsecutive years.	1587 1588 1589 1590
If a member has less than three years of contributing service, the member's final average salary shall be the average of the annual rates of salary paid to the member during the member's	1591 1592 1593

total years of contributing service. 1594

(2) If a member is credited with service under division 1595
(C)(6) of this section or division (D) of section 5505.16 of the 1596
Revised Code, the member's final average salary shall be the 1597
average of the highest salary that was paid to the member or would 1598
have been paid to the member, had the member been rendering 1599
contributing service, during any three consecutive or 1600
nonconsecutive years. If that member has less than three years of 1601
total service, the member's final average salary shall be the 1602
average of the annual rates of salary that were paid to the member 1603
or would have been paid to the member during the member's years of 1604
total service. 1605

(N) "Pension" means an annual amount payable by the 1606
retirement system throughout the life of a person or as otherwise 1607
provided in the plan. ~~All pensions shall be paid in equal monthly 1608
installments.~~ 1609

(O) "Pension reserve" means the present value of any pension, 1610
or benefit in lieu of any pension, computed upon the basis of 1611
mortality and other tables of experience and interest the board 1612
shall from time to time adopt. 1613

(P) "Deferred pension" means a pension for which an eligible 1614
member of the system has made application and which is payable as 1615
provided in division (A) or (B) of section 5505.16 of the Revised 1616
Code. 1617

(Q) "Retirement" means termination as an employee of the 1618
state highway patrol, with application having been made to the 1619
system for a pension or a deferred pension. 1620

(R) "Fiduciary" means any of the following: 1621

(1) A person who exercises any discretionary authority or 1622
control with respect to the management of the system, or with 1623
respect to the management or disposition of its assets; 1624

(2) A person who renders investment advice for a fee, direct or indirect, with respect to money or property of the system;	1625 1626
(3) A person who has any discretionary authority or responsibility in the administration of the system.	1627 1628
(S)(1) Except as otherwise provided in this division, "salary" means all compensation, wages, and other earnings paid to a member by reason of employment but without regard to whether any of the compensation, wages, or other earnings are treated as deferred income for federal income tax purposes. Salary includes all of the following:	1629 1630 1631 1632 1633 1634
(a) Payments for shift differential, hazard duty, professional achievement, and longevity;	1635 1636
(b) Payments for occupational injury leave, personal leave, sick leave, bereavement leave, administrative leave, and vacation leave used by the member;	1637 1638 1639
(c) Payments made under a disability leave program sponsored by the state for which the state is required by section 5505.151 of the Revised Code to make periodic employer and employee contributions to the retirement system.	1640 1641 1642 1643
(2) "Salary" does not include any of the following:	1644
(a) Payments resulting from the conversion of accrued but unused sick leave, personal leave, compensatory time, and vacation leave;	1645 1646 1647
(b) Payments made by the state to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the member or the member's family, or amounts paid by the state to the member in lieu of providing that insurance;	1648 1649 1650 1651 1652
(c) Payments for overtime work;	1653
(d) Incidental benefits, including lodging, food, laundry,	1654

parking, or services furnished by the state, use of property or 1655
equipment of the state, and reimbursement for job-related expenses 1656
authorized by the state including moving and travel expenses and 1657
expenses related to professional development; 1658

(e) Payments made to or on behalf of a member that are in 1659
excess of the annual compensation that may be taken into account 1660
by the retirement system under division (a)(17) of section 401 of 1661
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1662
401 (a)(17), as amended; 1663

(f) Payments made under division (B), (C), or (E) of section 1664
5923.05 of the Revised Code, Section 4 of Substitute Senate Bill 1665
No. 3 of the 119th general assembly, Section 3 of Amended 1666
Substitute Senate Bill No. 164 of the 124th general assembly, or 1667
Amended Substitute House Bill No. 405 of the 124th general 1668
assembly. 1669

(3) The retirement board shall determine by rule whether any 1670
compensation, wages, or earnings not enumerated in this division 1671
are salary, and its decision shall be final. 1672

(T) "Actuary" means an individual who satisfies all of the 1673
following requirements: 1674

(1) Is a member of the American academy of actuaries; 1675

(2) Is an associate or fellow of the society of actuaries; 1676

(3) Has a minimum of five years' experience in providing 1677
actuarial services to public retirement plans. 1678

Sec. 5505.15. (A)(1) A member of the state highway patrol 1679
retirement system shall contribute ~~nine and one-half~~ ten per cent 1680
of the member's annual salary to the state highway patrol 1681
retirement fund. The amount shall be deducted by the employer from 1682
the employee's salary for each payroll period. 1683

(2) The total contributions arising from deductions made 1684
prior to January 1, 1966, from the salaries of members in the 1685
employ of the state highway patrol and standing to the credit of 1686
their individual accounts in the retirement fund shall be 1687
transferred and credited to their respective individual accounts 1688
in the employees' savings fund. 1689

(B) The state shall annually pay into the employer 1690
accumulation fund, in monthly or less frequent installments as the 1691
state highway patrol retirement board requires, an amount that 1692
shall be a certain percentage of the total salaries paid 1693
contributing members and shall be known as the "employer 1694
contribution." If a member severs connection with the patrol or is 1695
dismissed, the employer contribution shall remain in the 1696
retirement system. 1697

The rate percentage of the employer contribution shall be 1698
certified by the board to the director of budget and management 1699
and shall not be lower than nine per cent of the total salaries 1700
paid contributing members and shall not exceed three times the 1701
rate percentage being deducted from the annual salaries of 1702
contributing members. The board shall prepare and submit to the 1703
director, on or before the first day of November of each 1704
even-numbered year, an estimate of the amounts necessary to pay 1705
the state's obligations accruing during the biennium beginning the 1706
first day of July of the following year. Such amounts shall be 1707
included in the budget and allocated as certified by the board. 1708

Sec. 5505.162. (A) On application for retirement as provided 1709
in section 5505.16 of the Revised Code, a member of the state 1710
highway patrol retirement system may elect, on a form provided by 1711
the state highway patrol retirement board, to receive a the 1712
pension that the member is eligible to receive on retirement under 1713
that section in one of the following forms: 1714

~~(1) A single lifetime pension or he may elect, on a form provided by the state highway patrol retirement board, to receive the;~~ 1715
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(2) The actuarial equivalent of this the single lifetime pension that the member may elect under division (A)(1) of this section in a lesser annual amount payable for his the member's life and continuing after his the member's death to a surviving designated beneficiary under one of the following optional plans, provided the annual amount payable to the designated beneficiary shall not exceed the annual amount payable to such retiring member, the amount is certified by the actuary employed by the system to be the actuarial equivalent of his the member's pension, and the amount is approved by the board: 1718
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~~(1)(a)~~ Option 1. His The member's lesser pension shall be paid for life to his the member's sole beneficiary designated at the time of retirement. 1728
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~~(2)(b)~~ Option 2. One-half or some other portion of his the member's lesser pension shall be paid for life to his the member's sole beneficiary designated at the time of his retirement. 1731
1732
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~~(3)(c)~~ Option 3. Upon his death before the expiration of a certain period from his the member's retirement date as elected by him the member and approved by the board, his the member's lesser pension shall be continued for the remainder of such period to the beneficiaries, and in such order, as designated by him the member in writing and filed with the board. No monthly payments shall be paid to joint beneficiaries, but they may jointly receive the present value of any remaining payments in a lump sum settlement. If all designated beneficiaries die before the expiration of such period, the present value of all the payments yet remaining in the period shall be paid to the estate of the beneficiary last receiving such payments. 1734
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(3) If the member has attained age fifty-one with at least 1746
twenty-five years' total service or fifty-two with at least twenty 1747
years' total service, a pension consisting of both a partial 1748
benefit lump sum in an amount the member designates that 1749
constitutes a portion of the single lifetime pension the member 1750
may elect under division (A)(1) of this section and the actuarial 1751
equivalent of the remainder of the single lifetime pension payable 1752
for the member's life, provided an actuary employed by the system 1753
certifies the actuarial equivalent and the board approves the 1754
partial benefit lump sum payment and the amount to be paid as the 1755
actuarial equivalent. 1756

The amount designated by a member shall be not less than six 1757
times the monthly amount that would be payable to the member as a 1758
single lifetime pension under division (A)(1) of this section and 1759
not more than sixty times that amount. 1760

A member who has attained the age of fifty-one with 1761
twenty-five years of service who elects a partial benefit lump sum 1762
may designate an amount that does not exceed an amount equal to 1763
one month's pension for each month of service beyond twenty-five 1764
years. A member who has attained the age of fifty-two with twenty 1765
years of service who elects a partial benefit lump sum may 1766
designate an amount that does not exceed an amount equal to one 1767
month's pension for each month of service beyond twenty years. 1768

(B)(1) The death of a spouse designated as beneficiary or the 1769
death of any other designated beneficiary following retirement 1770
shall cancel any optional plan of payment selected under division 1771
(A)(2) of this section to provide continuing lifetime benefits to 1772
such designated beneficiary and return the member to the 1773
equivalent of his the member's single lifetime pension, as 1774
determined by the board, to be effective the month following 1775
receipt by the board of notice of the death. 1776

(2) On divorce, annulment, or marriage dissolution, a member 1777

receiving a pension under a plan that provides for continuation of 1778
all or part of the pension after ~~his~~ death for the lifetime of ~~his~~ 1779
the member's surviving spouse may, with the written consent of the 1780
spouse or pursuant to an order of the court with jurisdiction over 1781
the termination of the marriage, elect to cancel the plan and 1782
receive the equivalent of ~~his~~ the member's single lifetime pension 1783
as determined by the board. The election shall be made on a form 1784
provided by the board and shall be effective the month following 1785
its receipt by the board. 1786

(C) Following marriage or remarriage, a member may elect a 1787
new optional plan of payment under division (A)(2) of this section 1788
based on the actuarial equivalent of ~~his~~ the member's single 1789
lifetime pension as determined by the board. The plan shall become 1790
effective the first day of the month following receipt by the 1791
board of an application on a form approved by the board. 1792

(D) A member who has elected an optional plan under division 1793
(A)(2) of this section may, with the written consent of the 1794
designated beneficiary, cancel the optional plan and receive the 1795
single lifetime pension payable throughout his life ~~he that the~~ 1796
~~member~~ would have received had ~~he not elected the optional plan~~ 1797
the member elected the single lifetime pension under division 1798
(A)(1) of this section, if ~~he~~ the member makes a request to cancel 1799
the optional plan not later than one year after the date on which 1800
the member first receives a payment under the plan. Cancellation 1801
of the optional plan shall be effective the month after acceptance 1802
of the request by the board. No payment or adjustment shall be 1803
made in the single lifetime pension payable throughout the 1804
~~member's life~~ to compensate for the lesser pension ~~he~~ the member 1805
received under the optional plan. 1806

The request to cancel the optional plan shall be made on a 1807
form provided by the board and shall be valid only if the 1808
completed form includes a signed statement of the designated 1809

beneficiary's understanding of and consent to the cancellation. 1810
The designated beneficiary's signature shall be verified by the 1811
board prior to its acceptance of the cancellation. 1812

(E) Any option elected and payments made under division 1813
(A)(2) of this section shall be in addition to any pension payable 1814
to the member's surviving spouse, children, or parents under 1815
section 5505.17 of the Revised Code. 1816

Sec. 5505.163. (A) A retirant who retired prior to September 1817
21, 1994, under section 5505.16 of the Revised Code may elect to 1818
receive the actuarial equivalent of the retirant's pension in a 1819
lesser amount payable for the remainder of the retirant's life and 1820
continuing after death to the retirant's surviving designated 1821
beneficiary under one of the optional plans described in division 1822
(A)(1), (2), or (3)(a), (b), or (c) of section 5505.162 of the 1823
Revised Code, provided the annual amount payable to the designated 1824
beneficiary shall not exceed the annual amount payable to the 1825
retirant, the amount is certified by the actuary employed by the 1826
state highway patrol retirement system to be the actuarial 1827
equivalent of the retirant's pension, and the state highway patrol 1828
retirement board approves the amount. 1829

(B) A retirant interested in making the election authorized 1830
by division (A) of this section shall file a notice of interest 1831
with the board not later than sixty days after ~~the effective date~~ 1832
~~of this section~~ June 30, 2000. The board shall advise the retirant 1833
with respect to the choices available under the optional plans and 1834
have a determination made of the monthly pension payable under the 1835
optional plan elected by the member for inclusion in the statement 1836
to be filed under division (C) of this section. 1837

(C) To make the election authorized by division (A) of this 1838
section, a retirant shall file a statement, on a form provided by 1839
the board, indicating that the retirant elects to participate in 1840

the optional plan specified in the statement. The form must be
filed with the board not later than one hundred twenty days after
~~the effective date of this section~~ June 30, 2000.

(D) A notice or statement mailed to the board shall be
considered to have been filed on its postmark date.

(E) Any option elected and payments made under this section
shall be in addition to any pension payable to the retirant's
surviving spouse, children, or parents under section 5505.17 of
the Revised Code.

Sec. 5505.178. Except as provided in division (A)(3) of
section 5505.162 of the Revised Code, all pensions shall be paid
in equal monthly installments.

Sec. 5505.18. As used in this section, "member" does not
include state highway patrol cadets attending training schools
pursuant to section 5503.05 of the Revised Code.

(A) Upon the application of a member of the state highway
patrol retirement system, a person acting on behalf of a member,
or the superintendent of the state highway patrol on behalf of a
member, a member who becomes totally and permanently incapacitated
for duty in the employ of the state highway patrol may be retired
by the board.

The medical or psychological examination of a member who has
applied for disability retirement shall be conducted by a
competent ~~physician~~ health-care professional or ~~physicians~~
professionals appointed by the board. The ~~physician~~ health-care
professional or ~~physicians~~ professionals shall file a written
report with the board containing the following information:

(1) Whether the member is totally incapacitated for duty in
the employ of the patrol;

(2) Whether the incapacity is expected to be permanent; 1870

(3) The cause of the member's incapacity. 1871

The board shall determine whether the member qualifies for 1872
disability retirement and its decision shall be final. The board 1873
shall consider the written medical or psychological report, 1874
opinions, statements, and other competent evidence in making its 1875
determination. If the incapacity is a result of heart disease or 1876
any cardiovascular disease of a chronic nature, which disease or 1877
any evidence of which was not revealed by the physical examination 1878
passed by the member on entry into the patrol, the member is 1879
presumed to have incurred the disease in the line of duty as a 1880
member of the patrol, unless the contrary is shown by competent 1881
evidence. 1882

(B)(1) A member whose retirement on account of disability 1883
incurred in the line of duty shall receive the applicable pension 1884
provided for in section 5505.17 of the Revised Code, except that 1885
if the member has less than twenty-five years of contributing 1886
service, the member's service credit shall be deemed to be 1887
twenty-five years for the purpose of this provision. In no case 1888
shall the member's disability pension be less than sixty-one and 1889
one-quarter per cent or exceed the lesser of seventy-nine and 1890
one-quarter per cent of the member's final average salary or the 1891
limit established by section 415 of the "Internal Revenue Code of 1892
1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended. 1893

(2) A member whose retirement on account of disability 1894
incurred not in the line of duty shall receive the applicable 1895
pension provided for in section 5505.17 of the Revised Code, 1896
except that if the member has less than twenty years of 1897
contributing service, the member's service credit shall be deemed 1898
to be twenty years for the purpose of this provision. In no case 1899
shall the member's disability pension exceed the lesser of 1900
seventy-nine and one-quarter per cent of the member's final 1901

average salary or the limit established by section 415 of the 1902
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, 1903
as amended. 1904

(C) The state highway patrol retirement board shall adopt 1905
rules requiring a disability pension recipient, as a condition of 1906
continuing to receive a disability pension, to agree in writing to 1907
obtain any medical or psychological treatment recommended by the 1908
board's ~~physician~~ health-care professional and submit medical or 1909
psychological reports regarding the treatment. If the board 1910
determines that a disability pension recipient is not obtaining 1911
the medical or psychological treatment or the board does not 1912
receive a required medical or psychological report, the disability 1913
pension shall be suspended until the treatment is obtained, the 1914
report is received by the board, or the board's ~~physician~~ 1915
health-care professional certifies that the treatment is no longer 1916
helpful or advisable. Should the recipient's failure to obtain 1917
treatment or submit a medical or psychological report continue for 1918
one year, the recipient's right to the disability benefit shall be 1919
terminated as of the effective date of the original suspension. 1920

(D) A member placed on a disability pension who has not 1921
attained the age of fifty-five years shall be subject to an annual 1922
medical or psychological re-examination by ~~physicians~~ health-care 1923
professionals appointed by the board, except that the board may 1924
waive the ~~medical~~ re-examination if the board's ~~physicians~~ 1925
health-care professionals certify that the member's disability is 1926
ongoing. If any member placed on a disability pension refuses to 1927
submit to a medical or psychological re-examination, the member's 1928
disability pension shall be suspended until the member withdraws 1929
the refusal. If the refusal continues for one year, all the 1930
member's rights under and to the disability pension shall be 1931
terminated as of the effective date of the original suspension. 1932

(E) Each recipient of a disability pension who has not 1933

attained the age of fifty-five years shall file with the board an
annual statement of earnings, current medical or psychological
information on the recipient's condition, and any other
information required in rules adopted by the board. The board may
waive the requirement that a disability benefit recipient file an
annual statement of earnings or current medical or psychological
information if the board's physician health-care professional
certifies that the recipient's disability is ongoing.

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The board shall annually examine the information submitted by
the recipient. If a recipient refuses to file the statement or
information, the disability pension shall be suspended until the
statement and information are filed. If the refusal continues for
one year, the right to the pension shall be terminated as of the
effective date of the original suspension.

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(F)(1) Except as provided in division (F)(2) of this section,
a retirant who has been on disability pension, and who has been
physically or psychologically examined and found no longer
incapable of performing the retirant's duties, shall be restored
to the rank the retirant held at the time the retirant was
pensioned and all previous rights shall be restored, including the
retirant's civil service status, and the disability pension shall
terminate. Upon return to employment in the patrol, the retirant
shall again become a contributing member of the retirement system,
the total service at the time of the retirant's retirement shall
be restored to the retirant's credit, and the retirant shall be
given service credit for the period the retirant was in receipt of
a disability pension. The provisions of division (F)(1) of this
section shall be retroactive to September 5, 1941.

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(2) The state highway patrol is not required to take action
under division (F)(1) of this section if the retirant was
dismissed or resigned in lieu of dismissal for dishonesty,

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misfeasance, malfeasance, or conviction of a felony. 1966

(G) The board may adopt rules to carry out this section, 1967
including rules that specify the types of health-care 1968
professionals the board may appoint for the purpose of this 1969
section. 1970

Section 2. That existing sections 742.21, 742.212, 742.214, 1971
742.221, 742.23, 742.24, 742.251, 742.27, 742.37, 742.371, 1972
742.375, 742.376, 742.3711, 742.3714, 742.3716, 742.44, 742.442, 1973
742.443, 742.444, 742.52, 5505.01, 5505.15, 5505.162, 5505.163, 1974
and 5505.18 of the Revised Code are hereby repealed. 1975