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A B I L L

To amend sections 145.01, 145.04, 145.05, 145.091,	1
145.19, 145.191, 145.192, 145.20, 145.22, 145.23,	2
145.27, 145.35, 145.38, 145.384, 145.40, 145.45,	3
145.46, 145.56, 145.58, 145.80, 145.81, 145.811,	4
145.812, 145.813, 145.82, 145.85, 145.86, 145.87,	5
145.88, 145.91, 145.92, 145.95, 145.97, 742.14,	6
742.37, 742.372, 742.45, 3105.80, 3307.01, 3307.39,	7
3307.51, 3307.56, 3307.561, 3307.563, 3307.58,	8
3307.60, 3307.761, 3307.763, 3307.764, 3307.87,	9
3309.21, 3309.43, 3309.45, 3309.46, 3309.69,	10
5505.12, and 5505.28; to amend, for the purpose of	11
adopting a new section number as indicated in	12
parentheses, section 742.372 (742.371); to enact	13
sections 145.193, 145.385, 145.402, 145.814, and	14
145.83; and to repeal sections 742.371 and 742.373	15

of the Revised Code to create in the State Teachers 16
Retirement System (STRS), School Employees 17
Retirement System, and Public Employees Retirement 18
System (PERS) the option of receiving retirement 19
benefits as a partial lump sum followed by a 20
reduced monthly allowance, to make other changes to 21
the law governing STRS to make changes to the Ohio 22
Police and Fire Pension Fund (OP&F) cost of living 23
increase, to eliminate a health maintenance 24
organization requirement for public pension system 25
retirees, to permit certain PERS reemployed 26
retirants to elect resumption of a retirement 27
allowance, to make permissive the redeposit of 28
contributions previously withdrawn from OP&F by 29
firefighters and police officers returning to the 30
same employer after a period of absence, and to 31
alter provisions governing the PERS defined 32
contribution retirement plan. 33

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

Section 1. That sections 145.01, 145.04, 145.05, 145.091, 34
145.19, 145.191, 145.192, 145.20, 145.22, 145.23, 145.27, 145.35, 35
145.38, 145.384, 145.40, 145.45, 145.46, 145.56, 145.58, 145.80, 36
145.81, 145.811, 145.812, 145.813, 145.82, 145.85, 145.86, 145.87, 37
145.88, 145.91, 145.92, 145.95, 145.97, 742.14, 742.37, 742.372, 38
742.45, 3105.80, 3307.01, 3307.39, 3307.51, 3307.56, 3307.561, 39
3307.563, 3307.58, 3307.60, 3307.761, 3307.763, 3307.764, 3307.87, 40
3309.21, 3309.43, 3309.45, 3309.46, 3309.69, 5505.12, and 5505.28 41
be amended, and section 742.372 (742.371) be amended for the 42
purpose of adopting a new section number, and sections 145.193, 43
145.385, 145.402, 145.814, and 145.83 of the Revised Code be 44
enacted to read as follows: 45

Sec. 145.01. As used in this chapter: 46

(A) "Public employee" means: 47

(1) Any person holding an office, not elective, under the 48
state or any county, township, municipal corporation, park 49
district, conservancy district, sanitary district, health 50
district, metropolitan housing authority, state retirement board, 51
Ohio historical society, public library, county law library, union 52
cemetery, joint hospital, institutional commissary, state 53
university, or board, bureau, commission, council, committee, 54
authority, or administrative body as the same are, or have been, 55
created by action of the general assembly or by the legislative 56
authority of any of the units of local government named in 57
division (A)(1) of this section, or employed and paid in whole or 58
in part by the state or any of the authorities named in division 59
(A)(1) of this section in any capacity not covered by section 60
742.01, 3307.01, 3309.01, or 5505.01 of the Revised Code. 61

(2) A person who is a member of the public employees 62
retirement system and who continues to perform the same or similar 63
duties under the direction of a contractor who has contracted to 64
take over what before the date of the contract was a publicly 65
operated function. The governmental unit with which the contract 66
has been made shall be deemed the employer for the purposes of 67
administering this chapter. 68

(3) Any person who is an employee of a public employer, 69
notwithstanding that the person's compensation for that employment 70
is derived from funds of a person or entity other than the 71
employer. Credit for such service shall be included as total 72
service credit, provided that the employee makes the payments 73
required by this chapter, and the employer makes the payments 74
required by sections 145.48 and 145.51 of the Revised Code. 75

(4) A person who elects in accordance with section 145.015 of 76

the Revised Code to remain a contributing member of the public
employees retirement system.

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

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

(C) "Head of the department" means the elective or appointive
head of the several executive, judicial, and administrative
departments, institutions, boards, and commissions of the state
and local government as the same are created and defined by the
laws of this state or, in case of a charter government, by that
charter.

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

(E) "Prior service" means all service as a public employee 108
rendered before January 1, 1935, and all service as an employee of 109
any employer who comes within the state teachers retirement system 110
or of the school employees retirement system or of any other 111
retirement system established under the laws of this state 112
rendered prior to January 1, 1935, provided that if the employee 113
claiming the service was employed in any capacity covered by that 114
other system after that other system was established, credit for 115
the service may be allowed by the public employees retirement 116
system only when the employee has made payment, to be computed on 117
the salary earned from the date of appointment to the date 118
membership was established in the public employees retirement 119
system, at the rate in effect at the time of payment, and the 120
employer has made payment of the corresponding full liability as 121
provided by section 145.44 of the Revised Code. "Prior service" 122
also means all service credited for active duty with the armed 123
forces of the United States as provided in section 145.30 of the 124
Revised Code. 125

If an employee who has been granted prior service credit by 126
the public employees retirement system for service rendered prior 127
to January 1, 1935, as an employee of a board of education 128
establishes, before retirement, one year or more of contributing 129
service in the state teachers retirement system or school 130
employees retirement system, then the prior service ceases to be 131
the liability of this system. 132

If the board determines that a position of any member in any 133
calendar year prior to January 1, 1935, was a part-time position, 134
the board shall determine what fractional part of a year's credit 135
shall be allowed by the following formula: 136

(1) When the member has been either elected or appointed to 137
an office the term of which was two or more years and for which an 138
annual salary is established, the fractional part of the year's 139

credit shall be computed as follows:

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

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

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

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

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

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

(H)(1) "Total service credit," except as provided in section 145.37 of the Revised Code, means all service credited to a member of the retirement system since last becoming a member, including

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

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

(3) Where a member also is a member of the state teachers
retirement system or the school employees retirement system, or
both, except in cases of retirement on a combined basis pursuant

to section 145.37 of the Revised Code or as provided in section
145.383 of the Revised Code, service credit for any period shall
be credited on the basis of the ratio that contributions to the
public employees retirement system bear to total contributions in
all state retirement systems.

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

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

(I) "Regular interest" means interest at any rates for the
respective funds and accounts as the public employees retirement
board may determine from time to time.

(J) "Accumulated contributions" means the sum of all amounts
credited to a contributor's individual account in the employees'
savings fund together with any interest credited to the
contributor's account under section 145.471 or 145.472 of the
Revised Code.

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

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

including any fraction of a year, of the member's contributing 234
service. 235

(3) For the purpose of calculating benefits payable to a 236
member qualifying for service credit under division (Z) of this 237
section, "final average salary" means the total earnable salary on 238
which contributions were made divided by the total number of years 239
during which contributions were made, including any fraction of a 240
year. If contributions were made for less than twelve months, 241
"final average salary" means the member's total earnable salary. 242

(L) "Annuity" means payments for life derived from 243
contributions made by a contributor and paid from the annuity and 244
pension reserve fund as provided in this chapter. All annuities 245
shall be paid in twelve equal monthly installments. 246

(M) "Annuity reserve" means the present value, computed upon 247
the basis of the mortality and other tables adopted by the board, 248
of all payments to be made on account of any annuity, or benefit 249
in lieu of any annuity, granted to a retirant as provided in this 250
chapter. 251

(N)(1) "Disability retirement" means retirement as provided 252
in section 145.36 of the Revised Code. 253

(2) "Disability allowance" means an allowance paid on account 254
of disability under section 145.361 of the Revised Code. 255

(3) "Disability benefit" means a benefit paid as disability 256
retirement under section 145.36 of the Revised Code, as a 257
disability allowance under section 145.361 of the Revised Code, or 258
as a disability benefit under section 145.37 of the Revised Code. 259

(4) "Disability benefit recipient" means a member who is 260
receiving a disability benefit. 261

(O) "Age and service retirement" means retirement as provided 262
in sections 145.32, 145.33, 145.331, 145.34, 145.37, and 145.46 of 263

the Revised Code.

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

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

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

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

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

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(c) Allowances paid by the employer for full maintenance, consisting of housing, laundry, and meals, as certified to the retirement board by the employer or the head of the department

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that employs the contributor; 295

(d) Fees and commissions paid under section 507.09 of the 296
Revised Code; 297

(e) Payments that are made under a disability leave program 298
sponsored by the employer and for which the employer is required 299
by section 145.296 of the Revised Code to make periodic employer 300
and employee contributions; 301

(f) Amounts included pursuant to divisions (K)(3) and (Y) of 302
this section. 303

(2) "Earnable salary" does not include any of the following: 304

(a) Fees and commissions, other than those paid under section 305
507.09 of the Revised Code, paid as sole compensation for personal 306
services and fees and commissions for special services over and 307
above services for which the contributor receives a salary; 308
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(b) Amounts paid by the employer to provide life insurance, 310
sickness, accident, endowment, health, medical, hospital, dental, 311
or surgical coverage, or other insurance for the contributor or 312
the contributor's family, or amounts paid by the employer to the 313
contributor in lieu of providing the insurance; 314

(c) Incidental benefits, including lodging, food, laundry, 315
parking, or services furnished by the employer, or use of the 316
employer's property or equipment, or amounts paid by the employer 317
to the contributor in lieu of providing the incidental benefits; 318

(d) Reimbursement for job-related expenses authorized by the 319
employer, including moving and travel expenses and expenses 320
related to professional development; 321

(e) Payments for accrued but unused sick leave, personal 322
leave, or vacation that are made at any time other than in the 323
year in which the sick leave, personal leave, or vacation was 324

accrued; 325

(f) Payments made to or on behalf of a contributor that are 326
in excess of the annual compensation that may be taken into 327
account by the retirement system under division (a)(17) of section 328
401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 329
U.S.C.A. 401(a)(17), as amended; 330

(g) Payments made under division (B), (C), or (E) of section 331
5923.05 of the Revised Code, Section 4 of Substitute Senate Bill 332
No. 3 of the 119th general assembly, Section 3 of Amended 333
Substitute Senate Bill No. 164 of the 124th general assembly, or 334
Amended Substitute House Bill No. 405 of the 124th general 335
assembly; 336

(h) Anything of value received by the contributor that is 337
based on or attributable to retirement or an agreement to retire, 338
except that payments made on or before January 1, 1989, that are 339
based on or attributable to an agreement to retire shall be 340
included in earnable salary if both of the following apply: 341

(i) The payments are made in accordance with contract 342
provisions that were in effect prior to January 1, 1986; 343

(ii) The employer pays the retirement system an amount 344
specified by the retirement board equal to the additional 345
liability resulting from the payments. 346

(3) The retirement board shall determine by rule whether any 347
compensation not enumerated in division (R) of this section is 348
earnable salary, and its decision shall be final. 349

(S) "Pension reserve" means the present value, computed upon 350
the basis of the mortality and other tables adopted by the board, 351
of all payments to be made on account of any retirement allowance 352
or benefit in lieu of any retirement allowance, granted to a 353
member or beneficiary under this chapter. 354

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

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

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

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

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

(V) "Retirant" means any former member who retires and is receiving a monthly allowance as provided in sections 145.32, 145.33, 145.331, 145.34, and 145.46 of the Revised Code.

(W) "Employer contribution" means the amount paid by an

employer as determined under section 145.48 of the Revised Code.

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

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

as provided in this division, the increased annual salary as
provided by law for the office for the period for which the member
paid increased contributions thereon shall be used in determining
the member's earnable salary for the purpose of computing the
member's final average salary.

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

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

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

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

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

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

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

(EE) "Natural resources law enforcement staff officer" means a full-time employee of the department of natural resources who is designated a natural resources law enforcement staff officer under section 1501.013 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(FF) "Park officer" means a full-time employee of the department of natural resources who is designated a park officer

under section 1541.10 of the Revised Code and is in compliance
with section 109.77 of the Revised Code.

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

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

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

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

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

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

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

(NN) "Ohio veterans' home police officer" means any person 512
who is employed at the Ohio veterans' home as a police officer 513
pursuant to section 5907.02 of the Revised Code and is in 514
compliance with section 109.77 of the Revised Code. 515

(OO) "Special police officer for a mental health institution" 516
means any person who is designated as such pursuant to section 517
5119.14 of the Revised Code and is in compliance with section 518
109.77 of the Revised Code. 519

(PP) "Special police officer for an institution for the 520
mentally retarded and developmentally disabled" means any person 521
who is designated as such pursuant to section 5123.13 of the 522
Revised Code and is in compliance with section 109.77 of the 523
Revised Code. 524

(QQ) "State university law enforcement officer" means any 525
person who is employed full-time as a state university law 526
enforcement officer pursuant to section 3345.04 of the Revised 527
Code and who is in compliance with section 109.77 of the Revised 528
Code. 529

(RR) "House sergeant at arms" means any person appointed by 530
the speaker of the house of representatives under division (B)(1) 531
of section 101.311 of the Revised Code who has arrest authority 532
under division (E)(1) of that section. 533

(SS) "Assistant house sergeant at arms" means any person 534
appointed by the house sergeant at arms under division (C)(1) of 535
section 101.311 of the Revised Code. 536

(TT) "Regional transit authority police officer" means a 537
person who is employed full time as a regional transit authority 538
police officer under division (Y) of section 306.35 of the Revised 539
Code and is in compliance with section 109.77 of the Revised Code. 540

(UU) "State highway patrol police officer" means a special 541
police officer employed full time and designated by the 542

superintendent of the state highway patrol pursuant to section 543
5503.09 of the Revised Code or a person serving full time as a 544
special police officer pursuant to that section on a permanent 545
basis on October 21, 1997, who is in compliance with section 546
109.77 of the Revised Code. 547

(VV) Notwithstanding section 2901.01 of the Revised Code, 548
"PERS law enforcement officer" means a sheriff, deputy sheriff, 549
township constable or police officer in a township police 550
department or district, drug agent, department of public safety 551
enforcement agent, natural resources law enforcement staff 552
officer, park officer, forest officer, preserve officer, wildlife 553
officer, state watercraft officer, park district police officer, 554
conservancy district officer, Ohio veterans' home police officer, 555
special police officer for a mental health institution, special 556
police officer for an institution for the mentally retarded and 557
developmentally disabled, state university law enforcement 558
officer, municipal police officer, house sergeant at arms, 559
assistant house sergeant at arms, regional transit authority 560
police officer, or state highway patrol police officer. 561

(WW) "Hamilton county municipal court bailiff" means a person 562
appointed by the clerk of courts of the Hamilton county municipal 563
court under division (A)(3) of section 1901.32 of the Revised Code 564
who is employed full time as a bailiff or deputy bailiff, who has 565
received a certificate attesting to the person's satisfactory 566
completion of the peace officer basic training described in 567
division (D)(1) of section 109.77 of the Revised Code, and whose 568
primary duties are to preserve the peace, to protect life and 569
property, and to enforce the laws of this state. 570

(XX) "Fiduciary" means a person who does any of the 571
following: 572

(1) Exercises any discretionary authority or control with 573
respect to the management of the system or with respect to the 574

management or disposition of its assets; 575

(2) Renders investment advice for a fee, direct or indirect, 576
with respect to money or property of the system; 577

(3) Has any discretionary authority or responsibility in the 578
administration of the system. 579

(YY) "Actuary" means an individual who satisfies all of the 580
following requirements: 581

(1) Is a member of the American academy of actuaries; 582

(2) Is an associate or fellow of the society of actuaries; 583

(3) Has a minimum of five years' experience in providing 584
actuarial services to public retirement plans. 585

(ZZ) "PERS defined benefit plan" means the plan described in 586
sections 145.201 to 145.79 of the Revised Code. 587

(AAA) "PERS defined contribution plans" means the plan or 588
plans established under section 145.81 of the Revised Code. 589

Sec. 145.04. The general administration and management of the 590
public employees retirement system and the making effective of 591
Chapter 145. of the Revised Code, are hereby vested in a board to 592
be known as the "public employees retirement board," which shall 593
consist of nine members as follows: 594

(A) The attorney general; 595

(B) The auditor of state; 596

(C) The director of administrative services; 597

(D) Five members, known as employee members, one of whom 598
shall be a state employee member of the system, who shall be 599
elected by ballot by the state employee members of the system from 600
among their number; another of whom shall be a county employee 601
member of the system, who shall be elected by ballot by the county 602

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

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

Sec. 145.05. (A) The terms of office of employee members of
the public employees retirement board shall be for four years each
beginning on the first day of January following election. The

election of the county employee member of the board and the 635
employee member of the board representing public library, health 636
district, park district, conservancy district, sanitary district, 637
township, metropolitan housing authority, union cemetery, joint 638
hospital, and institutional commissary employees shall be held on 639
the first Monday in October, 1945, and on the first Monday in 640
October in each fourth year thereafter. The election of the state 641
employee member of the board and the municipal employee member of 642
the board shall be held on the first Monday in October, 1946, and 643
on the first Monday in October in each fourth year thereafter. The 644
election of the initial university-college employee member of the 645
board shall be held on the first Monday in October, 1978, and 646
elections for subsequent university-college employee members of 647
the board shall be held on the first Monday in October in each 648
fourth year thereafter. 649

(B) The term of office of the retirant member of the public 650
employees retirement board shall be for four years beginning on 651
the first day of January following the election. The election of 652
the initial retirant member of the board shall be held on the 653
first Monday in October, 1978, and elections for subsequent 654
retirant members of the board shall be held on the first Monday in 655
October in each fourth year thereafter. 656

(C) All elections for employee members of the public 657
employees retirement board shall be held under the direction of 658
the board. Any member of the public employees retirement system, 659
except a member who is receiving a disability benefit under this 660
chapter, is eligible for election as an employee member of the 661
board to represent the employee group that includes the member, 662
provided that the member has been nominated by a petition signed 663
by at least five hundred members of the employee group to be 664
represented and further provided that there shall be not less than 665
twenty such signers from each of at least ten counties of the 666

state. The name of any member so nominated shall be placed upon
the ballot by the board as a regular candidate. Names of other
eligible candidates may, at any election, be substituted for the
regular candidates by writing such names upon the ballots. The
candidate who receives the highest number of votes for a
particular employee member position on the board shall be elected
to that office.

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

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

Sec. 145.091. The public employees retirement system shall 698
administer the PERS defined benefit plan ~~described in sections~~ 699
~~145.201 to 145.70 of the Revised Code and the plan or PERS defined~~ 700
contribution plans established under section 145.81 of the Revised 701
Code. 702

Sec. 145.19. (A) Except as provided in division (D) of this 703
section, an individual who becomes employed in a member of the 704
~~public employees retirement system position subject to this~~ 705
chapter on or after the date on which the public employees 706
retirement board first establishes a PERS defined contribution 707
~~plan under section 145.81 of the Revised Code~~ shall make an 708
election under this section. Not later than one hundred eighty 709
days after the date on which employment begins, the individual 710
shall elect to participate either in the PERS defined benefit plan 711
~~described in sections 145.201 to 145.79 of the Revised Code or one~~ 712
~~of the plans established under section 145.81 of the Revised Code~~ 713
a PERS defined contribution plan. If a form evidencing an election 714
under this section is not ~~on file with~~ received by the employer at 715
~~the end of~~ public employees retirement system not later than the 716
last day of the one-hundred-eighty-day period, the individual is 717
deemed to have elected to participate in the PERS defined benefit 718
~~plan described in sections 145.201 to 145.79 of the Revised Code.~~ 719

(B) An election under this section shall be made in writing 721
on a form provided by the ~~retirement~~ system and filed with the 722
~~employer's personnel officer. Not later than ten days after~~ 723
~~receiving the form evidencing the election, the employer shall~~ 724
~~transmit to the system a copy that includes a statement certifying~~ 725
~~that it is a true and accurate copy of the original system.~~ 726

(C) An election under this section shall take effect on the 727
date employment began and, except as provided in section 145.814 728

of the Revised Code or rules governing the PERS defined benefit 729
plan, is irrevocable on receipt by the ~~employer~~ system. 730

(D) An individual is ineligible to make an election under 731
this section if one of the following applies: 732

(1) At the time employment begins, the individual is ~~already~~ 733
~~a member or contributor participating in the plan described in~~ 734
~~sections 145.201 to 145.79 of the Revised Code or~~ a PERS retirant 735
or other system retirant, as those terms are defined in section 736
145.38 of the Revised Code, or is retired under section 145.383 of 737
the Revised Code. 738

(2) ~~An election to participate~~ The individual is 739
participating or has elected to participate in an alternative 740
retirement plan under section 3305.05 of the Revised Code ~~is in~~ 741
~~effect for employment covered by the system and the employment is~~ 742
in a position that is subject to division (E) of that section. 743

(3) The individual is a contributor who, as of the last day 744
of the month prior to the date employment begins, has five or more 745
years of total service credit. 746

(4) The individual is employed in a position covered under 747
this chapter to which section 145.193 of the Revised Code applies. 748

(5) The individual is a PERS law enforcement officer or 749
Hamilton county municipal court bailiff. 750

Sec. 145.191. (A) ~~A member of the~~ Except as provided in 751
division (E) of this section, a public employees retirement 752
~~system, other than a member who is a PERS law enforcement officer,~~ 753
~~member or contributor~~ who, as of the last day of the month 754
immediately preceding the date on which the ~~system~~ public 755
employees retirement board first establishes a PERS defined 756
contribution plan ~~under section 145.81 of the Revised Code,~~ has 757
less than five years of total service credit is eligible to make 758

an election under this section. A member or contributor who is 759
employed in more than one position subject to this chapter is 760
eligible to make only one election. The election applies to all 761
positions subject to this chapter. 762

Not later than one hundred eighty days after the day the 763
board first establishes ~~one or more plans under section 145.81 of~~ 764
~~the Revised Code~~ a PERS defined contribution plan, an eligible 765
member or contributor may elect to participate in a PERS defined 766
contribution plan established under that section. If a form 767
evidencing an election is not ~~made~~ received by the system not 768
later than the last day of the one-hundred-eighty-day period, a 769
member or contributor to whom this section applies is deemed to 770
have elected to continue participating in the PERS defined benefit 771
plan described in sections 145.201 to 145.79 of the Revised Code. 772

(B) An election under this section shall be made in writing 773
on a form provided by the system and filed with the system. 774

(C) On receipt of an election under this section, the system 775
shall do both of the following: 776

(1) Credit to the ~~account of the member in the defined~~ 777
~~contribution fund the accumulated contributions standing to the~~ 778
~~member's credit in the employees' savings fund;~~ plan elected both 779
of the following: 780

(a) Any employer contributions attributable to the member for 781
the period beginning on the day the board first established a PERS 782
defined contribution plan; 783

(b) All accumulated contributions attributable to the member 784
or contributor. 785

(2) Cancel all service credit and eligibility for any 786
payment, benefit, or right under the PERS defined benefit plan 787
~~described in sections 145.201 to 145.79 of the Revised Code.~~ 788

(D) An election under this section ~~shall be~~ is effective as 789

of the date the board first established a PERS defined 790
contribution plan and, except as provided in section 145.814 of 791
the Revised Code or rules governing the PERS defined benefit plan, 792
is irrevocable on receipt by the system. 793

(E) An election may not be made under this section by a 794
member or contributor who is either of the following: 795

(1) A PERS retirant who is a member under division (C) of 796
section 145.38 of the Revised Code; 797

(2) A PERS law enforcement officer or a Hamilton county 798
municipal court bailiff. 799

Sec. 145.192. A Except as provided in section 145.814 and in 800
division (C) of section 145.82 of the Revised Code, a member of 801
the public employees retirement system who elects to participate 802
in a PERS defined contribution plan established under section 803
145.81 of the Revised Code shall be ineligible for any benefit or 804
payment under sections 145.201 to 145.79 of the Revised Code the 805
PERS defined benefit plan and shall be forever barred from 806
claiming or purchasing service credit with the system or any other 807
Ohio state retirement system, as defined in section 145.30 of the 808
Revised Code, for service covered by the election. 809

Sec. 145.193. Except as provided in division (E) of section 810
3305.05 of the Revised Code, an election made or deemed to have 811
been made under section 145.19 or 145.191 of the Revised Code 812
applies to all positions subject to this chapter for which the 813
member is contributing under section 145.47 or 145.85 of the 814
Revised Code. A member who terminates employment in all positions 815
subject to this chapter and later becomes employed in a position 816
subject to this chapter may make an election under section 145.19 817
of the Revised Code as provided by that section. 818

Sec. 145.20. (A) Any elective official of the state of Ohio 819
or of any political subdivision thereof having employees in the 820
public employees retirement system shall be considered as an 821
employee of the state or such political subdivision, and may 822
become a member of the system upon application to the public 823
employees retirement board, with all the rights, privileges, and 824
obligations of membership. ~~Service~~ An elective official who 825
becomes a member of the system on or after the date the public 826
employees retirement board first establishes a PERS defined 827
contribution plan shall make an election pursuant to section 828
145.19 of the Revised Code not later than one hundred eighty days 829
after applying for membership in the system. The election is 830
effective as of the date the official applies for membership and 831
is irrevocable on receipt by the system. If a form evidencing an 832
election is not received by the system not later than the last day 833
of the one-hundred-eighty-day period, the official is deemed to 834
have elected to participate in the PERS defined benefit plan. 835

(B) Service as any such elective official by any member of 836
the system rendered prior to January 1, 1935, shall be included as 837
prior service, provided the member ~~has completed~~ does both of the 838
following: 839

(1) Completes three years of contributing service, or the 840
equivalent thereof, in the public employees retirement system 841
subsequent to the date that membership is established; 842

(2) Participates in the PERS defined benefit plan or a PERS 843
defined contribution plan with definitely determinable benefits. 844

(C) Credit for service between January 1, 1935, and the date 845
that membership is established, except service as an elective 846
official that was subject to the tax on wages imposed by the 847
"Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 848
U.S.C.A. 3101, as amended, may be secured by the elective official 849
provided the elective official ~~pays~~ does all of the following: 850

(1) Pays into the employees' savings fund an amount 851
determined by applying the member contribution rate in effect at 852
the time of payment to the earnable salary of the member during 853
all periods of service after January 1, 1935, covered by this 854
chapter, for which contributions have not been paid, plus interest 855
on such amount compounded annually at a rate to be determined by 856
the board,~~and completes;~~ 857

(2) Completes one and one-half years of contributing 858
membership in the public employees retirement system subsequent to 859
the date membership was established.~~The;~~ 860

(3) Participates in the PERS defined benefit plan or a PERS 861
defined contribution plan with definitely determinable benefits. 862

A member may choose to purchase in any one payment only part 863
of ~~such the credit in any one payment~~ the member is eligible to 864
purchase. The public employees retirement board shall determine 865
the amount and manner of payment ~~of such contributions.~~ In the 866
event of death or withdrawal from service, the payment into the 867
employees' savings fund for such service credit shall be 868
considered as accumulated contributions of the member. 869

Sec. 145.22. (A) The public employees retirement board shall 870
have prepared annually by or under the supervision of an actuary 871
an actuarial valuation of the pension assets, liabilities, and 872
funding requirements of the public employees retirement system as 873
established pursuant to this chapter. The actuary shall complete 874
the valuation in accordance with actuarial standards of practice 875
promulgated by the actuarial standards board of the American 876
academy of actuaries and prepare a report of the valuation. The 877
report shall include all of the following: 878

(1) A summary of the benefit provisions evaluated; 879

(2) A summary of the census data and financial information 880

used in the valuation; 881

(3) A description of the actuarial assumptions, actuarial 882
cost method, and asset valuation method used in the valuation, 883
including a statement of the assumed rate of payroll growth and 884
assumed rate of growth or decline in the number of members 885
contributing to the retirement system; 886

(4) A summary of findings that includes a statement of the 887
actuarial accrued pension liabilities and unfunded actuarial 888
accrued pension liabilities; 889

(5) A schedule showing the effect of any changes in the 890
benefit provisions, actuarial assumptions, or cost methods since 891
the last annual actuarial valuation; 892

(6) A statement of whether contributions to the retirement 893
system are expected to be sufficient to satisfy the funding 894
objectives established by the board. 895

The board shall submit the report to the Ohio retirement 896
study council and the standing committees of the house of 897
representatives and the senate with primary responsibility for 898
retirement legislation not later than the first day of September 899
following the year for which the valuation was made. 900

(B) At such time as the public employees retirement board 901
determines, and at least once in each five-year period, the board 902
shall have prepared by or under the supervision of an actuary an 903
actuarial investigation of the mortality, service, and other 904
experience of the members, retirants, contributors, and 905
beneficiaries of the system to update the actuarial assumptions 906
used in the actuarial valuation required by division (A) of this 907
section. The actuary shall prepare a report of the actuarial 908
investigation. The report shall be prepared and any recommended 909
changes in actuarial assumptions shall be made in accordance with 910
the actuarial standards of practice promulgated by the actuarial 911

standards board of the American academy of actuaries. The report 912
shall include all of the following: 913

(1) A summary of relevant decrement and economic assumption 914
experience observed over the period of the investigation; 915

(2) Recommended changes in actuarial assumptions to be used 916
in subsequent actuarial valuations required by division (A) of 917
this section; 918

(3) A measurement of the financial effect of the recommended 919
changes in actuarial assumptions. 920

The board shall submit the report to the Ohio retirement 921
study council and the standing committees of the house of 922
representatives and the senate with primary responsibility for 923
retirement legislation not later than the first day of November 924
following the last fiscal year of the period the report covers. 925

(C) The board may at any time request the actuary to make any 926
studies or actuarial valuations to determine the adequacy of the 927
contribution rate determined under section 145.48 of the Revised 928
Code, and those rates may be adjusted by the board, as recommended 929
by the actuary, effective as of the first of any year thereafter. 930
931

(D) The board shall have prepared by or under the supervision 932
of an actuary an actuarial analysis of any introduced legislation 933
expected to have a measurable financial impact on the retirement 934
system. The actuarial analysis shall be completed in accordance 935
with the actuarial standards of practice promulgated by the 936
actuarial standards board of the American academy of actuaries. 937
The actuary shall prepare a report of the actuarial analysis, 938
which shall include all of the following: 939

(1) A summary of the statutory changes that are being 940
evaluated; 941

(2) A description of or reference to the actuarial 942
assumptions and actuarial cost method used in the report; 943

(3) A description of the participant group or groups included 944
in the report; 945

(4) A statement of the financial impact of the legislation, 946
including the resulting increase, if any, in the employer normal 947
cost percentage; the increase, if any, in actuarial accrued 948
liabilities; and the per cent of payroll that would be required to 949
amortize the increase in actuarial accrued liabilities as a level 950
per cent of covered payroll for all active members over a period 951
not to exceed thirty years; 952

(5) A statement of whether the scheduled contributions to the 953
system after the proposed change is enacted are expected to be 954
sufficient to satisfy the funding objectives established by the 955
board. 956

Not later than sixty days from the date of introduction of 957
the legislation, the board shall submit a copy of the actuarial 958
analysis to the ~~legislative budget office of the~~ legislative 959
service commission, the standing committees of the house of 960
representatives and the senate with primary responsibility for 961
retirement legislation, and the Ohio retirement study council. 962

(E) The board shall have prepared annually a report giving a 963
full accounting of the revenues and costs relating to the 964
provision of benefits under sections 145.325 and 145.58 of the 965
Revised Code. The report shall be made as of December 31, 1997, 966
and the thirty-first day of December of each year thereafter. The 967
report shall include the following: 968

(1) A description of the statutory authority for the benefits 969
provided; 970

(2) A summary of the benefits; 971

(3) A summary of the eligibility requirements for the 972
benefits; 973

(4) A statement of the number of participants eligible for 974
the benefits; 975

(5) A description of the accounting, asset valuation, and 976
funding method used to provide the benefits; 977

(6) A statement of the net assets available for the provision 978
of the benefits as of the last day of the fiscal year; 979

(7) A statement of any changes in the net assets available 980
for the provision of benefits, including participant and employer 981
contributions, net investment income, administrative expenses, and 982
benefits provided to participants, as of the last day of the 983
fiscal year; 984

(8) For the last six consecutive fiscal years, a schedule of 985
the net assets available for the benefits, the annual cost of 986
benefits, administrative expenses incurred, and annual employer 987
contributions allocated for the provision of benefits; 988

(9) A description of any significant changes that affect the 989
comparability of the report required under this division; 990

(10) A statement of the amount paid under division ~~(D)~~(C) of 991
section 145.58 of the Revised Code. 992

The board shall submit the report to the Ohio retirement 993
study council and the standing committees of the house of 994
representatives and the senate with primary responsibility for 995
retirement legislation not later than the thirtieth day of June 996
following the year for which the report was made. 997

Sec. 145.23. The funds hereby created are the employees' 998
savings fund, the employers' accumulation fund, the annuity and 999
pension reserve fund, the income fund, the survivors' benefit 1000

fund, the defined contribution fund, and the expense fund. 1001

(A) The employees' savings fund is the fund in which shall be 1002
accumulated contributions from the earnable salaries of 1003
contributors for the purchase of annuities or retirement 1004
allowances. 1005

The accumulated contributions of a contributor returned to 1006
the contributor upon withdrawal, or paid to the contributor's 1007
estate or designated beneficiary in the event of death, shall be 1008
paid from the employees' savings fund. Any accumulated 1009
contributions forfeited by failure of a member, or a member's 1010
estate, to claim the same, shall be transferred from the 1011
employees' savings fund to the income fund. The accumulated 1012
contributions of a contributor shall be transferred from the 1013
employees' savings fund to the annuity and pension reserve fund in 1014
the event of the contributor's retirement. 1015

(B) The employers' accumulation fund is the fund in which 1016
shall be accumulated the reserves for the payment of all pensions 1017
and disability benefits payable as provided in this chapter. The 1018
amounts paid by any employer under section 145.48 of the Revised 1019
Code shall be credited to the employers' accumulation fund. 1020

Any payments made into the employers' accumulation fund by a 1021
member as provided in section 145.31 of the Revised Code shall be 1022
refunded to such member under the conditions specified in section 1023
145.40 of the Revised Code. 1024

Upon the retirement of a contributor, the full amount of the 1025
contributor's pension reserve shall be transferred from the 1026
employers' accumulation fund to the annuity and pension reserve 1027
fund. 1028

(C) The annuity and pension reserve fund is the fund from 1029
which shall be paid all pensions, disability benefits, annuities, 1030
and benefits in lieu thereof, because of which reserves have been 1031

transferred from the employees' savings fund and the employers' 1032
accumulation fund. 1033

Any ~~contributor~~ member participating in the PERS defined 1034
benefit plan may deposit in the employees' savings fund, subject 1035
to rules established by the public employees retirement system, 1036
additional amounts, and, at the time of age and service 1037
retirement, shall receive in return therefor, at the ~~contributor's~~ 1038
participant's option, either an annuity having a reserve equal to 1039
the amount deposited or a cash refund of such amounts together 1040
with such interest as may have been allowed by the board. Such 1041
deposits for additional annuity together with such interest as may 1042
have been allowed by the board at the end of each calendar year 1043
shall be refunded in the event of death prior to retirement or 1044
withdrawal of accumulated contributions as provided in sections 1045
145.40 and 145.43 of the Revised Code or upon application of the 1046
contributor prior to age and service retirement. 1047

Any additional deposits that were made under this section by 1048
a member who elects under section 145.191 of the Revised Code to 1049
participate in a PERS defined contribution plan shall be credited 1050
to the defined contribution plan elected by the member under that 1051
section. 1052

For deposits received in a calendar year, interest shall be 1053
earned beginning on the first day of the calendar year next 1054
following and ending on the last day of that year, except that in 1055
the case of a payment under this division made prior to the last 1056
day of a year, interest shall be earned ending on the last day of 1057
the month prior to the date of payment. The board shall credit 1058
interest at the end of the calendar year in which it is earned. 1059

(D) The income fund is the fund from which interest is 1060
transferred and credited on the amounts in the funds described in 1061
divisions (B), (C), and (F) of this section, and is a contingent 1062
fund from which the special requirements of the funds may be paid 1063

by transfer from this fund. All income derived from the investment 1064
of the funds of the system, together with all gifts and bequests, 1065
or the income therefrom, shall be paid into this fund. 1066

Any deficit occurring in any other fund that will not be 1067
covered by payments to that fund, as otherwise provided in Chapter 1068
145. of the Revised Code, shall be paid by transfers of amounts 1069
from the income fund to such fund or funds. If the amount in the 1070
income fund is insufficient at any time to meet the amounts 1071
payable to the funds described in divisions (C) and (F) of this 1072
section, the amount of the deficiency shall be transferred from 1073
the employers' accumulation fund. 1074

The system may accept gifts and bequests. Any gifts or 1075
bequests, any funds which may be transferred from the employees' 1076
savings fund by reason of lack of a claimant, any surplus in any 1077
fund created by this section, or any other funds whose disposition 1078
is not otherwise provided for, shall be credited to the income 1079
fund. 1080

(E) The expense fund is the fund from which shall be paid the 1081
expenses of the administration of this chapter, exclusive of 1082
amounts payable as retirement allowances and as other benefits. 1083

(F) The survivors' benefit fund is the fund from which shall 1084
be paid dependent survivor benefits provided by section 145.45 of 1085
the Revised Code. 1086

(G) The defined contribution fund is the fund in which shall 1087
be accumulated the contributions deducted from the earnable salary 1088
of members participating in a PERS defined contribution plan 1089
~~established under section 145.81 of the Revised Code~~, as provided 1090
in section 145.85 of the Revised Code, together with any earnings 1091
and employer contributions, as provided in section 145.86 of the 1092
Revised Code, credited thereon. The defined contribution fund is 1093
the fund from which shall be paid all benefits provided under a 1094

~~PERS defined contribution plan established under section 145.81 of~~ 1095
~~the Revised Code.~~ 1096

Sec. 145.27. (A)(1) As used in this division, "personal 1097
history record" means information maintained by the public 1098
employees retirement board on an individual who is a member, 1099
former member, contributor, former contributor, retirant, or 1100
beneficiary that includes the address, telephone number, social 1101
security number, record of contributions, correspondence with the 1102
public employees retirement system, or other information the board 1103
determines to be confidential. 1104

(2) The records of the board shall be open to public 1105
inspection, except ~~for that~~ the following, ~~which~~ shall be 1106
excluded, except with the written authorization of the individual 1107
concerned: 1108

(a) The individual's statement of previous service and other 1109
information as provided for in section 145.16 of the Revised Code; 1110

(b) The amount of a monthly allowance or benefit paid to the 1111
individual; 1112

(c) The individual's personal history record. 1113

(B) All medical reports and recommendations required by this 1114
chapter are privileged, except that copies of such medical reports 1115
or recommendations shall be made available to the personal 1116
physician, attorney, or authorized agent of the individual 1117
concerned upon written release from the individual or the 1118
individual's agent, or when necessary for the proper 1119
administration of the fund, to the board assigned physician. 1120

(C) Any person who is a member or contributor of the system 1121
shall be furnished with a statement of the amount to the credit of 1122
the individual's account upon written request. The board is not 1123
required to answer more than one such request of a person in any 1124

one year. The board may issue annual statements of accounts to 1125
members and contributors. 1126

(D) Notwithstanding the exceptions to public inspection in 1127
division (A)(2) of this section, the board may furnish the 1128
following information: 1129

(1) If a member, former member, contributor, former 1130
contributor, or retirant is subject to an order issued under 1131
section 2907.15 of the Revised Code or is convicted of or pleads 1132
guilty to a violation of section 2921.41 of the Revised Code, on 1133
written request of a prosecutor as defined in section 2935.01 of 1134
the Revised Code, the board shall furnish to the prosecutor the 1135
information requested from the individual's personal history 1136
record. 1137

(2) Pursuant to a court or administrative order issued 1138
pursuant to Chapter 3119., 3121., 3123., or 3125. of the Revised 1139
Code, the board shall furnish to a court or child support 1140
enforcement agency the information required under that section. 1141

(3) At the written request of any person, the board shall 1142
provide to the person a list of the names and addresses of 1143
members, former members, contributors, former contributors, 1144
retirants, or beneficiaries. The costs of compiling, copying, and 1145
mailing the list shall be paid by such person. 1146

(4) Within fourteen days after receiving from the director of 1147
job and family services a list of the names and social security 1148
numbers of recipients of public assistance pursuant to section 1149
5101.181 of the Revised Code, the board shall inform the auditor 1150
of state of the name, current or most recent employer address, and 1151
social security number of each member whose name and social 1152
security number are the same as that of a person whose name or 1153
social security number was submitted by the director. The board 1154
and its employees shall, except for purposes of furnishing the 1155

auditor of state with information required by this section, 1156
preserve the confidentiality of recipients of public assistance in 1157
compliance with division (A) of section 5101.181 of the Revised 1158
Code. 1159

(5) The system shall comply with orders issued under section 1160
3105.87 of the Revised Code. 1161

On the written request of an alternate payee, as defined in 1162
section 3105.80 of the Revised Code, the system shall furnish to 1163
the alternate payee information on the amount and status of any 1164
amounts payable to the alternate payee under an order issued under 1165
section 3105.171 or 3105.65 of the Revised Code. 1166

(E) A statement that contains information obtained from the 1167
system's records that is signed by the executive director or an 1168
officer of the system and to which the system's official seal is 1169
affixed, or copies of the system's records to which the signature 1170
and seal are attached, shall be received as true copies of the 1171
system's records in any court or before any officer of this state. 1172

Sec. 145.35. (A) As used in this section, "on-duty illness or 1173
injury" means an illness or injury that occurred during or 1174
resulted from performance of duties under the direct supervision 1175
of a member's appointing authority. 1176

(B) The public employees retirement system shall provide 1177
disability coverage to each member who has at least five years of 1178
total service credit and disability coverage for on-duty illness 1179
or injury to each member who is a PERS law enforcement officer or 1180
Hamilton county municipal court bailiff, regardless of length of 1181
service. 1182

Not later than October 16, 1992, the public employees 1183
retirement board shall give each person who is a member on July 1184
29, 1992, the opportunity to elect disability coverage either 1185

under section 145.36 of the Revised Code or under section 145.361 1186
of the Revised Code. The board shall mail notice of the election, 1187
accompanied by an explanation of the coverage under each of the 1188
Revised Code sections and a form on which the election is to be 1189
made, to each member at the member's last known address. The board 1190
shall also provide the explanation and form to any member on 1191
request. 1192

Regardless of whether the member actually receives notice of 1193
the right to make an election, a member who fails to file a valid 1194
election under this section shall be considered to have elected 1195
disability coverage under section 145.36 of the Revised Code. To 1196
be valid, an election must be made on the form provided by the 1197
retirement board, signed by the member, and filed with the board 1198
not later than one hundred eighty days after the date the notice 1199
was mailed, or, in the case of a form provided at the request of a 1200
member, a date specified by rule of the retirement board. Once 1201
made, an election is irrevocable, but if the member ceases to be a 1202
member of the retirement system, the election is void. If a person 1203
who makes an election under this section also makes an election 1204
under section 3307.62 or 3309.39 of the Revised Code, the election 1205
made for the system that pays a disability benefit to that person 1206
shall govern the benefit. 1207

Disability coverage shall be provided under section 145.361 1208
of the Revised Code for persons who become members after July 29, 1209
1992, and for members who elect under this division to be covered 1210
under section 145.361 of the Revised Code. 1211

The retirement board may adopt rules governing elections made 1212
under this division. 1213

(C) Application for a disability benefit may be made by a 1214
member, by a person acting in the member's behalf, or by the 1215
member's employer, provided the member has disability coverage 1216
under section 145.36 or 145.361 of the Revised Code and is not 1217

receiving a disability benefit under any other Ohio state or
municipal retirement program. Application must be made within two
years from the date the member's contributing service terminated
or the date the member ceased to make contributions to the PERS
defined benefit plan under section 145.814 of the Revised Code,
unless the retirement board determines that the member's medical
records demonstrate conclusively that at the time the two-year
period expired, the member was physically or mentally
incapacitated for duty and unable to make an application.
Application may not be made by or for any person receiving age and
service retirement benefits under section 145.33, 145.331, 145.34,
or 145.37 of the Revised Code or any person who, pursuant to
section 145.40 of the Revised Code, has been paid the accumulated
contributions standing to the credit of the person's individual
account in the employees' savings fund. The application shall be
made on a form provided by the retirement board.

(D) The benefit payable to any member who is approved for a
disability benefit shall become effective on the first day of the
month immediately following the later of the following:

(1) The last day for which compensation was paid;

(2) The attainment of eligibility for a disability benefit.

(E) Medical examination of a member who has applied for a
disability benefit shall be conducted by a competent disinterested
physician or physicians selected by the board to determine whether
the member is mentally or physically incapacitated for the
performance of duty by a disabling condition either permanent or
presumed to be permanent. The disability must have occurred since
last becoming a member or have increased since last becoming a
member to such extent as to make the disability permanent or
presumed to be permanent. A disability is presumed to be permanent
if it is expected to last for a continuous period of not less than
twelve months following the filing of the application.

If the physician or physicians determine that the member
qualifies for a disability benefit, the board concurs with the
determination, and the member agrees to medical treatment as
specified in division (F) of this section, the member shall
receive a disability benefit under section 145.36 or 145.361 of
the Revised Code. The action of the board shall be final.

(F) The public employees retirement board shall adopt rules
requiring a disability benefit recipient, as a condition of
continuing to receive a disability benefit, to agree in writing to
obtain any medical treatment recommended by the board's physician
and submit medical reports regarding the treatment. If the board
determines that a disability benefit recipient is not obtaining
the medical treatment or the board does not receive a required
medical report, the disability benefit shall be suspended until
the treatment is obtained, the report is received by the board, or
the board's physician certifies that the treatment is no longer
helpful or advisable. Should the recipient's failure to obtain
treatment or submit a medical report continue for one year, the
recipient's right to the disability benefit shall be terminated as
of the effective date of the original suspension.

(G) In the event an employer files an application for a
disability benefit as a result of a member having been separated
from service because the member is considered to be mentally or
physically incapacitated for the performance of the member's
present duty, and the physician or physicians selected by the
board reports to the board that the member is physically and
mentally capable of performing service similar to that from which
the member was separated and the board concurs in the report, the
board shall so certify to the employer and the employer shall
restore the member to the member's previous position and salary or
to a similar position and salary.

Sec. 145.38. (A) As used in this section and section 145.384 1281
of the Revised Code: 1282

(1) "PERS retirant" means a former member of the public 1283
employees retirement system who is receiving one of the following: 1284

(a) Age and service retirement benefits under section 145.32, 1285
145.33, 145.331, 145.34, or 145.46 of the Revised Code; 1286

(b) Age and service retirement benefits paid by the public 1287
employees retirement system under section 145.37 of the Revised 1288
Code; 1289

(c) Any benefit paid ~~by the system~~ under a PERS defined 1290
contribution plan ~~established under section 145.81 of the Revised~~ 1291
Code. 1292

(2) "Other system retirant" means both of the following: 1293

(a) A member or former member of the Ohio police and fire 1294
pension fund, state teachers retirement system, school employees 1295
retirement system, state highway patrol retirement system, or 1296
Cincinnati retirement system who is receiving age and service or 1297
commuted age and service retirement benefits or a disability 1298
benefit from a system of which the person is a member or former 1299
member; 1300

(b) A member or former member of the public employees 1301
retirement system who is receiving age and service retirement 1302
benefits or a disability benefit under section 145.37 of the 1303
Revised Code paid by the school employees retirement system or the 1304
state teachers retirement system. 1305

(B)(1) Subject to this section, a PERS retirant or other 1306
system retirant may be employed by a public employer. If so 1307
employed, the PERS retirant or other system retirant shall 1308
contribute to the public employees retirement system in accordance 1309
with section 145.47 of the Revised Code, and the employer shall 1310

make contributions in accordance with section 145.48 of the
Revised Code.

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

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

(4)(a) A PERS retirant who has received a retirement
allowance for less than two months when employment subject to this
section commences shall forfeit the retirement allowance for any
month the PERS retirant is employed prior to the expiration of the
two-month period. Service and contributions for that period shall
not be included in calculation of any benefits payable to the PERS
retirant and those contributions shall be refunded on the
retirant's death or termination of the employment.

(b) An other system retirant who has received a retirement
allowance or disability benefit for less than two months when
employment subject to this section commences shall forfeit the
retirement allowance or disability benefit for any month the other
system retirant is employed prior to the expiration of the
two-month period. Service and contributions for that period shall
not be included in the calculation of any benefits payable to the
other system retirant and those contributions shall be refunded on
the retirant's death or termination of the employment.

(c) Contributions made on compensation earned after the 1342
expiration of the two-month period shall be used in the 1343
calculation of the benefit or payment due under section 145.384 of 1344
the Revised Code. 1345

(5) On receipt of notice from the Ohio police and fire 1346
pension fund, school employees retirement system, or state 1347
teachers retirement system of the re-employment of a PERS 1348
retirant, the public employees retirement system shall not pay, or 1349
if paid, shall recover, the amount to be forfeited by the PERS 1350
retirant in accordance with section 742.26, 3307.35, or 3309.341 1351
of the Revised Code. 1352

(6) A PERS retirant who enters into a contract to provide 1353
services as an independent contractor to the employer by which the 1354
retirant was employed at the time of retirement or, less than two 1355
months after the retirement allowance commences, begins providing 1356
services as an independent contractor pursuant to a contract with 1357
another public employer, shall forfeit the pension portion of the 1358
retirement benefit for the period beginning the first day of the 1359
month following the month in which the services begin and ending 1360
on the first day of the month following the month in which the 1361
services end. The annuity portion of the retirement allowance 1362
shall be suspended on the day services under the contract begin 1363
and shall accumulate to the credit of the retirant to be paid in a 1364
single payment after services provided under the contract 1365
terminate. A PERS retirant subject to division (B)(6) of this 1366
section shall not contribute to the retirement system and shall 1367
not become a member of the system. 1368

(7) As used in this division, "employment" includes service 1369
for which a PERS retirant or other system retirant, the retirant's 1370
employer, or both, have waived any earnable salary for the 1371
service. 1372

(C)(1) Except as provided in division (C)(3) of this section, 1373

this division applies to both of the following: 1374

(a) A PERS retirant who, prior to September 14, 2000, was 1375
subject to division (C)(1)(b) of this section as that division 1376
existed immediately prior to September 14, 2000, and has not 1377
elected pursuant to Am. Sub. S.B. 144 of the 123rd general 1378
assembly to cease to be subject to that division; 1379

(b) A PERS retirant to whom both of the following apply: 1380

(i) The retirant held elective office in this state, or in 1381
any municipal corporation, county, or other political subdivision 1382
of this state at the time of retirement under this chapter. 1383

(ii) The retirant was elected or appointed to the same office 1384
for the remainder of the term or the term immediately following 1385
the term during which the retirement occurred. 1386

(2) A PERS retirant who is subject to this division is a 1387
member of the public employees retirement system with all the 1388
rights, privileges, and obligations of membership, except that the 1389
membership does not include survivor benefits provided pursuant to 1390
section 145.45 of the Revised Code or, beginning on the ninetieth 1391
day after September 14, 2000, any amount calculated under section 1392
145.401 of the Revised Code. The pension portion of the PERS 1393
retirant's retirement allowance shall be forfeited until the first 1394
day of the first month following termination of the employment. 1395
The annuity portion of the retirement allowance shall accumulate 1396
to the credit of the PERS retirant to be paid in a single payment 1397
after termination of the employment. The retirement allowance 1398
shall resume on the first day of the first month following 1399
termination of the employment. On termination of the employment, 1400
the PERS retirant shall elect to receive either a refund of the 1401
retirant's contributions to the retirement system during the 1402
period of employment subject to this section or a supplemental 1403
retirement allowance based on the retirant's contributions and 1404

service credit for that period of employment. 1405

(3) This division does not apply to any of the following: 1406

(a) A PERS retirant elected to office who, at the time of the 1407
election for the retirant's current term, was not retired but, not 1408
less than ninety days prior to the election for the term, filed a 1409
written declaration of intent to retire before the end of the term 1410
with the board of elections of the county in which petitions for 1411
nomination or election to the office were filed; 1412

(b) A PERS retirant elected to office who, at the time of the 1413
election for the retirant's current term, was a retirant and had 1414
been retired for not less than ninety days; 1415

(c) A PERS retirant appointed to office who, at the time of 1416
appointment to the retirant's current term, notified the person or 1417
entity making the appointment that the retirant was already 1418
retired or intended to retire before the end of the term. 1419

(D)(1) Except as provided in division (C) of this section, a 1420
PERS retirant or other system retirant subject to this section is 1421
not a member of the public employees retirement system, and, 1422
except as specified in this section does not have any of the 1423
rights, privileges, or obligations of membership. Except as 1424
specified in division (D)(2) of this section, the retirant is not 1425
eligible to receive health, medical, hospital, or surgical 1426
benefits under section 145.58 of the Revised Code for employment 1427
subject to this section. 1428

(2) A PERS retirant subject to this section shall receive 1429
primary health, medical, hospital, or surgical insurance coverage 1430
from the retirant's employer, if the employer provides coverage to 1431
other employees performing comparable work. Neither the employer 1432
nor the PERS retirant may waive the employer's coverage, except 1433
that the PERS retirant may waive the employer's coverage if the 1434
retirant has coverage comparable to that provided by the employer 1435

from a source other than the employer or the public employees 1436
retirement system. If a claim is made, the employer's coverage 1437
shall be the primary coverage and shall pay first. The benefits 1438
provided under section 145.58 of the Revised Code shall pay only 1439
those medical expenses not paid through the employer's coverage or 1440
coverage the PERS retirant receives through a source other than 1441
the retirement system. 1442

(E) If the disability benefit of an other system retirant 1443
employed under this section is terminated, the retirant shall 1444
become a member of the public employees retirement system, 1445
effective on the first day of the month next following the 1446
termination with all the rights, privileges, and obligations of 1447
membership. If such person, after the termination of the 1448
disability benefit, earns two years of service credit under this 1449
system or under the Ohio police and fire pension fund, state 1450
teachers retirement system, school employees retirement system, or 1451
state highway patrol retirement system, the person's prior 1452
contributions as an other system retirant under this section shall 1453
be included in the person's total service credit as a public 1454
employees retirement system member, and the person shall forfeit 1455
all rights and benefits of this section. Not more than one year of 1456
credit may be given for any period of twelve months. 1457

(F) This section does not affect the receipt of benefits by 1458
or eligibility for benefits of any person who on August 20, 1976, 1459
was receiving a disability benefit or service retirement pension 1460
or allowance from a state or municipal retirement system in Ohio 1461
and was a member of any other state or municipal retirement system 1462
of this state. 1463

(G) The public employees retirement board may adopt rules to 1464
carry out this section. 1465

Sec. 145.384. (A) As used in this section, "PERS retirant" 1466

means a PERS retirant who is not subject to division (C) of 1467
section 145.38 of the Revised Code. For purposes of this section, 1468
"PERS retirant" also includes a both of the following: 1469

(1) A member who retired under section 145.383 of the Revised 1470
Code; 1471

(2) A retirant whose retirement allowance resumed under 1472
section 145.385 of the Revised Code. 1473

~~(A)~~(B) An other system retirant or PERS retirant who has made 1474
contributions under section 145.38 or 145.383 of the Revised Code 1475
or, in the case of a retirant described in division (A)(2) of this 1476
section, section 145.47 of the Revised Code may file an 1477
application with the public employees retirement system for a 1478
benefit under this section. The benefit shall consist of ~~a single~~ 1479
~~life~~ an annuity having a reserve equal to the amount of the 1480
retirant's accumulated contributions for the period of employment, 1481
other than the contributions excluded pursuant to division 1482
(B)(4)(a) or (b) of section 145.38 of the Revised Code, and an 1483
equal amount of the employer's contributions. The PERS retirant or 1484
other system retirant shall elect either to receive the benefit as 1485
a monthly annuity ~~for life~~ or a lump sum payment discounted to the 1486
present value using the current actuarial assumption rate of 1487
interest, except that if the monthly annuity would be less than 1488
twenty-five dollars per month, the retirant shall receive a lump 1489
sum payment. A retirant who elects to receive a monthly annuity 1490
shall select one of the following as the plan of payment: 1491

(1) The retirant's single life annuity; 1492

(2) The actuarial equivalent of the retirant's single life 1493
annuity in a lesser amount for life and continuing after death to 1494
a surviving beneficiary designated at the time the plan of payment 1495
is selected. 1496

~~(B)~~(C)(1) The death of a spouse or other designated 1497

beneficiary following selection of a plan of payment under 1498
division (B)(2) of this section cancels that plan of payment. The 1499
PERS retirant or other system retirant shall receive the 1500
equivalent of the retirant's single life annuity, as determined by 1501
the public employees retirement board, effective the first day of 1502
the month following receipt by the board of notice of the death. 1503

(2) On divorce, annulment, or marriage dissolution, a PERS 1504
retirant or other system retirant receiving a benefit under 1505
division (B)(2) of this section under which the beneficiary is the 1506
spouse may, with the written consent of the spouse or pursuant to 1507
an order of the court with jurisdiction over the termination of 1508
the marriage, elect to cancel the plan and receive the equivalent 1509
of the member's single life annuity as determined by the 1510
retirement board. The election shall be made on a form provided by 1511
the board and shall be effective the month following its receipt 1512
by the board. 1513

(D) Following a marriage or remarriage, a PERS retirant or 1514
other system retirant who is receiving a benefit under division 1515
(B)(1) of this section may elect a new plan of payment under this 1516
section based on the actuarial equivalent of the retirant's single 1517
life annuity as determined by the board. The plan shall be 1518
effective the first day of the month following receipt by the 1519
board of an application on a form approved by the board. 1520

(E) A benefit payable under this section shall commence on 1521
the latest of the following: 1522

(1) The last day for which compensation for all employment 1523
subject to section 145.38 ~~or~~, 145.383, or 145.385 of the Revised 1524
Code was paid; 1525

(2) Attainment by the PERS retirant or other system retirant 1526
of age sixty-five; 1527

(3) If the PERS retirant or other system retirant was 1528

previously employed under section 145.38 ~~or~~, 145.383, or 145.385 1529
of the Revised Code and is receiving or previously received a 1530
benefit under this section, completion of a period of twelve 1531
months since the effective date of the last benefit under this 1532
section. 1533

~~(C)~~(F)(1) If a PERS retirant or other system retirant dies 1534
while employed in employment subject to section 145.38 ~~or~~, 1535
145.383, or 145.385 of the Revised Code, a lump sum payment 1536
calculated in accordance with division ~~(A)~~(B) of this section 1537
shall be paid to the retirant's beneficiary under division ~~(D)~~(G) 1538
of this section. 1539

(2) If at the time of death a PERS retirant or other system 1540
retirant receiving a monthly annuity has received less than the 1541
retirant would have received as a lump sum payment, the difference 1542
between the amount received and the amount that would have been 1543
received as a lump sum payment shall be paid to the retirant's 1544
beneficiary under division ~~(D)~~(G) of this section. 1545

~~(D)~~(G) A PERS retirant or other system retirant employed 1546
under section 145.38 ~~or~~, 145.383, or 145.385 of the Revised Code 1547
may designate one or more persons as beneficiary to receive any 1548
benefits payable under this section due to death. The designation 1549
shall be in writing duly executed on a form provided by the public 1550
employees retirement board, signed by the PERS retirant or other 1551
system retirant, and filed with the board prior to death. The last 1552
designation of a beneficiary revokes all previous designations. 1553
The PERS retirant's or other system retirant's marriage, divorce, 1554
marriage dissolution, legal separation, withdrawal of account, 1555
birth of a child, or adoption of a child revokes all previous 1556
designations. If there is no designated beneficiary, the 1557
beneficiary is the beneficiary determined under division (D) of 1558
section 145.43 of the Revised Code. If any benefit payable under 1559
this section due to the death of a PERS retirant or other system 1560

retirant is not claimed by a beneficiary within five years after 1561
the death, the amount payable shall be transferred to the income 1562
fund and thereafter paid to the beneficiary or the estate of the 1563
PERS retirant or other system retirant on application to the 1564
board. 1565

~~(E)~~(H) No amount received under this section shall be 1566
included in determining an additional benefit under section 1567
145.323 of the Revised Code or any other post-retirement benefit 1568
increase. 1569

Sec. 145.385. (A) A PERS retirant who made an election under 1570
former section 145.381 of the Revised Code under which the annuity 1571
portion of the retirant's retirement allowance was suspended and 1572
the pension portion forfeited may have the entire retirement 1573
allowance resume by giving notice to the public employees 1574
retirement system. The notice must be given not later than ninety 1575
days after the effective date of this section. 1576

(B) The retirement allowance shall resume on the first day of 1577
the month following receipt of notice by the retirement system. 1578

(C) The annuity portion of the retirement allowance that has 1579
accumulated to the retirant's credit shall be paid as a single 1580
payment on the first day of the month following receipt of notice 1581
by the retirement system. 1582

(D) Contributions made by the retirant and employer during 1583
the period of forfeiture and contributions made after the 1584
retirement allowance resumes shall be left on deposit with the 1585
system and used in the calculation of a benefit under section 1586
145.384 of the Revised Code. 1587

Sec. 145.40. (A)(1) Subject to the provisions of section 1588
145.57 of the Revised Code and except as provided in section 1589
145.402 of the Revised Code and division (B) of this section, if a 1590

member elects to become exempt from contribution to the public 1591
employees retirement system pursuant to section 145.03 of the 1592
Revised Code or ceases to be a public employee for any cause other 1593
than death, retirement, receipt of a disability benefit, or 1594
current employment in a position in which the member has elected 1595
to participate in an alternative retirement plan under section 1596
3305.05 of the Revised Code, upon application the public employees 1597
retirement board shall pay the member the member's accumulated 1598
contributions, plus any applicable amount calculated under section 1599
145.401 of the Revised Code, provided that ~~all~~ both the following 1600
apply: 1601

(a) Three months have elapsed since the member's ~~public~~ 1602
service subject to this chapter, other than service exempted from 1603
contribution pursuant to section 145.03 of the Revised Code, was 1604
terminated; 1605

(b) The member has not returned to ~~public~~ service subject to 1606
this chapter, other than service exempted from contribution 1607
pursuant to section 145.03 of the Revised Code, during that 1608
three-month period; 1609

~~(c) The member is not a member of the school employees~~ 1610
~~retirement system or the state teachers retirement system.~~ 1611

The payment of such accumulated contributions shall cancel 1612
the total service credit of such member in the public employees 1613
retirement system. 1614

(2) A member described in division (A)(1) of this section who 1615
is married at the time of application for payment and is eligible 1616
for age and service retirement under section 145.32, 145.33, 1617
145.331, or 145.34 of the Revised Code shall submit with the 1618
application a written statement by the member's spouse attesting 1619
that the spouse consents to the payment of the member's 1620
accumulated contributions. Consent shall be valid only if it is 1621

signed and witnessed by a notary public. 1622

The board may waive the requirement of consent if the spouse 1623
is incapacitated or cannot be located, or for any other reason 1624
specified by the board. Consent or waiver is effective only with 1625
regard to the spouse who is the subject of the consent or waiver. 1626

(B) This division applies to any member who is employed in a 1627
position in which the member has made an election under section 1628
3305.05 of the Revised Code and due to the election ceases to be a 1629
public employee for purposes of that position. 1630

Subject to section 145.57 of the Revised Code, the public 1631
employees retirement system shall do the following: 1632

(1) On receipt of a certified copy of a form evidencing an 1633
election under section 3305.05 of the Revised Code, pay to the 1634
appropriate provider, in accordance with section 3305.051 of the 1635
Revised Code, the amount described in section 3305.051 of the 1636
Revised Code; 1637

(2) If a member has accumulated contributions, in addition to 1638
those subject to division (B)(1) of this section, standing to the 1639
credit of the member's individual account and is not otherwise 1640
employed in a position in which the member is considered a public 1641
employee for the purposes of that position, pay, to the provider 1642
the member selected pursuant to section 3305.05 of the Revised 1643
Code, the member's accumulated contributions. The payment shall be 1644
made on the member's application. 1645

(C) Payment of a member's accumulated contributions under 1646
division (B) of this section cancels the member's total service 1647
credit in the public employees retirement system. A member whose 1648
accumulated contributions are paid to a provider pursuant to 1649
division (B) of this section is forever barred from claiming or 1650
purchasing service credit under the public employees retirement 1651
system for the period of employment attributable to those 1652

contributions.

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Sec. 145.402. (A) Except as provided in division (B) of this section, a member of the public employees retirement system who has ceased to be a public employee under this chapter and is also a member of either the state teachers retirement system or the school employees retirement system, or both, may not withdraw the member's accumulated contributions.

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(B) On application, the public employees retirement board shall pay a member described in division (A) of this section the member's accumulated contributions if either of the following applies:

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(1) The member also withdraws the member's contributions from the other system or systems.

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(2) The member is a participant in a plan established under section 3307.81 or 3309.81 of the Revised Code and has withdrawn the member's contributions under plans described in sections 3307.50 to 3307.79 and 3309.18 to 3309.70 of the Revised Code.

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

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(A)(1) If a deceased member was eligible for a service retirement benefit as provided in section 145.33, 145.331, or 145.34 of the Revised Code, a surviving spouse or other sole dependent beneficiary may elect to receive a monthly benefit computed as the joint-survivor benefit designated as "plan D" in section 145.46 of the Revised Code, which the member would have

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received had the member retired on the last day of the month of 1683
death and had the member at that time selected such joint-survivor 1684
plan. Payment shall begin with the month subsequent to the 1685
member's death, except that a surviving spouse who is less than 1686
sixty-five years old may defer receipt of such benefit. Upon 1687
receipt, the benefit shall be calculated based upon the spouse's 1688
age at the time of first payment, and shall accrue regular 1689
interest during the time of deferral. 1690

(2) Beginning on a date selected by the public employees 1691
retirement board, which shall be not later than July 1, 2004, a 1692
surviving spouse or other sole dependent beneficiary may elect, in 1693
lieu of a monthly payment under division (A)(1) of this section, a 1694
plan of payment consisting of both of the following: 1695

(a) A lump sum in an amount the surviving spouse or other 1696
sole dependent beneficiary designates that constitutes a portion 1697
of the allowance that would be payable under division (A)(1) of 1698
this section; 1699

(b) The remainder of that allowance in monthly payments. 1700

The total amount paid as a lump sum and a monthly benefit 1701
shall be the actuarial equivalent of the amount that would have 1702
been paid had the lump sum not been selected. 1703

The lump sum amount designated by the surviving spouse or 1704
other sole dependent beneficiary under division (A)(2)(a) of this 1705
section shall be not less than six times and not more than 1706
thirty-six times the monthly amount that would be payable to the 1707
surviving spouse or other sole dependent beneficiary under 1708
division (A)(1) of this section and shall not result in a monthly 1709
payment that is less than fifty per cent of that monthly amount. 1710

(B) If a deceased member had, except as provided in division 1711
(B)(7) of this section, at least one and one-half years of 1712
contributing service credit, with, except as provided in division 1713

(B)(7) of this section, at least one-quarter year of contributing
service credit within the two and one-half years prior to the date
of death, or was receiving at the time of death a disability
benefit as provided in section 145.36, 145.361, or 145.37 of the
Revised Code, qualified survivors who elect to receive monthly
benefits shall receive the greater of the benefits provided in
division (B)(1)(a) or (b) and (4) of this section as allocated in
accordance with division (B)(5) of this section.

(1)(a) Number				1722
of Qualified			Or	1723
survivors	Annual Benefit as a Per	Monthly Benefit		1724
affecting	Cent of Decedent's Final	shall not be		1725
the benefit	Average Salary	less than		1726
1	25%	\$250		1727
2	40	400		1728
3	50	500		1729
4	55	500		1730
5 or more	60	500		1731
(b) Years of	Annual Benefit as a Per Cent			1732
Service	of Member's Final Average			1733
	Salary			1734
20	29%			1735
21	33			1736
22	37			1737
23	41			1738
24	45			1739
25	48			1740
26	51			1741
27	54			1742
28	57			1743
29 or more	60			1744

(2) Benefits shall begin as qualified survivors meet 1745

eligibility requirements as follows: 1746

(a) A qualified spouse is the surviving spouse of the 1747
deceased member, who is age sixty-two, or regardless of age if the 1748
deceased member had ten or more years of Ohio service credit, or 1749
regardless of age if caring for a qualified child, or regardless 1750
of age if adjudged physically or mentally incompetent. A spouse of 1751
a member who died prior to August 27, 1970, whose eligibility was 1752
determined at the member's death, and who is physically or 1753
mentally incompetent on or after August 20, 1976, shall be paid 1754
the monthly benefit which that person would otherwise receive when 1755
qualified by age. 1756

(b) A qualified child is any child of the deceased member who 1757
has never been married and to whom one of the following applies: 1758
1759

(i) Is under age eighteen, or under age twenty-two if the 1760
child is attending an institution of learning or training pursuant 1761
to a program designed to complete in each school year the 1762
equivalent of at least two-thirds of the full-time curriculum 1763
requirements of such institution and as further determined by 1764
board policy; 1765

(ii) Regardless of age, is adjudged physically or mentally 1766
incompetent at the time of the member's death. 1767

(c) A qualified parent is a dependent parent aged sixty-five 1768
or older or regardless of age if physically or mentally 1769
incompetent, a dependent parent whose eligibility was determined 1770
by the member's death prior to August 20, 1976, and who is 1771
physically or mentally incompetent on or after August 20, 1976, 1772
shall be paid the monthly benefit for which that person would 1773
otherwise qualify. 1774

(3) "Physically or mentally incompetent" as used in this 1775
section may be determined by a court of jurisdiction, or by a 1776

physician appointed by the retirement board. Incapability of 1777
making a living because of a physically or mentally disabling 1778
condition shall meet the qualifications of this division. 1779

(4) Benefits to a qualified survivor shall terminate upon 1780
ceasing to meet eligibility requirements as provided in this 1781
division, a first marriage, abandonment, adoption, or during 1782
active military service. Benefits to a deceased member's surviving 1783
spouse that were terminated under a former version of this section 1784
that required termination due to remarriage and were not resumed 1785
prior to September 16, 1998, shall resume on the first day of the 1786
month immediately following receipt by the board of an application 1787
on a form provided by the board. 1788

Upon the death of any subsequent spouse who was a member of 1789
the public employees retirement system, state teachers retirement 1790
system, or school employees retirement system, the surviving 1791
spouse of such member may elect to continue receiving benefits 1792
under this division, or to receive survivor's benefits, based upon 1793
the subsequent spouse's membership in one or more of the systems, 1794
for which such surviving spouse is eligible under this section or 1795
section 3307.66 or 3309.45 of the Revised Code. If the surviving 1796
spouse elects to continue receiving benefits under this division, 1797
such election shall not preclude the payment of benefits under 1798
this division to any other qualified survivor. 1799

Benefits shall begin or resume on the first day of the month 1800
following the attainment of eligibility and shall terminate on the 1801
first day of the month following loss of eligibility. 1802

(5)(a) If a benefit is payable under division (B)(1)(a) of 1803
this section, benefits to a qualified spouse shall be paid in the 1804
amount determined for the first qualifying survivor in division 1805
(B)(1)(a) of this section. All other qualifying survivors shall 1806
share equally in the benefit or remaining portion thereof. 1807

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

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

(7) The restriction that the deceased member have at least one and one-half years of contributing service credit, with at least one-quarter year of contributing service within the two and one-half years prior to the date of death, does not apply if the deceased member was contributing toward benefits under division (B) or (C) of section 145.33 of the Revised Code at the time of death.

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

If, after determining the monthly benefits to be paid under division (B) of this section, the system receives notice that there is a qualified survivor who was not considered when the determination was made, the system shall, notwithstanding section 145.561 of the Revised Code, recalculate the monthly benefits with that qualified survivor included, even if the benefits to

qualified survivors already receiving benefits are reduced as a 1840
result. The benefits shall be calculated as if the qualified 1841
survivor who is the subject of the notice became eligible on the 1842
date the notice was received and shall be paid to qualified 1843
survivors effective on the first day of the first month following 1844
the system's receipt of the notice. 1845

If the retirement system did not receive notice that a 1846
deceased member has one or more qualified children prior to making 1847
payment under section 145.43 of the Revised Code to a beneficiary 1848
as determined by the retirement system, the payment is a full 1849
discharge and release of the system from any future claims under 1850
this section or section 145.43 of the Revised Code. 1851

(2) If benefits under division (C)(1) of this section to all 1852
persons, or to all persons other than a surviving spouse or other 1853
sole beneficiary, terminate, there are no children under the age 1854
of twenty-two years, and the surviving spouse or beneficiary 1855
qualifies for benefits under division (A) of this section, the 1856
surviving spouse or beneficiary may elect to receive benefits 1857
under division (A) of this section. The benefits shall be 1858
effective on the first day of the month immediately following the 1859
termination. 1860

(D) The final average salary used in the calculation of a 1861
benefit payable pursuant to division (A) or (B) of this section to 1862
a survivor or beneficiary of a disability benefit recipient shall 1863
be adjusted for each year between the disability benefit's 1864
effective date and the recipient's date of death by the lesser of 1865
three per cent or the actual average percentage increase in the 1866
consumer price index prepared by the United States bureau of labor 1867
statistics (U.S. city average for urban wage earners and clerical 1868
workers: "all items 1982-84=100"). 1869

(E) If the survivor benefits due and paid under this section 1870
are in a total amount less than the member's accumulated account 1871

that was transferred from the public employees' savings fund to 1872
the survivors' benefit fund, then the difference between the total 1873
amount of the benefits paid shall be paid to the beneficiary under 1874
section 145.43 of the Revised Code. 1875

Sec. 145.46. (A) A retirement allowance calculated under 1876
section 145.33, 145.331, or 145.34 of the Revised Code shall be 1877
paid as provided in this section. If the member is eligible to 1878
elect a plan of payment under this section, the election shall be 1879
made on a form provided by the public employees retirement board. 1880
A plan of payment elected under this section shall be effective 1881
only if approved by the board, which shall approve it only if it 1882
is certified by an actuary engaged by the board to be the 1883
actuarial equivalent of the retirement allowance calculated under 1884
section 145.33, 145.331, or 145.34 of the Revised Code. 1885

(B)(1) Unless the member is eligible to elect another plan of 1886
payment, a member who retires under section 145.32, 145.331, or 1887
145.34 of the Revised Code shall receive a retirement allowance 1888
under "plan A," which shall consist of the actuarial equivalent of 1889
the member's retirement allowance determined under section 145.33, 1890
145.331, or 145.34 of the Revised Code in a lesser amount payable 1891
for life and one-half of such allowance continuing after death to 1892
the member's surviving spouse for the life of the spouse. 1893

A member may elect to receive the member's retirement 1894
allowance under a plan of payment other than "plan A" if the 1895
member is not married or either the member's spouse consents in 1896
writing to the member's election of a plan of payment other than 1897
"plan A" or the board waives the requirement that the spouse 1898
consent. An application for retirement shall include an 1899
explanation of all of the following: 1900

(a) That, if the member is married, unless the spouse 1901
consents to another plan of payment, the member's retirement 1902

allowance will be paid under "plan A," which consists of the
actuarial equivalent of the member's retirement allowance in a
lesser amount payable for life and one-half of the allowance
continuing after death to the surviving spouse for the life of the
spouse;

(b) A description of the alternative plans of payment,
including all plans described in divisions (B)(2) and (3) of this
section, available with the consent of the spouse;

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

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

Consent shall be valid only if it is signed, in writing, and
witnessed by a notary public. The board may waive the requirement
of consent if the spouse is incapacitated or cannot be located or
for any other reason specified by the board. Consent or waiver is
effective only with regard to the spouse who is the subject of the
consent or waiver.

(2) A member eligible to elect to receive the member's
retirement allowance under a plan of payment other than "plan A"
shall receive the member's retirement allowance under the plan
described in division (B)(3) of this section or one of the
following plans ~~electd at the time the member makes application~~
~~for retirement:~~

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

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

beneficiary designated at the time of the member's retirement, 1934
provided that the amount payable to the beneficiary does not 1935
exceed the amount payable to the member; 1936

(c) "Plan D," which shall consist of the actuarial equivalent 1937
of the member's retirement allowance determined under section 1938
145.33, 145.331, or 145.34 of the Revised Code in a lesser amount 1939
payable for life and continuing after death to a surviving 1940
beneficiary designated at the time of the member's retirement; 1941

(d) "Plan E," which shall consist of the actuarial equivalent 1942
of the member's retirement allowance determined under section 1943
145.33, 145.331, or 145.34 of the Revised Code in a lesser amount 1944
payable for a certain period from the member's retirement date as 1945
elected by the member and approved by the retirement board, and on 1946
the member's death before the expiration of that certain period 1947
the member's lesser retirement allowance payable for the remainder 1948
of that period to the member's surviving designated beneficiary 1949
nominated by written designation filed with the retirement board. 1950

Should the nominated beneficiary designated in writing die 1952
prior to the expiration of the guarantee period, then for the 1953
purpose of completing payment for the remainder of the guarantee 1954
period, the present value of such payments shall be paid to the 1955
estate of the beneficiary last receiving. 1956

(3)(a) Beginning on a date selected by the retirement board, 1957
which shall be not later than July 1, 2004, a member may elect to 1958
receive a retirement allowance under a plan of payment consisting 1959
of both a lump sum in an amount the member designates that 1960
constitutes a portion of the member's retirement allowance under a 1961
plan described in division (B) of this section and the remainder 1962
as a monthly allowance under that plan. 1963

The total amount paid as a lump sum and a monthly benefit 1964

shall be the actuarial equivalent of the amount that would have
been paid had the lump sum not been selected.

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(b) The lump sum designated by a member shall be not less
than six times and not more than thirty-six times the monthly
amount that would be payable to the member under the plan of
payment elected under division (B)(3)(a) of this section had the
lump sum not been elected and shall not result in a monthly
allowance that is less than fifty per cent of that monthly amount.

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(4) An election under division (B)(2) or (3) of this section
shall be made at the time the member makes application for
retirement.

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

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

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(D)(1) The death of a spouse or any designated beneficiary
following retirement shall cancel any plan of payment to provide
continuing lifetime benefits to the spouse or beneficiary and
return the retirant to the retirant's single lifetime benefit
equivalent, as determined by the board, to be effective the month
following receipt by the board of notice of the death.

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(2) On divorce, annulment, or marriage dissolution, a 1996
retirant receiving a retirement allowance under a plan that 1997
provides for continuation of all or part of the allowance after 1998
death for the lifetime of the retirant's surviving spouse may, 1999
with the written consent of the spouse or pursuant to an order of 2000
the court with jurisdiction over the termination of the marriage, 2001
elect to cancel the plan and receive the member's single lifetime 2002
benefit equivalent as determined by the retirement board. The 2003
election shall be made on a form provided by the board and shall 2004
be effective the month following its receipt by the board. 2005

(E) Following a marriage or remarriage, a retirant who is 2006
receiving the retirant's retirement allowance under "plan B" may 2007
elect a new plan of payment under division (B)(1), (2)(b), or 2008
(2)(c) of this section based on the actuarial equivalent of the 2009
retirant's single lifetime benefit as determined by the board. The 2010
plan shall become effective the first day of the month following 2011
receipt by the board of an application on a form approved by the 2012
board. 2013

(F) Any person who, prior to July 24, 1990, selected an 2014
optional plan of payment at retirement that provided for a return 2015
to the single life benefit after the designated beneficiary's 2016
death shall have the retirant's benefit adjusted to the optional 2017
plan equivalent without such provision. 2018

(G) A retirant's receipt of the first month's retirement 2019
allowance constitutes the retirant's final acceptance of the plan 2020
of payment and may be changed only as provided in this chapter. 2021

Sec. 145.56. The right of an individual to a pension, an 2022
annuity, or a retirement allowance itself, the right of an 2023
individual to any optional benefit, any other right accrued or 2024
accruing to any individual, under this chapter, or under any 2025
municipal retirement system established subject to this chapter 2026

under the laws of this state or any charter, the various funds 2027
created by this chapter, or under such municipal retirement 2028
system, and all moneys, investments, and income from moneys or 2029
investments are exempt from any state tax, except the tax imposed 2030
by section 5747.02 of the Revised Code and are exempt from any 2031
county, municipal, or other local tax, except taxes imposed 2032
pursuant to section 5748.02 or 5748.08 of the Revised Code and, 2033
except as provided in ~~section~~ sections 145.57, 3105.171, 3105.65, 2034
and 3115.32 and Chapters 3119., 3121., 3123., and 3125. of the 2035
Revised Code, shall not be subject to execution, garnishment, 2036
attachment, the operation of bankruptcy or insolvency laws, or 2037
other process of law whatsoever, and shall be unassignable except 2038
as specifically provided in this chapter and sections 3105.171, 2039
3105.65~~,,~~, and 3115.32 and Chapters 3119., 3121., 3123., and 3125. 2040
of the Revised Code. 2041

Sec. 145.58. (A) As used in this section, "ineligible 2042
individual" means all of the following: 2043

(1) A former member receiving benefits pursuant to section 2044
145.32, 145.33, 145.331, 145.34, or 145.46 of the Revised Code for 2045
whom eligibility is established more than five years after June 2046
13, 1981, and who, at the time of establishing eligibility, has 2047
accrued less than ten years' service credit, exclusive of credit 2048
obtained pursuant to section 145.297 or 145.298 of the Revised 2049
Code, credit obtained after January 29, 1981, pursuant to section 2050
145.293 or 145.301 of the Revised Code, and credit obtained after 2051
May 4, 1992, pursuant to section 145.28 of the Revised Code; 2052

(2) The spouse of the former member; 2053

(3) The beneficiary of the former member receiving benefits 2054
pursuant to section 145.46 of the Revised Code. 2055

(B) The public employees retirement board may enter into 2056
agreements with insurance companies, health insuring corporations, 2057

or government agencies authorized to do business in the state for
issuance of a policy or contract of health, medical, hospital, or
surgical benefits, or any combination thereof, for those
individuals receiving age and service retirement or a disability
or survivor benefit subscribing to the plan, or for PERS retirants
employed under section 145.38 of the Revised Code, for coverage of
benefits in accordance with division (D)(2) of section 145.38 of
the Revised Code. Notwithstanding any other provision of this
chapter, the policy or contract may also include coverage for any
eligible individual's spouse and dependent children and for any of
the individual's sponsored dependents as the board determines
appropriate. If all or any portion of the policy or contract
premium is to be paid by any individual receiving age and service
retirement or a disability or survivor benefit, the individual
shall, by written authorization, instruct the board to deduct the
premium agreed to be paid by the individual to the company,
corporation, or agency.

The board may contract for coverage on the basis of part or
all of the cost of the coverage to be paid from appropriate funds
of the public employees retirement system. The cost paid from the
funds of the system shall be included in the employer's
contribution rate provided by sections 145.48 and 145.51 of the
Revised Code. The board may by rule provide coverage to ineligible
individuals if the coverage is provided at no cost to the
retirement system. The board shall not pay or reimburse the cost
for coverage under this section or section 145.325 of the Revised
Code for any ineligible individual.

The board may provide for self-insurance of risk or level of
risk as set forth in the contract with the companies,
corporations, or agencies, and may provide through the
self-insurance method specific benefits as authorized by rules of
the board.

(C) ~~If the board provides health, medical, hospital, or surgical benefits through any means other than a health insuring corporation, it shall offer to each individual eligible for the benefits the alternative of receiving benefits through enrollment in a health insuring corporation, if all of the following apply:~~

~~(1) The health insuring corporation provides services in the geographical area in which the individual lives;~~

~~(2) The eligible individual was receiving health care benefits through a health maintenance organization or a health insuring corporation before retirement;~~

~~(3) The rate and coverage provided by the health insuring corporation to eligible individuals is comparable to that currently provided by the board under division (B) of this section. If the rate or coverage provided by the health insuring corporation is not comparable to that currently provided by the board under division (B) of this section, the board may deduct the additional cost from the eligible individual's monthly benefit.~~

~~The health insuring corporation shall accept as an enrollee any eligible individual who requests enrollment.~~

~~The board shall permit each eligible individual to change from one plan to another at least once a year at a time determined by the board.~~

~~(D) The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of service retirement, or a disability or survivor benefit under the public employees retirement system who is eligible for medical insurance coverage under part B of Title XVIII of "The Social Security Act," 79 Stat. 301 (1965), 42 U.S.C.A. 1395j, as amended, an amount equal to the basic premium for such coverage, except that the board shall make no such payment to any ineligible individual.~~

~~(E)~~(D) The board shall establish by rule requirements for the 2121
coordination of any coverage, payment, or benefit provided under 2122
this section or section 145.325 of the Revised Code with any 2123
similar coverage, payment, or benefit made available to the same 2124
individual by the Ohio police and fire pension fund, state 2125
teachers retirement system, school employees retirement system, or 2126
state highway patrol retirement system. 2127

~~(F)~~(E) The board shall make all other necessary rules 2128
pursuant to the purpose and intent of this section. 2129

Sec. 145.80. The public employees retirement board shall 2130
adopt rules to implement each PERS defined contribution plan 2131
~~established under section 145.81 of the Revised Code.~~ 2132

Sec. 145.81. The public employees retirement board shall 2133
establish the PERS defined contribution plans, which shall be one 2134
or more plans consisting of benefit options that provide for an 2135
individual account for each participating member and under which 2136
benefits are based solely on the amounts that have accumulated in 2137
the account. The plans may include options under which a member 2138
participating in a plan may receive definitely determinable 2139
benefits. 2140

Each plan established under this section shall meet the 2141
requirements of sections 145.81 to 145.98 of the Revised Code and 2142
any rules adopted in accordance with section 145.80 of the Revised 2143
Code. It may include life insurance, annuities, variable 2144
annuities, regulated investment trusts, pooled investment funds, 2145
or other forms of investment. Each plan may also permit a 2146
participant to transfer participation to another plan created 2147
under this chapter. Transfers must be made in accordance with 2148
section 145.814 of the Revised Code. 2149

The board may administer the plans, enter into contracts with 2150

other entities to administer the plans, or both. 2151

Sec. 145.811. Each PERS defined contribution plan established 2152
~~under section 145.81 of the Revised Code~~ shall qualify as a 2153
governmental plan under section 414(d) of the "Internal Revenue 2154
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 414(d), as amended, and 2155
meet the requirements of section 401(a), of the "Internal Revenue 2156
Code of 1986," 26 U.S.C.A. 401(a), as amended, applicable to 2157
governmental plans. 2158

Sec. 145.812. Each PERS defined contribution plan established 2159
~~under section 145.81 of the Revised Code~~ shall meet the 2160
requirements necessary to qualify as a retirement system 2161
maintained by a state or local government entity under section 2162
3121(b)(7)(F) of the "Internal Revenue Code of 1986," 100 Stat. 2163
2085, 26 U.S.C.A. 3121(b)(7)(F), as amended. Each participant in a 2164
plan shall qualify as a member of that system. 2165

Sec. 145.813. Each PERS defined contribution plan established 2166
~~under section 145.81 of the Revised Code~~ shall require the public 2167
employees retirement board, or the entity administering the plan 2168
pursuant to a contract with the board, to cause an individual 2169
account to be maintained for each member participating in the 2170
plan. ~~A plan may include deposits to the defined contribution fund~~ 2171
Amounts to be credited to an individual account may be deposited 2172
into any of the funds created under section 145.23 of the Revised 2173
Code or ~~deposits under division (C) of that section to the~~ 2174
~~employees' savings fund~~ may be transferred to the entity 2175
administering the plan for deposit into the member's individual 2176
account. 2177

Sec. 145.814. (A) As used in this section: 2178

(1) "Additional liability" means an amount that, when added 2179

to the amount on deposit, will provide the remaining portion of
the pension reserve for the period of service that corresponds to
the contributions made by or on behalf of a member.

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(2) "Amount on deposit" means the sum of a member's employee
and employer contributions and, if applicable, any earnings or
losses on those contributions.

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(3) "Eligible member" means a member who was eligible to make
an election under section 145.19 or 145.191 of the Revised Code,
regardless of whether the member elected to participate in a PERS
defined contribution plan.

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(B) If permitted to do so by the plan documents for a PERS
defined contribution plan or rules governing the PERS defined
benefit plan, an eligible member may elect, at intervals specified
by the plan document or rules, to participate in a different
defined contribution plan or in the PERS defined benefit plan. The
election is subject to this section and rules adopted by the
public employees retirement board under sections 145.09 and 145.80
of the Revised Code. An election to participate in a different
plan shall be made in writing on a form provided by the public
employees retirement system and filed with the system. The
election shall take effect on the first day of the month following
the date the election is filed and, except as provided in the plan
documents or rules governing the PERS defined benefit plan, is
irrevocable on receipt by the system.

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(C)(1) Except as provided in division (C)(2) of this section,
an election to participate in a different plan shall apply only to
employee and employer contributions made and, if applicable,
service credit earned after the effective date of the election.

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(2) An eligible member may elect to have the member's amount
on deposit and, if applicable, service credit earned prior to the

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effective date of the election deposited and credited in 2211
accordance with the member's new plan if one of the following 2212
applies: 2213

(a) The member, by an election under this section, will cease 2214
participation in a PERS defined contribution plan that does not 2215
include definitely determinable benefits. 2216

(b) The member, by an election under division (A) of this 2217
section, will begin participating in the PERS defined benefit 2218
plan. 2219

(3) If a member described in division (C)(2) of this section 2220
makes the election described in that division, the board's actuary 2221
shall determine the additional liability to the system, if any. If 2222
the actuary determines that there is an additional liability, the 2223
member shall elect one of the following: 2224

(a) To receive the total amount of service credit that the 2225
member would have received had the member been participating in 2226
the new plan, pay to the system an amount equal to the additional 2227
liability; 2228

(b) Receive an amount of service credit that corresponds to 2229
the amount on deposit. 2230

For each member who makes the election described in division 2231
(C)(2) of this section, the system shall deposit and credit to the 2232
new plan the amount on deposit and, if applicable, the amount paid 2233
by the member. 2234

Sec. 145.82. (A) Except as provided in ~~division~~ divisions (B) 2235
and (C) of this section, sections 145.201 to 145.70 of the Revised 2236
Code do not apply to a PERS defined contribution plan ~~established~~ 2237
~~under section 145.81 of the Revised Code~~, except that a PERS 2238
defined contribution plan may incorporate provisions of those 2239
sections as specified in the plan document. 2240

(B) The following sections of Chapter 145. of the Revised Code apply to a PERS defined contribution plan established under section 145.81 of the Revised Code: 145.22, 145.221, 145.23, 145.25, 145.26, 145.27, 145.296, 145.38, 145.382, 145.383, 145.384, 145.391, 145.47, 145.471, 145.48, 145.483, 145.49, 145.51, 145.54, 145.55, 145.56, 145.561, 145.563, 145.57, 145.571, 145.69, and 145.70 of the Revised Code.

(C) A PERS defined contribution plan that includes definitely determinable benefits may incorporate by reference all or part of sections 145.201 to 145.79 of the Revised Code to allow a member participating in the plan to purchase service credit or to be eligible for any of the following:

(1) Retirement, disability, survivor, or death benefits;

(2) Health or long-term care insurance or any other type of health care benefit;

(3) Additional increases under section 145.323 of the Revised Code;

(4) A refund of contributions made by or on behalf of a member.

With respect to the benefits described in division (C)(1) of this section, the public employees retirement board may establish eligibility requirements and benefit formulas or amounts that differ from those of members participating in the PERS defined benefit plan. With respect to the purchase of service credit by a member participating in a PERS defined contribution plan, the board may reduce the cost of the service credit to reflect the different benefit formula established for the member.

Sec. 145.83. A PERS defined contribution plan may include a program under which a participating member is required to accumulate a portion of the amount contributed under section

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145.86 of the Revised Code for the purpose of providing funds to
the member for the payment of health, medical, hospital, surgical,
dental, or vision care expenses, including insurance premiums,
deductible amounts, or copayments. The program may be a voluntary
employees' beneficiary association, as described in section
501(c)(9) of the "Internal Revenue Code of 1986," 100 Stat. 2085,
26 U.S.C.A. 501(c)(9), as amended; a medical savings account; or a
similar type of program under which an individual may accumulate
funds for the purpose of paying such expenses. To implement the
program, the public employees retirement board may enter into
agreements with insurance companies or other entities authorized
to conduct business in this state.

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If a PERS defined contribution plan includes a program
described in this section, the board shall adopt rules to
establish and administer the program. The rules shall specify the
length of time during which the member will vest in amounts
accumulated on the member's behalf and may provide for a minimum
annual distribution from the accumulated amount after the member
terminates employment in positions subject to this chapter.

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

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Sec. 145.86. For each member participating in a PERS defined
contribution plan ~~established under section 145.81 of the Revised~~
~~Code~~, the employer shall contribute a per cent of the member's
earnable salary to the public employees retirement system as

required in section 145.48 of the Revised Code, less the 2302
percentage required under section 145.87 of the Revised Code. 2303

Sec. 145.87. For each member participating in a PERS defined 2304
contribution plan ~~established under section 145.81 of the Revised~~ 2305
~~Code~~, the public employees retirement system shall transfer to the 2306
employers' accumulation fund a portion of the employer 2307
contribution required under section 145.48 of the Revised Code. 2308
The portion shall equal the percentage of earnable salary of 2309
members for whom the contributions are being made that is 2310
determined by an actuary appointed by the public employees 2311
retirement board to be necessary to mitigate any negative 2312
financial impact on the system of members' participation in a 2313
plan. 2314

The board shall have prepared annually an actuarial study to 2315
determine whether the percentage transferred under this section 2316
should be changed to reflect a change in the level of negative 2317
financial impact resulting from members' participation in a plan. 2318
The percentage transferred shall be increased or decreased to 2319
reflect the amount needed to mitigate the negative financial 2320
impact, if any, on the system, as determined by the study. A 2321
change shall take effect on the first day of the year following 2322
the date the conclusions of the study are reported to the board. 2323

The system shall make the transfer required under this 2324
section until the unfunded actuarial accrued liability for all 2325
benefits, except health care benefits provided under section 2326
145.325 or 145.58 of the Revised Code and benefit increases to 2327
members and former members participating in the PERS defined 2328
benefit plan ~~described in sections 145.201 to 145.70 of the~~ 2329
~~Revised Code~~ granted after ~~the effective date of this section~~ 2330
September 21, 2000, is fully amortized, as determined by the 2331
annual actuarial valuation prepared under section 145.22 of the 2332
Revised Code. 2333

Sec. 145.88. Amounts contributed under sections 145.85 and 2334
145.86 of the Revised Code, and any earnings on those amounts, 2335
shall be deposited and credited in accordance with the PERS 2336
defined contribution plan established under section 145.81 of the 2337
Revised Code that is selected by the member. The plan may include 2338
provisions authorizing the public employees retirement system to 2339
do either of the following: 2340

(A) Withhold from the amounts contributed under section 2341
145.85 of the Revised Code a percentage of earnable salary that is 2342
determined by an actuary appointed by the public employees 2343
retirement board to be necessary to administer the plan; 2344

(B) Withhold from the amounts contributed under section 2345
145.86 of the Revised Code a percentage of earnable salary for the 2346
purpose of funding health care insurance coverage or any other 2347
type of health care benefit for a member participating in the 2348
plan. 2349

Sec. 145.91. The right of each member participating in a PERS 2350
defined contribution plan established under section 145.81 of the 2351
Revised Code to a retirement, disability, survivor, or death 2352
benefit, to health or long-term care insurance or any other type 2353
of health care benefit, or to a withdrawal of any amounts that 2354
have accumulated on the member's behalf shall be governed 2355
exclusively by the plan selected by the member. 2356

Sec. 145.92. If a member participating in a PERS defined 2357
contribution plan established under section 145.81 of the Revised 2358
Code is married at the time benefits under the plan are to 2359
commence, before making any payment the public employees 2360
retirement system, or the entity administering the plan pursuant 2361
to a contract with the public employees retirement board, shall 2362
obtain the consent of the member's spouse to the form of payment 2363

~~selected by the member unless the spouse consents to another plan~~ 2364
~~of payment, the member's retirement allowance under the plan shall~~ 2365
~~be paid in a lesser amount payable for life and one-half of the~~ 2366
~~allowance continuing after death to the surviving spouse for the~~ 2367
~~life of the spouse.~~ 2368

~~A plan established under section 145.81 of the Revised Code~~ 2369
~~shall include requirements for consent under this section that are~~ 2370
~~the same as the requirements specified in section 417(a)(2) of the~~ 2371
~~"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A.~~ 2372
~~417(a)(2), as amended. Consent is valid only if it is evidenced by~~ 2373
~~a written document signed by the member and the signature is~~ 2374
~~witnessed by a notary public. A plan may waive the requirement of~~ 2375
~~consent if the spouse is incapacitated or cannot be located or for~~ 2376
~~any other reason specified by the plan or in the regulations~~ 2377
~~adopted under that section rules adopted by the public employees~~ 2378
~~retirement board.~~ 2379

Consent or waiver is effective only with regard to the spouse 2380
who is the subject of the consent or waiver. 2381

Sec. 145.95. Subject to sections 145.38, 145.56, and 145.57 2382
of the Revised Code, the right of a member participating in a PERS 2383
defined contribution plan ~~established under section 145.81 of the~~ 2384
~~Revised Code~~ to any payment or benefit accruing from contributions 2385
made by or on behalf of the member under sections 145.85 and 2386
145.86 of the Revised Code shall vest in accordance with this 2387
section. 2388

A member's right to any payment or benefit that is based on 2389
the member's contributions is nonforfeitable. 2390

A member's right to any payment or benefit that is based on 2391
contributions by the member's employer is nonforfeitable as 2392
specified by the plan selected by the member. 2393

Sec. 145.97. Each PERS defined contribution plan ~~established~~ 2394
~~under section 145.81 of the Revised Code~~ shall permit a member 2395
participating in the plan to do all of the following: 2396

(A) Maintain on deposit with the public employees retirement 2397
system, or the entity administering the plan pursuant to a 2398
contract with the public employees retirement board, any amounts 2399
that have accumulated on behalf of the member; 2400

(B) If the member has withdrawn the amounts described in 2401
division (A) of this section, redeposit with returns to employment 2402
covered under this chapter, and is participating in a plan that 2403
includes definitely determinable benefits, pay to the system or 2404
~~the entity administering the plan~~ the amounts withdrawn in 2405
accordance with section 145.31 of the Revised Code; 2406

(C) Make additional deposits as permitted by the "Internal 2407
Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 2408

Sec. 742.14. (A) The board of trustees of the Ohio police and 2409
fire pension fund shall have prepared annually by or under the 2410
supervision of an actuary an actuarial valuation of the pension 2411
assets, liabilities, and funding requirements of the Ohio police 2412
and fire pension fund as established pursuant to sections 742.01 2413
to 742.61 of the Revised Code. The actuary shall complete the 2414
valuation in accordance with actuarial standards of practice 2415
promulgated by the actuarial standards board of the American 2416
academy of actuaries and prepare a report of the valuation. The 2417
report shall include all of the following: 2418

(1) A summary of the benefit provisions evaluated; 2419

(2) A summary of the census data and financial information 2420
used in the valuation; 2421

(3) A description of the actuarial assumptions, actuarial 2422

cost method, and asset valuation method used in the valuation, 2423
including a statement of the assumed rate of payroll growth and 2424
assumed rate of growth or decline in the number of members of the 2425
fund contributing to the pension fund; 2426

(4) A summary of findings that includes a statement of the 2427
actuarial accrued pension liabilities and unfunded actuarial 2428
accrued pension liabilities; 2429

(5) A schedule showing the effect of any changes in the 2430
benefit provisions, actuarial assumptions, or cost methods since 2431
the last annual actuarial valuation; 2432

(6) A statement of whether contributions to the pension fund 2433
are expected to be sufficient to satisfy the funding objectives 2434
established by the board. 2435

The board shall submit the report to the Ohio retirement 2436
study council and the standing committees of the house of 2437
representatives and the senate with primary responsibility for 2438
retirement legislation not later than the first day of November 2439
following the year for which the valuation was made. 2440

(B) The board shall annually thereafter have prepared by an 2441
actuary a report showing the adequacy of the rate of the police 2442
officer employers' contribution provided for by section 742.33 of 2443
the Revised Code, and the adequacy of the rate of the firefighter 2444
employers' contribution provided for by section 742.34 of the 2445
Revised Code. 2446

(C) At such times as the board determines, and at least once 2447
in each quinquennial period, the board shall have prepared by or 2448
under the supervision of an actuary an actuarial investigation of 2449
the mortality, service, and other experience of the members of the 2450
fund and of other system retirants, as defined in section 742.26 2451
of the Revised Code, who are members of a police department or a 2452
fire department to update the actuarial assumptions used in the 2453

actuarial valuation required by division (A) of this section. The 2454
actuary shall prepare a report of the actuarial investigation. The 2455
report shall be prepared and any recommended changes in actuarial 2456
assumptions shall be made in accordance with the actuarial 2457
standards of practice promulgated by the actuarial standards board 2458
of the American academy of actuaries. The report shall include all 2459
of the following: 2460

(1) A summary of relevant decrement and economic assumption 2461
experience observed over the period of the investigation; 2462

(2) Recommended changes in actuarial assumptions to be used 2463
in subsequent actuarial valuations required by division (A) of 2464
this section; 2465

(3) A measurement of the financial effect of the recommended 2466
changes in actuarial assumptions; 2467

(4) If the investigation required by this division includes 2468
the investigation required by division (F) of this section, a 2469
report of the result of that investigation. 2470

The board shall submit the report to the Ohio retirement 2471
study council and the standing committees of the house of 2472
representatives and the senate with primary responsibility for 2473
retirement legislation not later than the first day of November 2474
following the last fiscal year of the period the report covers. 2475

(D) The board shall have prepared by or under the supervision 2476
of an actuary an actuarial analysis of any introduced legislation 2477
expected to have a measurable financial impact on the pension 2478
fund. The actuarial analysis shall be completed in accordance with 2479
the actuarial standards of practice promulgated by the actuarial 2480
standards board of the American academy of actuaries. The actuary 2481
shall prepare a report of the actuarial analysis, which shall 2482
include all of the following: 2483

(1) A summary of the statutory changes that are being 2484

evaluated; 2485

(2) A description of or reference to the actuarial 2486
assumptions and actuarial cost method used in the report; 2487

(3) A description of the participant group or groups included 2488
in the report; 2489

(4) A statement of the financial impact of the legislation, 2490
including the resulting increase, if any, in the employer normal 2491
cost percentage; the increase, if any, in actuarial accrued 2492
liabilities; and the per cent of payroll that would be required to 2493
amortize the increase in actuarial accrued liabilities as a level 2494
per cent of covered payroll for all active members of the fund 2495
over a period not to exceed thirty years; 2496

(5) A statement of whether the scheduled contributions to the 2497
system after the proposed change is enacted are expected to be 2498
sufficient to satisfy the funding objectives established by the 2499
board. 2500

Not later than sixty days from the date of introduction of 2501
the legislation, the board shall submit a copy of the actuarial 2502
analysis to the legislative service commission, the standing 2503
committees of the house of representatives and the senate with 2504
primary responsibility for retirement legislation, and the Ohio 2505
retirement study council. 2506

(E) The board shall have prepared annually a report giving a 2507
full accounting of the revenues and costs relating to the 2508
provision of benefits under section 742.45 of the Revised Code. 2509
The report shall be made as of December 31, 1997, and the 2510
thirty-first day of December of each year thereafter. The report 2511
shall include the following: 2512

(1) A description of the statutory authority for the benefits 2513
provided; 2514

(2) A summary of the benefits;	2515
(3) A summary of the eligibility requirements for the benefits;	2516 2517
(4) A statement of the number of participants eligible for the benefits;	2518 2519
(5) A description of the accounting, asset valuation, and funding method used to provide the benefits;	2520 2521
(6) A statement of the net assets available for the provision of the benefits as of the last day of the fiscal year;	2522 2523
(7) A statement of any changes in the net assets available for the provision of benefits, including participant and employer contributions, net investment income, administrative expenses, and benefits provided to participants, as of the last day of the fiscal year;	2524 2525 2526 2527 2528
(8) For the last six consecutive fiscal years, a schedule of the net assets available for the benefits, the annual cost of benefits, administrative expenses incurred, and annual employer contributions allocated for the provision of benefits;	2529 2530 2531 2532
(9) A description of any significant changes that affect the comparability of the report required under this division;	2533 2534
(10) A statement of the amount paid under division (C) (B) of section 742.45 of the Revised Code.	2535 2536
The board shall submit the report to the Ohio retirement study council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the thirtieth day of June following the year for which the report was made.	2537 2538 2539 2540 2541
(F) At least once in each quinquennial period, the board shall have prepared by or under the supervision of an actuary an actuarial investigation of the deferred retirement option plan	2542 2543 2544

established under section 742.43 of the Revised Code. The 2545
investigation shall include an examination of the financial 2546
impact, if any, on the fund of offering the plan to members. 2547

The actuary shall prepare a report of the actuarial 2548
investigation. The report shall include a determination of whether 2549
the plan, as established or modified, has a negative financial 2550
impact on the fund and, if so, recommendations on how to modify 2551
the plan to eliminate the negative financial impact. If the 2552
actuarial report indicates that the plan has a negative financial 2553
impact on the fund, the board may modify the plan or cease to 2554
allow members who have not already done so to elect to participate 2555
in the plan. The firefighter and police officers employers' 2556
contributions shall not be increased to offset any negative 2557
financial impact of the plan. 2558

If the board ceases to allow members to elect to participate 2559
in the plan, the rights and obligations of members who have 2560
already elected to participate shall not be altered. 2561

The board may include the actuarial investigation required 2562
under this division as part of the actuarial investigation 2563
required under division (C) of this section. If the report of the 2564
actuarial investigation required by this division is not included 2565
in the report required by division (C) of this section, the board 2566
shall submit the report required by this division to the Ohio 2567
retirement study council and the standing committees of the house 2568
of representatives and the senate with primary responsibility for 2569
retirement legislation not later than the first day of November 2570
following the last fiscal year of the period the report covers. 2571

Sec. 742.37. The board of trustees of the Ohio police and 2572
fire pension fund shall adopt rules for the management of the fund 2573
and for the disbursement of benefits and pensions as set forth in 2574
this section and section 742.39 of the Revised Code. Any payment 2575

of a benefit or pension under this section is subject to the 2576
provisions of section 742.461 of the Revised Code. Notwithstanding 2577
any other provision of this section, no pension or benefit paid or 2578
determined under division (B) or (C) of this section or section 2579
742.39 of the Revised Code shall exceed the limit established by 2580
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2581
2085, 26 U.S.C.A. 415, as amended. 2582

(A) Persons who were receiving benefit or pension payments 2583
from a police relief and pension fund established under former 2584
section 741.32 of the Revised Code, or from a firemen's relief and 2585
pension fund established under former section 521.02 or 741.02 of 2586
the Revised Code, at the time the assets of the fund were 2587
transferred to the Ohio police and fire pension fund, known at 2588
that time as the police and firemen's disability and pension fund, 2589
shall receive benefit and pension payments from the Ohio police 2590
and fire pension fund in the same amount and subject to the same 2591
conditions as such payments were being made from the former fund 2592
on the date of the transfer. 2593

(B) A member of the fund who, pursuant to law, elected to 2594
receive benefits and pensions from a police relief and pension 2595
fund established under former section 741.32 of the Revised Code, 2596
or from a firemen's relief and pension fund established under 2597
former section 741.02 of the Revised Code, in accordance with the 2598
rules of the fund governing the granting of benefits or pensions 2599
therefrom in force on April 1, 1947, shall receive benefits and 2600
pensions from the Ohio police and fire pension fund in accordance 2601
with such rules; provided, that any member of the fund who is not 2602
receiving a benefit or pension from the fund on August 12, 1975, 2603
may, upon application for a benefit or pension to be received on 2604
or after August 12, 1975, elect to receive a benefit or pension in 2605
accordance with division (C) of this section. 2606

(C) Members of the fund who have not elected to receive 2607

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 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.

(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.

(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
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. 2672

(D)(1) Except as provided in division (D)(2) of this section, 2673
a surviving spouse of a deceased member of the fund or a surviving 2674
spouse described in division (D)(4) of this section shall receive 2675
a monthly pension as follows: 2676

(a) For the period beginning July 1, 1999, and ending June 2677
30, 2000, five hundred fifty dollars; 2678

(b) For the period beginning July 1, 2000, and ending June 2679
30, 2002, five hundred fifty dollars plus an amount determined by 2680
multiplying five hundred fifty dollars by the average percentage 2681
change in the consumer price index, not exceeding three per cent, 2682
as determined by the board under former section 742.3716 of the 2683
Revised Code; 2684

(c) For the period beginning July 1, 2002, and the period 2685
beginning the first day of July of each year thereafter and 2686
continuing for the following twelve months, an amount equal to the 2687
monthly amount paid during the prior twelve-month period plus 2688
sixteen dollars and fifty cents. 2689

(2) A surviving spouse of a deceased member of the fund shall 2690
receive a monthly pension of four hundred ten dollars if the 2691
surviving spouse is eligible for a benefit under division (B) or 2692
(D) of section 742.63 of the Revised Code. If the surviving spouse 2693
ceases to be eligible for a benefit under division (B) or (D) of 2694
section 742.63 of the Revised Code, the pension shall be 2695
increased, effective the first day of the first month following 2696
the day on which the surviving spouse ceases to be eligible for 2697
the benefit, to the amount it would be under division (D)(1) of 2698
this section had the spouse never been eligible for a benefit 2699
under division (B) or (D) of section 742.63 of the Revised Code. 2700

(3) A pension paid under this division shall continue during 2701
the natural life of the surviving spouse. Benefits to a deceased 2702

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

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

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

(E)(1) Each surviving child of a deceased member of the fund
shall receive a monthly pension until the child attains the age of
eighteen years, or marries, whichever event occurs first. A
pension under this division, however, shall continue to be payable
to a child under age twenty-two who is a student in and attending
an institution of learning or training pursuant to a program
designed to complete in each school year the equivalent of at
least two-thirds of the full-time curriculum requirements of the
institution, as determined by the board. If any surviving child,
regardless of age at the time of the member's death, because of
physical or mental disability, is totally dependent upon the
deceased member for support at the time of death, the child shall
receive a monthly pension under this division during the child's
natural life or until the child has recovered from the disability.

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

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

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

~~(b)~~(c) For the period beginning July 1, 2003, and the period beginning 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 four dollars and fifty cents.

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

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

(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;

(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;

(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 2765
prior twelve-month period plus three dollars for each parent or 2766
six dollars for a sole dependent parent. 2767

(G) Subject to the provisions of section 742.461 of the 2768
Revised Code, a member of the fund who voluntarily resigns or is 2769
removed from active service in a police or fire department is 2770
entitled to receive an amount equal to the sums deducted from the 2771
member's salary and credited to the member's account in the fund, 2772
except that a member receiving a disability benefit or service 2773
pension is not entitled to receive any return of contributions to 2774
the fund. 2775

(H) On and after January 1, 1970, all pensions shall be 2776
increased in accordance with the following provisions: 2777

(1) A member of the fund who retired prior to January 1, 2778
1967, has attained age sixty-five on January 1, 1970, and was 2779
receiving a pension on December 31, 1969, pursuant to division (B) 2780
or (C)(1) of this section or former division (C)(2), (3), (4), or 2781
(5) of this section, shall have the pension increased by ten per 2782
cent. 2783

(2) The monthly pension payable to eligible surviving spouses 2784
under division (D) of this section shall be increased by forty 2785
dollars for each surviving spouse receiving a pension on December 2786
31, 1969. 2787

(3) The monthly pension payable to each eligible child under 2788
division (E) of this section shall be increased by ten dollars for 2789
each child receiving a pension on December 31, 1969. 2790

(4) The monthly pension payable to each eligible dependent 2791
parent under division (F) of this section shall be increased by 2792
thirty dollars for each parent receiving a pension on December 31, 2793
1969. 2794

(5) A member of the fund, including a survivor of a member, 2795

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

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

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

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

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

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

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

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

(J) On and after July 1, 1977, a member of the fund who was 2826
receiving an annual pension or benefit on December 31, 1973, 2827
pursuant to division (B) of this section, based upon partial 2828
disability, off-duty disability, or early vested service, or 2829
pursuant to former division (C)(3), (5), or (6) of this section, 2830
shall have such annual pension or benefit increased by three 2831
hundred dollars. 2832

The following are not eligible to receive the increase 2833
provided by this division: 2834

(1) A member of the fund who is receiving a pension or 2835
benefit in accordance with the rules in force on April 1, 1947, 2836
governing the granting of pensions and benefits, which provide an 2837
increase in the original pension or benefit from time to time 2838
pursuant to changes in the salaries of active members; 2839

(2) A member of the fund who is receiving a pension or 2840
benefit under division (B) or (C)(2) of this section or former 2841
division (C)(3), (5), or (6) of this section based on volunteer or 2842
part-time service. 2843

(K)(1) Except as otherwise provided in this division, every 2844
person who on July 24, 1986, is receiving an age and service or 2845
disability pension, allowance, or benefit pursuant to this chapter 2846
in an amount less than thirteen thousand dollars a year that is 2847
based upon an award made effective prior to February 28, 1984, 2848
shall receive an increase of six hundred dollars a year or the 2849
amount necessary to increase the pension or benefit to four 2850
thousand two hundred dollars after all adjustments required by 2851
this section, whichever is greater. 2852

(2) Division (K)(1) of this section does not apply to the 2853
following: 2854

(a) A member of the fund who is receiving a pension or 2855
benefit in accordance with rules in force on April 1, 1947, that 2856

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

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

(L) On and after July 24, 1986:

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

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

Sec. ~~742.372~~ 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 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 ~~the time~~ previously
served in the active full-time service of ~~another~~ an Ohio police
or fire department, provided both of the following occur:

(A) The member was a member of a police or firemen's relief
and pension fund or the Ohio police and fire pension fund during
the ~~full-time~~ entire period for which such active service credit
is claimed.

(B) The member pays into the Ohio police and fire pension
fund the amount received by the member under division (I) of
former section 521.11, division (I) of former section 741.18,
division (I) of former section 741.49, or division (G) of section
742.37 of the Revised Code, with interest compounded annually
thereon at a rate to be determined by the board of trustees of the

Ohio police and fire pension fund, from the date of such receipt 2887
to the date of such deposit, ~~or there is to the member's credit in~~ 2888
~~the police officers' contribution fund an amount equal to the sums~~ 2889
~~contributed by the member to such police or firemen's relief and~~ 2890
~~pension fund or to the Ohio police and fire pension fund for the~~ 2891
~~full time for which such active service credit is claimed.~~ 2892

Subject to board rules, a member may choose to purchase in 2893
any one payment only part of the credit that may be purchased 2894
under this section. 2895

At the request of the fund, the employer shall certify to the 2896
board the dates the member was in the active service of the police 2897
or fire department. 2898

Sec. 742.45. (A) The board of trustees of the Ohio police and 2899
fire pension fund may enter into an agreement with insurance 2900
companies, health insuring corporations, or government agencies 2901
authorized to do business in the state for issuance of a policy or 2902
contract of health, medical, hospital, or surgical benefits, or 2903
any combination thereof, for those individuals receiving service 2904
or disability pensions or survivor benefits subscribing to the 2905
plan. Notwithstanding any other provision of this chapter, the 2906
policy or contract may also include coverage for any eligible 2907
individual's spouse and dependent children and for any of the 2908
eligible individual's sponsored dependents as the board considers 2909
appropriate. 2910

If all or any portion of the policy or contract premium is to 2911
be paid by any individual receiving a service, disability, or 2912
survivor pension or benefit, the individual shall, by written 2913
authorization, instruct the board to deduct from the individual's 2914
benefit the premium agreed to be paid by the individual to the 2915
company, corporation, or agency. 2916

The board may contract for coverage on the basis of part or 2917

all of the cost of the coverage to be paid from appropriate funds 2918
of the Ohio police and fire pension fund. The cost paid from the 2919
funds of the Ohio police and fire pension fund shall be included 2920
in the employer's contribution rates provided by sections 742.33 2921
and 742.34 of the Revised Code. 2922

The board may provide for self-insurance of risk or level of 2923
risk as set forth in the contract with the companies, 2924
corporations, or agencies, and may provide through the 2925
self-insurance method specific benefits as authorized by the rules 2926
of the board. 2927

~~(B) If the board provides health, medical, hospital, or 2928
surgical benefits through any means other than a health insuring 2929
corporation, it shall offer to each individual eligible for the 2930
benefits the alternative of receiving benefits through enrollment 2931
in a health insuring corporation, if all of the following apply: 2932~~

~~(1) The health insuring corporation provides health care 2933
services in the geographical area in which the individual lives; 2934~~

~~(2) The eligible individual was receiving health care 2935
benefits through a health or a health insuring corporation before 2936
retirement; 2937~~

~~(3) The rate and coverage provided by the health insuring 2938
corporation to eligible individuals is comparable to that 2939
currently provided by the board under division (A) of this 2940
section. If the rate or coverage provided by the health insuring 2941
corporation is not comparable to that currently provided by the 2942
board under division (A) of this section, the board may deduct the 2943
additional cost from the eligible individual's monthly benefit. 2944~~

~~The health insuring corporation shall accept as an enrollee 2945
any eligible individual who requests enrollment. 2946~~

~~The board shall permit each eligible individual to change 2947
from one plan to another at least once a year at a time determined 2948~~

~~by the board.~~

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~~(E)~~ The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of service, disability, or survivor benefits under the Ohio police and fire pension fund who is eligible for medical insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, an amount equal to the basic premiums for such coverage.

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~~(D)~~(C) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section with any similar coverage, payment, or benefit made available to the same individual by the public employees retirement system, state teachers retirement system, school employees retirement system, or state highway patrol retirement system.

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~~(E)~~(D) The board shall make all other necessary rules pursuant to the purpose and intent of this section.

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Sec. 3105.80. As used in this section and sections 3105.81 to 3105.90 of the Revised Code:

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(A) "Alternate payee" means a party in an action for divorce, legal separation, annulment, or dissolution of marriage who is to receive one or more payments from a benefit or lump sum payment under an order issued under section 3105.171 or 3105.65 of the Revised Code that is in compliance with sections 3105.81 to 3105.90 of the Revised Code.

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(B) "Benefit" means a periodic payment under a pension, annuity, allowance, or other type of benefit, other than a survivor benefit, that has been or may be granted to a participant under sections 742.01 to 742.61 or Chapter 145., 3307., 3309., or 5505. of the Revised Code or any payment that is to be made under

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a contract a participant has entered into for the purposes of an
alternative retirement plan. "Benefit" also includes all amounts
received or to be received under a plan of payment elected under
division (B)(3) of section 145.46, division (B) of section
3307.60, or division (B)(3) of section 3309.46 of the Revised
Code.

(C) "Lump sum payment" means a payment of accumulated
contributions standing to a participant's credit under sections
742.01 to 742.61 or Chapter 145., 3307., 3309., or 5505. of the
Revised Code or pursuant to a contract a participant has entered
into for the purposes of an alternative retirement plan and any
other payment made or that may be made to a participant under
those sections or chapters on withdrawal of a participant's
contributions. "Lump sum payment" includes a lump sum payment
under section 145.384, 742.26, 3307.352, or 3309.344 of the
Revised Code.

(D) "Participant" means a member, contributor, retirant, or
disability benefit recipient who is or will be entitled to a
benefit or lump sum payment under sections 742.01 to 742.61 or
Chapter 145., 3307., 3309., or 5505. of the Revised Code or an
academic or administrative employee who elects to participate in
an alternative retirement plan under Chapter 3305. of the Revised
Code.

(E) "Personal history record" has the same meaning as in
section 145.27, 742.41, 3305.20, 3307.20, 3309.22, and 5505.04 of
the Revised Code.

(F) "Public retirement program" means the public employees
retirement system, Ohio police and fire pension fund, school
employees retirement system, state teachers retirement system,
state highway patrol retirement system, or an entity providing an
alternative retirement plan under Chapter 3305. of the Revised
Code.

Sec. 3307.01. As used in this chapter: 3011

(A) "Employer" means the board of education, school district, 3012
governing authority of any community school established under 3013
Chapter 3314. of the Revised Code, college, university, 3014
institution, or other agency within the state by which a teacher 3015
is employed and paid. 3016

(B) "Teacher" means all of the following: 3017

(1) Any person paid from public funds and employed in the 3018
public schools of the state under any type of contract described 3019
in section 3319.08 of the Revised Code in a position for which the 3020
person is required to have a license issued pursuant to sections 3021
3319.22 to 3319.31 of the Revised Code; 3022

(2) Any person employed as a teacher by a community school 3023
pursuant to Chapter 3314. of the Revised Code; 3024

(3) Any person holding an internship certificate issued under 3025
section 3319.28 of the Revised Code and employed in a public 3026
school in this state; 3027

(4) Any person having a license issued pursuant to sections 3028
3319.22 to 3319.31 of the Revised Code and employed in a public 3029
school in this state in an educational position, as determined by 3030
the state board of education, under programs provided for by 3031
federal acts or regulations and financed in whole or in part from 3032
federal funds, but for which no licensure requirements for the 3033
position can be made under the provisions of such federal acts or 3034
regulations; 3035

(5) Any other teacher or faculty member employed in any 3036
school, college, university, institution, or other agency wholly 3037
controlled and managed, and supported in whole or in part, by the 3038
state or any political subdivision thereof, including Central 3039
state university, Cleveland state university, the university of 3040

Toledo, and the medical college of Ohio at Toledo; 3041

(6) The educational employees of the department of education, 3042
as determined by the state superintendent of public instruction. 3043

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In all cases of doubt, the state teachers retirement board 3045
shall determine whether any person is a teacher, and its decision 3046
shall be final. 3047

"Teacher" does not include any academic or administrative 3048
employee of a public institution of higher education, as defined 3049
in section 3305.01 of the Revised Code, who participates in an 3050
alternative retirement plan established under Chapter 3305. of the 3051
Revised Code. 3052

(C) "Member" means any person included in the membership of 3053
the state teachers retirement system, which shall consist of all 3054
teachers and contributors as defined in divisions (B) and (D) of 3055
this section and all disability benefit recipients, as defined in 3056
section 3307.50 of the Revised Code. However, for purposes of this 3057
chapter, the following persons shall not be considered members: 3058

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(1) A student, intern, or resident who is not a member while 3060
employed part-time by a school, college, or university at which 3061
the student, intern, or resident is regularly attending classes; 3062

(2) A person denied membership pursuant to section 3307.24 of 3063
the Revised Code; 3064

(3) An other system retirant, as defined in section 3307.35 3065
of the Revised Code, or a superannuate; 3066

(4) An individual employed in a program established pursuant 3067
to the "Job Training Partnership Act," 96 Stat. 1322 (1982), 29 3068
U.S.C.A. 1501. 3069

(D) "Contributor" means any person who has an account in the 3070

teachers' savings fund or defined contribution fund. 3071

(E) "Beneficiary" means any person eligible to receive, or in receipt of, a retirement allowance or other benefit provided by this chapter. 3072
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(F) "Year" means the year beginning the first day of July and ending with the thirtieth day of June next following, except that for the purpose of determining final average salary under the plan described in sections 3307.50 to 3307.79 of the Revised Code, "year" may mean the contract year. 3075
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(G) "Local district pension system" means any school teachers pension fund created in any school district of the state in accordance with the laws of the state prior to September 1, 1920. 3080
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(H) "Employer contribution" means the amount paid by an employer, as determined by the employer rate, including the normal and deficiency rates, contributions, and funds wherever used in this chapter. 3084
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(I) "Five years of service credit" means employment covered under this chapter and employment covered under a former retirement plan operated, recognized, or endorsed by a college, institute, university, or political subdivision of this state prior to coverage under this chapter. 3088
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(J) "Actuary" means the actuarial consultant to the state teachers retirement board, who shall be either of the following: 3093
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(1) A member of the American academy of actuaries; 3095

(2) A firm, partnership, or corporation of which at least one person is a member of the American academy of actuaries. 3096
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(K) "Fiduciary" means a person who does any of the following: 3098
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(1) Exercises any discretionary authority or control with 3100

respect to the management of the system, or with respect to the 3101
management or disposition of its assets; 3102

(2) Renders investment advice for a fee, direct or indirect, 3103
with respect to money or property of the system; 3104

(3) Has any discretionary authority or responsibility in the 3105
administration of the system. 3106

(L)(1) Except as provided in this division, "compensation" 3107
means all salary, wages, and other earnings paid to a teacher by 3108
reason of the teacher's employment, including compensation paid 3109
pursuant to a supplemental contract. The salary, wages, and other 3110
earnings shall be determined prior to determination of the amount 3111
required to be contributed to the teachers' savings fund or 3112
defined contribution fund under section 3307.26 of the Revised 3113
Code and without regard to whether any of the salary, wages, or 3114
other earnings are treated as deferred income for federal income 3115
tax purposes. 3116

(2) Compensation does not include any of the following: 3117

(a) Payments for accrued but unused sick leave or personal 3118
leave, including payments made under a plan established pursuant 3119
to section 124.39 of the Revised Code or any other plan 3120
established by the employer; 3121

(b) Payments made for accrued but unused vacation leave, 3122
including payments made pursuant to section 124.13 of the Revised 3123
Code or a plan established by the employer; 3124

(c) Payments made for vacation pay covering concurrent 3125
periods for which other salary, compensation, or benefits under 3126
this chapter are paid; 3127

(d) Amounts paid by the employer to provide life insurance, 3128
sickness, accident, endowment, health, medical, hospital, dental, 3129
or surgical coverage, or other insurance for the teacher or the 3130

teacher's family, or amounts paid by the employer to the teacher	3131
in lieu of providing the insurance;	3132
(e) Incidental benefits, including lodging, food, laundry,	3133
parking, or services furnished by the employer, use of the	3134
employer's property or equipment, and reimbursement for	3135
job-related expenses authorized by the employer, including moving	3136
and travel expenses and expenses related to professional	3137
development;	3138
(f) Payments made by the employer in exchange for a member's	3139
waiver of a right to receive any payment, amount, or benefit	3140
described in division (L)(2) of this section;	3141
(g) Payments by the employer for services not actually	3142
rendered;	3143
(h) Any amount paid by the employer as a retroactive increase	3144
in salary, wages, or other earnings, unless the increase is one of	3145
the following:	3146
(i) A retroactive increase paid to a member employed by a	3147
school district board of education in a position that requires a	3148
license designated for teaching and not designated for being an	3149
administrator issued under section 3319.22 of the Revised Code	3150
that is paid in accordance with uniform criteria applicable to all	3151
members employed by the board in positions requiring the licenses;	3152
(ii) A retroactive increase paid to a member employed by a	3153
school district board of education in a position that requires a	3154
license designated for being an administrator issued under section	3155
3319.22 of the Revised Code that is paid in accordance with	3156
uniform criteria applicable to all members employed by the board	3157
in positions requiring the licenses;	3158
(iii) A retroactive increase paid to a member employed by a	3159
school district board of education as a superintendent that is	3160
also paid as described in division (L)(2)(h)(i) of this section;	3161

(iv) A retroactive increase paid to a member employed by an employer other than a school district board of education in accordance with uniform criteria applicable to all members employed by the employer.

(i) Payments made to or on behalf of a teacher that are in excess of the annual compensation that may be taken into account by the retirement system under division (a)(17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a)(17), as amended. For a teacher who first establishes membership before July 1, 1996, the annual compensation that may be taken into account by the retirement system shall be determined under division (d)(3) of section 13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472.

(j) Payments made under division (B), (C), or (E) of section 5923.05 of the Revised Code, Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly, Section 3 of Amended Substitute Senate Bill No. 164 of the 124th general assembly, or Amended Substitute House Bill No. 405 of the 124th general assembly;

(k) Anything of value received by the teacher that is based on or attributable to retirement or an agreement to retire.

(3) The retirement board shall determine by rule both of the following:

(a) Whether particular forms of earnings are included in any of the categories enumerated in this division;

(b) Whether any form of earnings not enumerated in this division is to be included in compensation.

Decisions of the board made under this division shall be final.

(M) "Superannuate" means both of the following:

(1) A former teacher receiving from the system a retirement allowance under section 3307.58 or 3307.59 of the Revised Code; 3192
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(2) A former teacher receiving ~~any~~ a benefit from the system under a plan established under section 3307.81 of the Revised Code, except that "superannuate" does not include a former teacher who is receiving a benefit based on disability under a plan established under section 3307.81 of the Revised Code. 3194
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For purposes of section 3307.35 of the Revised Code, "superannuate" also means a former teacher receiving from the system a combined service retirement benefit paid in accordance with section 3307.57 of the Revised Code, regardless of which retirement system is paying the benefit. 3199
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Sec. 3307.39. (A) The state teachers retirement board may enter into an agreement with insurance companies, health insuring corporations, or government agencies authorized to do business in the state for issuance of a policy or contract of health, medical, hospital, or surgical benefits, or any combination thereof, for those individuals receiving, under the plan described in sections 3307.50 to 3307.79 of the Revised Code, service retirement or a disability or survivor benefit who subscribe to the plan. Notwithstanding any other provision of this chapter, the policy or contract may also include coverage for any eligible individual's spouse and dependent children and for any of the individual's sponsored dependents as the board considers appropriate. If all or any portion of the policy or contract premium is to be paid by any individual receiving service retirement or a disability or survivor benefit, the individual shall, by written authorization, instruct the board to deduct the premium agreed to be paid by the individual to the companies, corporations, or agencies. 3204
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The board may contract for coverage on the basis of part or all of the cost of the coverage to be paid from appropriate funds 3221
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of the state teachers retirement system. The cost paid from the 3223
funds of the system shall be included in the employer's 3224
contribution rate provided by section 3307.28 of the Revised Code. 3225

The board may enter into an agreement under this division for 3226
coverage of recipients of benefits under a plan established under 3227
section 3307.81 of the Revised Code if the plan selected includes 3228
health, medical, hospital, or surgical benefits, or any 3229
combination thereof. The board may contract for coverage on the 3230
basis that the cost of the coverage will be paid by the recipient 3231
or by the plan to which the recipient contributed under this 3232
chapter. The board may offer to recipients plans that provide for 3233
different levels of coverage or for prepayment of the cost of 3234
coverage. 3235

The board may provide for self-insurance of risk or level of 3236
risk as set forth in the contract with the companies, 3237
corporations, or agencies, and may provide through the 3238
self-insurance method specific benefits as authorized by the rules 3239
of the board. 3240

~~(B) If the board provides health, medical, hospital, or 3241
surgical benefits through any means other than a health insuring 3242
corporation, it shall offer to each individual eligible for the 3243
benefits the alternative of receiving benefits through enrollment 3244
in a health insuring corporation, if all of the following apply:~~ 3245

~~(1) The health insuring corporation provides health care 3246
services in the geographical area in which the individual lives;~~ 3247

~~(2) The eligible individual was receiving health care 3248
benefits through a health maintenance organization or a health 3249
insuring corporation before retirement;~~ 3250

~~(3) The rate and coverage provided by the health insuring 3251
corporation to eligible individuals is comparable to that 3252
currently provided by the board under division (A) of this 3253~~

~~section. If the rate or coverage provided by the health insuring~~ 3254
~~corporation is not comparable to that currently provided by the~~ 3255
~~board under division (A) of this section, the board may deduct the~~ 3256
~~additional cost from the eligible individual's monthly benefit.~~ 3257

~~The health insuring corporation shall accept as an enrollee~~ 3258
~~any eligible individual who requests enrollment.~~ 3259

~~The board shall permit each eligible individual to change~~ 3260
~~from one plan to another at least once a year at a time determined~~ 3261
~~by the board.~~ 3262

~~(C)~~ The board shall make a monthly payment to each recipient 3263
of service retirement, or a disability or survivor benefit under 3264
the plan described in sections 3307.50 to 3307.79 of the Revised 3265
Code who is eligible for insurance coverage under part B of "The 3266
Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 3267
1395j, as amended, and may make a monthly payment to a recipient 3268
of benefits under a plan established under section 3307.81 of the 3269
Revised Code who is eligible for that insurance coverage if the 3270
monthly payments are funded through the plan selected by the 3271
recipient. The payment shall be the greater of the following: 3272

(1) Twenty-nine dollars and ninety cents; 3273

(2) An amount determined by multiplying the basic premium for 3274
the coverage by a percentage, not exceeding ninety per cent, 3275
determined by multiplying the years of service used in calculating 3276
the service retirement or benefit or, in the case of a recipient 3277
of benefits under a plan established under section 3307.81 of the 3278
Revised Code, the participant's years of service by a percentage 3279
determined by the board not exceeding three per cent. 3280

The board shall make all payments under this division 3281
beginning the month following receipt of satisfactory evidence of 3282
the payment for the coverage. 3283

~~(D)~~(C) The board shall establish by rule requirements for the 3284

coordination of any coverage, payment, or benefit provided under 3285
this section or section 3307.61 of the Revised Code with any 3286
similar coverage, payment, or benefit made available to the same 3287
individual by the public employees retirement system, Ohio police 3288
and fire pension fund, school employees retirement system, or 3289
state highway patrol retirement system. 3290

~~(E)~~(D) The board shall make all other necessary rules 3291
pursuant to the purpose and intent of this section. 3292

Sec. 3307.51. (A) The state teachers retirement board shall 3293
have prepared annually by or under the supervision of an actuary 3294
an actuarial valuation of the pension assets, liabilities, and 3295
funding requirements of the plan described in sections 3307.50 to 3296
3307.79 of the Revised Code. The actuary shall complete the 3297
valuation in accordance with actuarial standards of practice 3298
promulgated by the actuarial standards board of the American 3299
academy of actuaries and prepare a report of the valuation. The 3300
report shall include all of the following: 3301

(1) A summary of the benefit provisions evaluated; 3302

(2) A summary of the census data and financial information 3303
used in the valuation; 3304

(3) A description of the actuarial assumptions, actuarial 3305
cost method, and asset valuation method used in the valuation, 3306
including a statement of the assumed rate of payroll growth and 3307
assumed rate of growth or decline in the number of members 3308
contributing to the retirement system; 3309

(4) A summary of findings that includes a statement of the 3310
actuarial accrued pension liabilities and unfunded actuarial 3311
accrued pension liabilities; 3312

(5) A schedule showing the effect of any changes in the 3313
benefit provisions, actuarial assumptions, or cost methods since 3314

the last annual actuarial valuation; 3315

(6) A statement of whether contributions to the retirement 3316
system are expected to be sufficient to satisfy the funding 3317
objectives established by the board. 3318

The board shall submit the report to the Ohio retirement 3319
study council and the standing committees of the house of 3320
representatives and the senate with primary responsibility for 3321
retirement legislation not later than the first day of January 3322
following the year for which the valuation was made. 3323

(B) At such times as the state teachers retirement board 3324
determines, and at least once in each quinquennial period, the 3325
board shall have prepared by or under the supervision of an 3326
actuary an actuarial investigation of the mortality, service, and 3327
other experience of the members, retirants, and beneficiaries of 3328
the system, and other system retirants as defined in section 3329
3307.35 of the Revised Code to update the actuarial assumptions 3330
used in the actuarial valuation required by division (A) of this 3331
section. The actuary shall prepare a report of the actuarial 3332
investigation. The report shall be prepared and any recommended 3333
changes in actuarial assumptions shall be made in accordance with 3334
the actuarial standards of practice promulgated by the actuarial 3335
standards board of the American academy of actuaries. The report 3336
shall include all of the following: 3337

(1) A summary of relevant decrement and economic assumption 3338
experience observed over the period of the investigation; 3339

(2) Recommended changes in actuarial assumptions to be used 3340
in subsequent actuarial valuations required by division (A) of 3341
this section; 3342

(3) A measurement of the financial effect of the recommended 3343
changes in actuarial assumptions. 3344

The board shall submit the report to the Ohio retirement 3345

study council and the standing committees of the house of 3346
representatives and the senate with primary responsibility for 3347
retirement legislation not later than the first day of May 3348
following the last fiscal year of the period the report covers. 3349

(C) The board may at any time request the actuary to make any 3350
other studies or actuarial valuations to determine the adequacy of 3351
the normal and deficiency rates of contribution provided by 3352
section 3307.28 of the Revised Code, and those rates may be 3353
adjusted by the board, as recommended by the actuary, effective as 3354
of the first of any year thereafter. 3355

(D) The board shall have prepared by or under the supervision 3356
of an actuary an actuarial analysis of any introduced legislation 3357
expected to have a measurable financial impact on the retirement 3358
system. The actuarial analysis shall be completed in accordance 3359
with the actuarial standards of practice promulgated by the 3360
actuarial standards board of the American academy of actuaries. 3361
The actuary shall prepare a report of the actuarial analysis, 3362
which shall include all of the following: 3363

(1) A summary of the statutory changes that are being 3364
evaluated; 3365

(2) A description of or reference to the actuarial 3366
assumptions and actuarial cost method used in the report; 3367

(3) A description of the participant group or groups included 3368
in the report; 3369

(4) A statement of the financial impact of the legislation, 3370
including the resulting increase, if any, in the employer normal 3371
cost percentage; the increase, if any, in actuarial accrued 3372
liabilities; and the per cent of payroll that would be required to 3373
amortize the increase in actuarial accrued liabilities as a level 3374
per cent of covered payroll for all active members over a period 3375
not to exceed thirty years; 3376

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

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

(E) The board shall have prepared annually a report giving a full accounting of the revenues and costs relating to the provision of benefits under sections 3307.39 and 3307.61 of the Revised Code. The report shall be made as of June 30, 1997, and the thirtieth day of June of each year thereafter. The report shall include the following:

(1) A description of the statutory authority for the benefits provided;

(2) A summary of the benefits;

(3) A summary of the eligibility requirements for the benefits;

(4) A statement of the number of participants eligible for the benefits;

(5) A description of the accounting, asset valuation, and funding method used to provide the benefits;

(6) A statement of the net assets available for the provisions of benefits as of the last day of the fiscal year;

(7) A statement of any changes in the net assets available for the provision of benefits, including participant and employer contributions, net investment income, administrative expenses, and

benefits provided to participants, as of the last day of the 3407
fiscal year; 3408

(8) For the last six consecutive fiscal years, a schedule of 3409
the net assets available for the benefits, the annual cost of 3410
benefits, administrative expenses incurred, and annual employer 3411
contributions allocated for the provision of benefits; 3412

(9) A description of any significant changes that affect the 3413
comparability of the report required under this division; 3414

(10) A statement of the amount paid under division ~~(C)~~(B) of 3415
section 3307.39 of the Revised Code. 3416

The board shall submit the report to the Ohio retirement 3417
study council and the standing committees of the house of 3418
representatives and the senate with primary responsibility for 3419
retirement legislation not later than the thirty-first day of 3420
December following the year for which the report was made. 3421

Sec. 3307.56. (A)(1) Subject to sections 3307.37 and 3307.561 3422
of the Revised Code and except as provided in division (B)(2) of 3423
this section, a member participating in the plan described in 3424
sections 3307.50 to 3307.79 of the Revised Code who ceases to be a 3425
teacher for any cause other than death, retirement, receipt of a 3426
disability benefit, or current employment in a position in which 3427
the member has elected to participate in an alternative retirement 3428
plan under section 3305.05 of the Revised Code, upon application, 3429
shall be paid the accumulated contributions standing to the credit 3430
of the member's individual account in the teachers' savings fund 3431
plus an amount calculated in accordance with section 3307.563 of 3432
the Revised Code. If the member or the member's legal 3433
representative cannot be found within ten years after the member 3434
ceased making contributions pursuant to section 3307.26 of the 3435
Revised Code, the accumulated contributions may be transferred to 3436
the guarantee fund and thereafter paid to the member, to the 3437

member's beneficiaries, or to the member's estate, upon proper 3438
application. 3439

(2) A member described in division (A)(1) of this section who 3440
is married at the time of application for payment and is eligible 3441
for age and service retirement under section 3307.58 or 3307.59 of 3442
the Revised Code shall submit with the application a written 3443
statement by the member's spouse attesting that the spouse 3444
consents to the payment of the member's accumulated contributions. 3445
Consent shall be valid only if it is signed and witnessed by a 3446
notary public. If the statement is not submitted under this 3447
division, the application shall be considered an application for 3448
service retirement and shall be subject to division ~~(F)~~ (G)(1) of 3449
section 3307.60 of the Revised Code. 3450

The state teachers retirement board may waive the requirement 3451
of consent if the spouse is incapacitated or cannot be located, or 3452
for any other reason specified by the board. Consent or waiver is 3453
effective only with regard to the spouse who is the subject of the 3454
consent or waiver. 3455

(B) This division applies to any member who is employed in a 3456
position in which the member has elected under section 3305.05 of 3457
the Revised Code to participate in an alternative retirement plan 3458
and due to the election ceases to be a teacher for the purposes of 3459
that position. 3460

Subject to sections 3307.37 and 3307.561 of the Revised Code, 3461
the state teachers retirement system shall do the following: 3462

(1) On receipt of a certified copy of an election under 3463
section 3305.05 of the Revised Code, pay, in accordance with 3464
section 3305.051 of the Revised Code, the amount described in that 3465
section to the appropriate provider; 3466

(2) If a member has accumulated contributions, in addition to 3467
those subject to division (B)(1) of this section, standing to the 3468

credit of a member's individual account and is not otherwise in a 3469
position in which the member is considered a teacher for the 3470
purposes of that position, pay, to the provider the member 3471
selected pursuant to section 3305.05 of the Revised Code, the 3472
accumulated contributions standing to the credit of the member's 3473
individual account in the teachers' saving fund plus an amount 3474
calculated in accordance with section 3307.80 of the Revised Code. 3475
The payment shall be made on the member's application. 3476

(C) Payment of a member's accumulated contributions under 3477
division (B) of this section cancels the member's total service 3478
credit in the state teachers retirement system. A member whose 3479
accumulated contributions are paid to a provider pursuant to 3480
division (B) of this section is forever barred from claiming or 3481
purchasing service credit under the state teachers retirement 3482
system for the period of employment attributable to those 3483
contributions. 3484

Sec. 3307.561. A (A) Except as provided in division (B) of 3485
this section, a member of the state teachers retirement system 3486
participating in the plan described in sections 3307.50 to 3307.79 3487
of the Revised Code who has ceased to be a teacher, and who is 3488
also a member of either the public employees retirement system or 3489
school employees retirement system, or both, may not withdraw the 3490
member's accumulated contributions ~~unless the~~. 3491

(B) On application, the state teachers retirement board shall 3492
pay a member described in division (A) of this section the 3493
member's accumulated contributions if either of the following 3494
applies: 3495

(1) The member also withdraws the member's contributions from 3496
the other systems. 3497

(2) The member is a participant in a plan established under 3498
section 145.81 or 3309.81 of the Revised Code and has withdrawn 3499

the member's contributions under plans described in sections 3500
145.201 to 145.79 and 3309.18 to 3309.70 of the Revised Code. 3501

Sec. 3307.563. For the purposes of this section, "service 3502
credit" includes only service credit obtained pursuant to sections 3503
3307.53, 3307.71, 3307.72, and 3307.77 of the Revised Code. 3504

(A) The state teachers retirement system shall add to a 3505
member's accumulated contributions to be paid under section 3506
3307.56 or 3307.562 of the Revised Code an amount paid from the 3507
employers' trust fund equal to one of the following: 3508

(1) If the member has less than three full years of service 3509
credit, an amount equal to interest on the member's accumulated 3510
contributions, compounded annually, at a rate not greater than 3511
four per cent established by the board; 3512

(2) If the member has three or more full years of service 3513
credit, but less than five full years, an amount equal to interest 3514
on the member's accumulated contributions, compounded annually, at 3515
a rate not greater than six per cent established by the board; 3516

(3) If the member has five or more full years of service 3517
credit, the sum of the following amounts: 3518

(a) An amount equal to interest on the member's accumulated 3519
contributions, compounded annually, at a rate not greater than six 3520
per cent established by the board; 3521

(b) An amount equal to fifty per cent of the sum of the 3522
member's contributions under section 3307.26 and division (C) of 3523
section 3307.77 of the Revised Code plus interest on that amount 3524
at a rate not greater than six per cent established by the board. 3525

Interest for each year included in the calculation under this 3526
section shall be calculated from the first day of the following 3527
year to the last day of the month preceding payment under section 3528
3307.56 or 3307.562 of the Revised Code. 3529

(B) Notwithstanding sections 3307.56 and 3307.562 of the Revised Code, neither the beneficiaries, survivors, nor estate of a deceased member who was granted disability benefits prior to death is eligible for the payment of any amount calculated under this section.

Sec. 3307.58. Any member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has five years of service credit and has attained age sixty, or who has twenty-five years of service credit and has attained age fifty-five, or who has thirty years of service credit shall be granted service retirement after filing with the state teachers retirement board a completed application on a form approved by the board.

(A) Service retirement shall be effective on the first day of the month next following the later of:

(1) The last day for which compensation was paid; or

(2) The attainment of minimum age or service credit eligibility for benefits provided under this section.

Except as provided in division (E) of this section, the service retirement benefit shall be the greater of the benefits provided in divisions (B) and (D) of this section.

(B) Subject to any adjustment made under division (C) of this section, the annual single lifetime benefit of a member shall be the greater of the amounts determined by the member's Ohio service credit multiplied by one of the following:

(1) Eighty-six dollars;

(2)(a) The sum of the following amounts:

(i) For each of the first thirty years of Ohio service credit, two and two-tenths per cent of the member's final average

salary or, subject to the limitation described in division 3559
(B)(2)(b) of this section, two and five-tenths per cent of the 3560
member's final average salary if the member has thirty-five or 3561
more years of service credit under section 3307.53, 3307.57, 3562
3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.77, or 3563
3307.771 of the Revised Code, division (A)(2) or (B) of former 3564
section 3307.513 of the Revised Code, former section 3307.514 of 3565
the Revised Code, section 3307.72 of the Revised Code earned after 3566
July 1, 1978, or any combination of service credit under those 3567
sections; 3568

(ii) For each year or fraction of a year of Ohio service 3569
credit in excess of thirty years, two and two-tenths per cent of 3570
the member's final average salary or, subject to the limitation 3571
described in division (B)(2)(b) of this section, if the member has 3572
more than thirty years service credit under section 3307.53, 3573
3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.77, 3574
or 3307.771 of the Revised Code, division (A)(2) or (B) of former 3575
section 3307.513 of the Revised Code, former section 3307.514 of 3576
the Revised Code, section 3307.72 of the Revised Code earned after 3577
July 1, 1978, or any combination of service credit under those 3578
sections, the per cent of final average salary shown in the 3579
following schedule for each corresponding year or fraction of a 3580
year of service credit under those sections that is in excess of 3581
thirty years: 3582

Year	Per	Year	Per	3583
of	Cent	of	Cent	3584
Service	for that	Service	for that	3585
Credit	Year	Credit	Year	3586
30.01 - 31.00	2.5%	35.01 - 36.00	3.0%	3587
31.01 - 32.00	2.6	36.01 - 37.00	3.1	3588
32.01 - 33.00	2.7	37.01 - 38.00	3.2	3589
33.01 - 34.00	2.8	38.01 - 39.00	3.3	3590

34.01 - 35.00 2.9 3591

For purposes of this schedule, years of service credit shall be 3592
rounded to the nearest one-hundredth of a year. 3593

(b) For purposes of division (B)(2)(a) of this section, a 3594
percentage of final average salary in excess of two and two-tenths 3595
per cent shall be applied to service credit under section 3307.57 3596
of the Revised Code only if the service credit was established 3597
under section 145.30, 145.301, 145.302, 145.47, 145.483, 3309.02, 3598
3309.021, 3309.022, or 3309.47, ~~or~~ of the Revised Code or restored 3599
under section 145.31 or 3309.26 of the Revised Code. 3600

(C) The annual single lifetime benefit of a member determined 3601
under division (B) of this section shall be adjusted by the 3602
greater per cent shown in the following schedule opposite the 3603
member's attained age or Ohio service credit. 3604

		Years of	Per Cent	
Attained	or	Ohio Service	of Base	
Age		Credit	Amount	
58		25	75%	3608
59		26	80	3609
60		27	85	3610
61			88	3611
		28	90	3612
62			91	3613
63			94	3614
		29	95	3615
64			97	3616
65		30 or more	100	3617

Members shall vest the right to a benefit in accordance with 3618
the following schedule, based on the member's attained age by 3619
September 1, 1976: 3620

	Per Cent	
Attained	of Base	

3621
3622

Age	Amount	
66	102%	3623
67	104	3624
68	106	3625
69	108	3626
70 or more	110	3627

The annual single lifetime benefit determined under division 3629
(B) of this section shall not exceed the lesser of one hundred per 3630
cent of the final average salary or the limit established by 3631
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 3632
2085, 26 U.S.C.A. 415, as amended. 3633

(D) The annual single lifetime benefit of a member shall not 3634
exceed the lesser of the sum of the following amounts or the limit 3635
established by section 415 of the "Internal Revenue Code of 1986," 3636
100 Stat. 2085, 26 U.S.C.A. 415, as amended: 3637

(1) An annuity with a reserve equal to the member's 3638
accumulated contributions; 3639

(2) A pension equal to the amount in division (D)(1) of this 3640
section; 3641

(3) An additional pension of forty dollars annually 3642
multiplied by the number of years of prior and military service 3643
credit, except years of credit purchased under section 3307.751 or 3644
3307.752 of the Revised Code; 3645

(4) An additional basic annual pension of one hundred eighty 3646
dollars, provided the member had ten or more years of Ohio service 3647
credit as of October 1, 1956, except that the additional basic 3648
annual pension shall not exceed the sum of the annual benefits 3649
provided by divisions (D)(1), (2), and (3) of this section. 3650

(E) Benefits determined under this section shall be paid as 3651
provided in section 3307.60 of the Revised Code. 3652

Sec. 3307.60. (A) Upon application for retirement as provided 3653
in section 3307.58 or 3307.59 of the Revised Code, the retirant 3654
may elect a plan of payment under this division or, on and after 3655
the date specified in division (B) of this section, a plan of 3656
payment under that division. Under this division, the retirant may 3657
elect to receive a single lifetime benefit, or may elect to 3658
receive the actuarial equivalent of the retirant's benefit in a 3659
lesser amount, payable for life, and continuing after death to a 3660
beneficiary under one of the following optional plans: 3661

(1) Option 1. The retirant's lesser benefit shall be paid for 3662
life to the sole beneficiary named at retirement. 3663

(2) Option 2. Some other portion of the retirant's benefit 3664
shall be paid for life to the sole beneficiary named at 3665
retirement. The beneficiary's monthly amount shall not exceed the 3666
monthly amount payable to the retirant during the retirant's 3667
lifetime. 3668

(3) Option 3. The retirant's lesser benefit established as 3669
provided under option 1 or option 2 shall be paid for life to the 3670
sole beneficiary named at retirement, except that in the event of 3671
the death of the sole beneficiary or termination of a marital 3672
relationship between the retirant and the sole beneficiary the 3673
retirant may elect to return to a single lifetime benefit 3674
equivalent as determined by the state teachers retirement board, 3675
if, in the case of termination of a marital relationship, the 3676
election is made with the written consent of the beneficiary or 3677
pursuant to an order of the court with jurisdiction over 3678
termination of the marital relationship. 3679

(4) Option 4. Upon the retirant's death before the expiration 3680
of a certain period from the retirement date and elected by the 3681
retirant, and approved by the board, the retirant's benefit shall 3682
be continued for the remainder of such period to the beneficiary. 3683

Monthly benefits shall not be paid to joint beneficiaries, but they may receive the present value of any remaining payments in a lump sum settlement. If all beneficiaries die before the expiration of the certain period, the present value of all payments yet remaining in such period shall be paid to the estate of the beneficiary last receiving.

(5) Option 5. A plan of payment established by the state teachers retirement board combining any of the features of options 1, 2, and 4.

(B) Beginning on a date selected by the state teachers retirement board, which shall be not later than July 1, 2004, a retirant may elect, in lieu of a plan of payment under division (A) of this section, a plan consisting of both of the following:

(1) A lump sum in an amount the member designates that constitutes a portion of the member's single lifetime benefit;

(2) Either of the following:

(a) The remainder of the retirant's single lifetime benefit;

(b) The actuarial equivalent of the remainder of the retirant's benefit in a lesser amount, payable for life, and continuing after death to a beneficiary under one of the options described in divisions (A)(1) to (5) of this section.

In the event of the death of the sole beneficiary or termination of a marital relationship between the retirant and the sole beneficiary, the retirant may elect to receive the actuarial equivalent of the remainder of the retirant's single lifetime benefit except that, in the case of termination of a marital relationship, the election may be made only with the written consent of the beneficiary or pursuant to an order of the court with jurisdiction over termination of the marital relationship.

The amount designated by the member under division (B)(1) of

this section shall be not less than six times and not more than
thirty-six times the monthly amount that would be payable to the
member as a single lifetime benefit and shall not result in a
monthly allowance that is less than fifty per cent of that amount.

(C) Until the first payment is made to a former member under
section 3307.58 or 3307.59 of the Revised Code, the former member
may change the selection of a plan of payment. ~~If death occurs~~
~~prior to an election of a plan of payment~~

(D)(1) If a deceased member was eligible for but had not yet
been awarded a service retirement benefit under section 3307.58 or
3307.59 of the Revised Code at the time of death, option 1 as
provided for in division (A)(1) of this section shall be paid to
the spouse or other sole dependent beneficiary.

(2) Beginning on a date selected by the board, which shall be
not later than July 1, 2004, the spouse or sole beneficiary may
elect, in lieu of option 1, a plan of payment consisting of both
of the following:

(a) A lump sum in an amount the spouse or other sole
dependent beneficiary designates that constitutes a portion of the
retirant's single life annuity;

(b) The actuarial equivalent of the remainder of the
retirant's single life annuity paid in a lesser amount for life to
the spouse or other sole dependent beneficiary.

The amount designated by the spouse or other sole dependent
beneficiary under division (D)(2)(a) of this section shall be not
less than six times and not more than thirty-six times the monthly
amount that would be payable as the retirant's single life annuity
and shall not result in a monthly allowance that is less than
fifty per cent of that monthly amount.

~~(C)~~(E) If the total benefit paid under this section is less
than the balance in the teachers' savings fund, the difference

shall be paid to the beneficiary provided under division (D) of 3745
section 3307.562 of the Revised Code. 3746

~~(D)~~(F) In the case of a retirant who elected an optional plan 3747
prior to September 15, 1989: 3748

(1) The death of the spouse or other designated beneficiary 3749
following retirement shall, at the election of the retirant, 3750
cancel any optional plan selected at retirement to provide 3751
continuing lifetime benefits to the spouse or other beneficiary 3752
and return the retirant to a single lifetime benefit equivalent as 3753
determined by the board. 3754

(2) A divorce, annulment, or marriage dissolution shall, at 3755
the election of the retirant, cancel any optional plan selected at 3756
retirement to provide continuing lifetime benefits to the spouse 3757
as designated beneficiary and return the retirant to a single 3758
lifetime benefit equivalent as determined by the board if the 3759
election is made with the written consent of the beneficiary or 3760
pursuant to an order of a court of common pleas or the court of 3761
another state with jurisdiction over the termination of the 3762
marriage. 3763

~~(E)~~(G) Following marriage or remarriage, a retirant may elect 3764
a new optional plan of payment based on the actuarial equivalent 3765
of the retirant's single lifetime benefit, as determined by the 3766
board, except that if the retirant is receiving a retirement 3767
allowance under an optional plan that provides for continuation of 3768
benefits after death to a former spouse, the retirant may elect a 3769
new optional plan of payment only with the written consent of the 3770
former spouse or pursuant to an order of the court with 3771
jurisdiction over the termination of the marriage. Such plan shall 3772
become effective the first of the month following an application 3773
on a form approved by the board. 3774

~~(F)~~(H)(1) Unless one of the following occurs, an application 3775
for service retirement made pursuant to section 3307.58 or 3307.59 3776

of the Revised Code by a married person shall be considered an 3777
election of a benefit under option 2 as provided for in division 3778
(A)(2) of this section under which one-half of the lesser benefit 3779
payable during the life of the retirant will be paid after death 3780
to the retirant's spouse for life as sole beneficiary: 3781

(a) The retirant selects an optional plan under division (A) 3782
of this section providing for payment after death to the 3783
retirant's spouse for life as sole beneficiary of more than 3784
one-half of the lesser benefit payable during the life of the 3785
retirant. 3786

(b) The retirant submits to the retirement board a written 3787
statement signed by the spouse attesting that the spouse consents 3788
to the retirant's election to receive a single lifetime annuity or 3789
a payment under an optional benefit plan under which after the 3790
death of the retirant the surviving spouse will receive less than 3791
one-half of the lesser benefit payable during the life of the 3792
retirant. 3793

(2) An application for retirement shall include an 3794
explanation of all of the following: 3795

(a) That, if the member is married, unless the spouse 3796
consents to another plan of payment, the member's retirement 3797
allowance will be paid under "option 2" as provided for in 3798
division (A)(2) of this section and consist of the actuarial 3799
equivalent of the member's retirement allowance in a lesser amount 3800
payable for life and one-half of the lesser allowance continuing 3801
after death to the surviving spouse for the life of the spouse; 3802

(b) A description of the alternative plans of payment 3803
available with the consent of the spouse; 3804

(c) That the spouse may consent to another plan of payment 3805
and the procedure for giving consent; 3806

(d) That consent is irrevocable once notice of consent is 3807

filed with the board. 3808

Consent shall be valid only if it is signed, in writing, and 3809
witnessed by a notary public. 3810

(3) If the retirant does not select an optional plan of 3811
payment as described in division ~~(F)~~(H)(1)(a) of this section and 3812
the board does not receive the written statement provided for in 3813
division ~~(F)~~(H)(1)(b) of this section, it shall determine and pay 3814
the retirement allowance in accordance with this division, except 3815
that the board may provide by rule for waiver by the board of the 3816
statement and payment of the benefits other than in accordance 3817
with this division or payment under section 3307.56 of the Revised 3818
Code if the retirant is unable to obtain the statement due to 3819
absence or incapacity of the spouse or other cause specified by 3820
the board. 3821

~~(G)~~(I) For the purpose of determining actuarial equivalence 3822
under this section, on the advice of an actuary employed by the 3823
board, the board shall adopt mortality tables that may take into 3824
consideration the membership experience of the state teachers 3825
retirement system and may also include the membership experience 3826
of the public employees retirement system and the school employees 3827
retirement system. 3828

Sec. 3307.761. (A) As used in this section and section 3829
3307.765 of the Revised Code: 3830

(1) "Uniform retirement system" or "uniform system" means the 3831
Ohio police and fire pension fund or state highway patrol 3832
retirement system. 3833

(2) "Military service credit" means credit purchased or 3834
obtained under this chapter or Chapter 742. or 5505. of the 3835
Revised Code for service in the armed forces of the United States. 3836

(B) A member of the state teachers retirement system 3837

participating in the plan described in sections 3307.50 to 3307.79 3838
of the Revised Code who has contributions on deposit with a 3839
uniform retirement system shall, in computing years of total 3840
service, be given full credit for service credit earned under 3841
Chapter 742. or 5505. of the Revised Code or for military service 3842
credit if a transfer to the state teachers retirement system is 3843
made under this division. At the request of the member, the 3844
uniform system shall transfer to the state teachers retirement 3845
system, for each year of service, the sum of the following: 3846

(1) An amount equal to the member's accumulated contributions 3847
to the uniform system and any payments by the member for military 3848
service credit; 3849

(2) An amount equal to the lesser of the employer's 3850
contributions to the uniform system or the amount that would have 3851
been contributed by the employer for the service had the member 3852
been a member of the state teachers retirement system at the time 3853
the credit was earned; 3854

(3) Interest, determined as provided in division (F) of this 3855
section, on the amounts specified in divisions (B)(1) and (2) of 3856
this section from the last day of the year for which the service 3857
credit in the uniform system was earned or in which payment was 3858
made for military service credit was purchased or obtained to the 3859
date the transfer is made. 3860

(C) A member participating in the plan described in sections 3861
3307.50 to 3307.79 of the Revised Code who has at least ~~eighteen~~ 3862
months one and one-half years of contributing service with the 3863
state teachers retirement system, is a former member of a uniform 3864
retirement system, and has received a refund of contributions to 3865
that uniform system shall, in computing years of total service, be 3866
given full credit for service credit earned under Chapter 742. or 3867
5505. of the Revised Code or for military service credit if, for 3868
each year of service, the state teachers retirement system 3869

receives the sum of the following: 3870

(1) An amount, which shall be paid by the member, equal to 3871
the amount refunded by the uniform system to the member for that 3872
year for accumulated contributions and payments for military 3873
service credit, with interest at a rate established by the state 3874
teachers retirement board on that amount from the date of the 3875
refund to the date of the payment; 3876

(2) Interest, which shall be transferred by the uniform 3877
system, on the amount refunded to the member that is attributable 3878
to the year of service from the last day of the year for which the 3879
service credit was earned or in which payment was made for 3880
military service credit to the date the refund was made; 3881

(3) An amount, which shall be transferred by the uniform 3882
system, equal to the lesser of the employer's contributions to the 3883
uniform system or the amount that would have been contributed by 3884
the employer for the service had the member been a member of the 3885
state teachers retirement system at the time the credit was 3886
earned, with interest on that amount from the last day of the year 3887
for which the service credit was earned or in which payment was 3888
made for military service to the date of the transfer. 3889

On receipt of payment from the member, the state teachers 3891
retirement system shall notify the uniform system, which, on 3892
receipt of the notice, shall make the transfer required by this 3893
division. Interest shall be determined as provided in division (F) 3894
of this section. 3895

A member may choose to purchase only part of the credit the 3896
member is eligible to purchase under this division in any one 3897
payment, subject to rules of the state teachers retirement board. 3898

(D) A member is ineligible to obtain credit under this 3899
section for service that is used in the calculation of any 3900

retirement benefit currently being paid or payable in the future 3901
under any other retirement program or for service credit that may 3902
be transferred under section 3307.765 of the Revised Code. 3903

(E) If a member of the state teachers retirement system who 3904
is not a current contributor elects to obtain credit under section 3905
742.21 or 5505.40 of the Revised Code for service for which the 3906
member contributed to the system or purchased for military service 3907
credit, the system shall transfer to the uniform retirement 3908
system, as applicable, the amount specified in division (D) of 3909
section 742.21 or division (B)(2) of section 5505.40 of the 3910
Revised Code. 3911

(F) Interest charged under this section shall be calculated 3912
separately for each year of service credit. Unless otherwise 3913
specified in this section it shall be calculated at the lesser of 3914
the actuarial assumption rate for that year of the state teachers 3915
retirement system or of the uniform retirement system in which the 3916
credit was earned. The interest shall be compounded annually. 3917

(G) The state teachers retirement board shall credit to a 3918
member's account in the teachers' savings fund the amounts 3919
described in divisions (B)(1) and (C)(1) of this section, except 3920
that the interest paid by the member under division (C)(1) of this 3921
section shall be credited to the employers' trust fund. The board 3922
shall credit to the employers' trust fund the amounts described in 3923
divisions (B)(2) and (3) and (C)(2) and (3) of this section. 3924

(H) At the request of the state teachers retirement system, 3925
the Ohio police and fire pension fund or state highway patrol 3926
retirement system shall certify to the state teachers retirement 3927
system a copy of the records of the service and contributions of a 3928
state teachers retirement system member who seeks service credit 3929
under this section. 3930

Sec. 3307.763. (A) If the conditions described in division 3931

(B) of section 3307.762 of the Revised Code are met, a member of the state teachers retirement system who is not receiving a pension or benefit from the state teachers retirement system is eligible to obtain credit for service as a member of the Cincinnati retirement system under this section.

(B) A member of the state teachers retirement system participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has contributions on deposit with, but is no longer contributing to, the Cincinnati retirement system shall, in computing years of service credit, be given credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, for each year of service, the Cincinnati retirement system transfers to the state teachers retirement system the sum of the following:

(1) The amount contributed by the member, or, in the case of military service credit, paid by the member, that is attributable to the year of service;

(2) An amount equal to the lesser of the employer's contributions to the Cincinnati retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the state teachers retirement system at the time the credit was earned;

(3) Interest on the amounts specified in divisions (B)(1) and (2) of this section from the last day of the year for which service credit was earned or in which payment was made for military service credit to the date the transfer is made.

(C) A member of the state teachers retirement system with at least ~~eighteen months~~ one and one-half years of contributing service credit with the state teachers retirement system who has received a refund of the member's contributions to the Cincinnati retirement system shall, in computing years of service, be given credit for service credit earned under the Cincinnati retirement

system or purchased or obtained as military service credit if, for 3964
each year of service, the state teachers retirement system 3965
receives the sum of the following: 3966

(1) An amount, paid by the member, equal to the sum of the 3967
following: 3968

(a) The amount refunded by the Cincinnati retirement system 3969
to the member for that year for contributions and payments for 3970
military service credit, with interest at a rate established by 3971
the state teachers retirement board on that amount from the date 3972
of the refund to the date of payment; 3973

(b) The amount of interest, if any, the member received when 3974
the refund was made that is attributable to the year of service. 3975

(2) An amount, transferred by the Cincinnati retirement 3976
system to the state teachers retirement system, equal to the sum 3977
of the following: 3978

(a) Interest on the amount refunded to the member that is 3979
attributable to the year of service from the last day of the year 3980
for which the service credit was earned or in which payment was 3981
made for military service credit to the date the refund was made; 3982

(b) An amount equal to the lesser of the employer's 3983
contributions to the Cincinnati retirement system or the amount 3984
that would have been contributed by the employer for the service 3985
had the member been a member of the state teachers retirement 3986
system at the time the credit was earned, with interest on that 3987
amount from the last day of the year for which the service credit 3988
was earned to the date of the transfer. 3989

(D) The amount transferred under division (C)(2)(a) of this 3990
section shall not include any amount of interest the Cincinnati 3991
retirement system paid to the person when it made the refund. 3992

(E) On receipt of payment from the member under division 3993
(C)(1) of this section, the state teachers retirement system shall 3994

notify the Cincinnati retirement system. On receipt of the notice, 3995
the Cincinnati retirement system shall transfer the amount 3996
described in division (C)(2) of this section. 3997

(F) Interest charged under this section shall be calculated 3998
separately for each year of service credit. Unless otherwise 3999
specified in this section, it shall be calculated at the lesser of 4000
the actuarial assumption rate for that year of the state teachers 4001
retirement system or the Cincinnati retirement system. The 4002
interest shall be compounded annually. 4003

(G) At the request of the state teachers retirement system, 4004
the Cincinnati retirement system shall certify to the state 4005
teachers retirement system a copy of the records of the service 4006
and contributions of a state teachers retirement system member who 4007
seeks service credit under this section. 4008

(H) A member may choose to purchase only part of the credit 4009
the member is eligible to purchase under division (C) of this 4010
section in any one payment, subject to rules of the state teachers 4011
retirement board. 4012

(I) A member is ineligible to obtain credit under this 4013
section for service that is used in the calculation of any 4014
retirement benefit currently being paid or payable in the future. 4015

(J) The state teachers retirement board shall credit to the 4016
member's account in the teachers' savings fund the amounts 4017
described in divisions (B)(1) and (C)(1)(a) of this section, 4018
except that interest paid by the member under division (C)(1)(a) 4019
of this section shall be credited to the employers' trust fund. 4020
The board shall credit to the employers' trust fund the amounts 4021
described in divisions (B)(2), (B)(3), (C)(1)(b), and (C)(2) of 4022
this section. 4023

Sec. 3307.764. (A) If the conditions described in division 4024

(B) of section 3307.762 of the Revised Code are met and a person 4025
who is a member or former member of the state teachers retirement 4026
system through participation in the plan described in sections 4027
3307.50 to 3307.79 of the Revised Code, but is not a current 4028
contributor and who is not receiving a pension or benefit from the 4029
state teachers retirement system elects to receive credit under 4030
the Cincinnati retirement system for service for which the person 4031
contributed to the state teachers retirement system or purchased 4032
or obtained as military service credit, the state teachers 4033
retirement system shall transfer the amounts specified in division 4034
(B) or (C) of this section to the Cincinnati retirement system. 4035

(B) If the person has contributions on deposit with the state 4036
teachers retirement system, the retirement system shall, for each 4037
year of service credit, transfer to the Cincinnati retirement 4038
system the sum of the following: 4039

(1) An amount equal to the person's contributions to the 4040
state teachers retirement system and payments made by the member 4041
for military service credit; 4042

(2) An amount equal to the lesser of the employer's 4043
contributions to the state teachers retirement system or the 4044
amount that would have been contributed by the employer for the 4045
service had the person been a member of the Cincinnati retirement 4046
system at the time the credit was earned; 4047

(3) Interest on the amounts specified in divisions (B)(1) and 4048
(2) of this section for the period from the last day of the year 4049
for which the service credit was earned or in which payment was 4050
made for military service credit to the date the transfer was 4051
made. 4052

(C)(1) If the person has received a refund of accumulated 4053
contributions to the state teachers retirement system, the state 4054
teachers retirement system shall, for each year of service credit, 4055
transfer to the Cincinnati retirement system the sum of the 4056

following:

(a) Interest on the amount refunded to the former 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;

(b) An amount equal to the lesser of the employer's contributions to the state teachers retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system 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.

(2) The amount transferred under division (C)(1) of this section shall not include any amount added to the member's accumulated contributions under section 3307.563 of the Revised Code and paid under section 3307.56 or 3307.562 of the Revised Code.

(3) On receipt of notice from the Cincinnati retirement system that the Cincinnati retirement system has received payment from a person described in division (C)(1) of this section, the state teachers retirement system shall transfer the amount described in that division.

(D) Interest charged under this section shall be calculated 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 state teachers retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

(E) The transfer of any amount under this section cancels an equivalent amount of service credit.

(F) At the request of the Cincinnati retirement system, the state teachers retirement system shall certify to the Cincinnati retirement system a copy of the records of the service and contributions of a member or former member of the state teachers retirement system who elects to receive service credit under the Cincinnati retirement system.

Sec. 3307.87. (A)(1) If a member participating in a plan established under section 3307.81 of the Revised Code is married at the time any benefits under the plan commence, benefits shall be paid in accordance with division (A)(2) of this section, unless the spouse has consented under division (C) of this section to a different form of payment.

(2) The benefits described in division (A)(1) of this section shall be paid in the form of an annuity, which shall consist of the actuarial equivalent of the member's benefits, in an amount that is payable for the life of the member and one-half of the amount continuing after the member's death to the spouse for the life of the spouse.

(B) If a member participating in a plan established under section 3307.81 of the Revised Code is married at the time of the member's death, any benefits that are payable to the member shall be paid to the member's spouse, unless the spouse has consented under division (C) of this section to the designation of a different beneficiary.

(C) ~~A plan established under section 3307.81 of the Revised Code shall include requirements for consent under this section that are the same as the requirements specified in division (a)(2) of section 417 of the Internal Revenue Code, 26 U.S.C.A. 417(a)(2), as amended.~~ Consent is valid only if it is evidenced by a signed statement that is witnessed by a notary public. Each plan may waive the requirement of consent if the spouse is

incapacitated or cannot be located or for any other reason 4119
specified by the plan or in the regulations adopted under that 4120
section rules adopted by the state teachers retirement board. 4121

Consent or waiver is effective only with regard to the spouse 4122
who is the subject of the consent or waiver. 4123

Sec. 3309.21. (A) The school employees retirement board shall 4124
have prepared annually by or under the supervision of an actuary 4125
an actuarial valuation of the pension assets, liabilities, and 4126
funding requirements of the school employees retirement system as 4127
established pursuant to this chapter. The actuary shall complete 4128
the valuation in accordance with actuarial standards of practice 4129
promulgated by the actuarial standards board of the American 4130
academy of actuaries and prepare a report of the valuation. The 4131
report shall include all of the following: 4132

(1) A summary of the benefit provisions evaluated; 4133

(2) A summary of the census data and financial information 4134
used in the valuation; 4135

(3) A description of the actuarial assumptions, actuarial 4136
cost method, and asset valuation method used in the valuation, 4137
including a statement of the assumed rate of payroll growth and 4138
assumed rate of growth or decline in the number of members 4139
contributing to the retirement system; 4140

(4) A summary of findings that includes a statement of the 4141
actuarial accrued pension liabilities and unfunded actuarial 4142
accrued pension liabilities; 4143

(5) A schedule showing the effect of any changes in the 4144
benefit provisions, actuarial assumptions, or cost methods since 4145
the last annual actuarial valuation; 4146

(6) A statement of whether contributions to the retirement 4147
system are expected to be sufficient to satisfy the funding 4148

objectives established by the board. 4149

The board shall submit the report to the Ohio retirement 4150
study ~~commission~~ council and the standing committees of the house 4151
of representatives and the senate with primary responsibility for 4152
retirement legislation not later than the first day of May 4153
following the year for which the valuation was made. 4154

(B) At such times as the school employees retirement board 4155
determines, and at least once in each quinquennial period, the 4156
board shall have prepared by or under the supervision of an 4157
actuary an actuarial investigation of the mortality, service, and 4158
other experience of the members, retirants, and beneficiaries of 4159
the retirement system, and SERS retirants and other system 4160
retirants as defined in section 3309.341 of the Revised Code to 4161
update the actuarial assumptions used in the actuarial valuation 4162
required by division (A) of this section. The actuary shall 4163
prepare a report of the actuarial investigation. The report shall 4164
be prepared and any recommended changes in actuarial assumptions 4165
shall be made in accordance with the actuarial standards of 4166
practice promulgated by the actuarial standards board of the 4167
American academy of actuaries. The report shall include all of the 4168
following: 4169

(1) A summary of relevant decrement and economic assumption 4170
experience observed over the period of the investigation; 4171

(2) Recommended changes in actuarial assumptions to be used 4172
in subsequent actuarial valuations required by division (A) of 4173
this section; 4174

(3) A measurement of the financial effect of the recommended 4175
changes in actuarial assumptions. 4176

The board shall submit the report to the Ohio retirement 4177
study ~~commission~~ council and the standing committees of the house 4178
of representatives and the senate with primary responsibility for 4179

retirement legislation not later than the first day of May 4180
following the last fiscal year of the period the report covers. 4181

(C) The board may at any time request the actuary to make any 4182
studies or actuarial valuations to determine the adequacy of the 4183
rates of contribution as provided by section 3309.49 of the 4184
Revised Code, and those rates may be adjusted by the board, as 4185
recommended by the actuary, effective as of the first of any year 4186
thereafter. 4187

(D) The board shall have prepared by or under the supervision 4188
of an actuary an actuarial analysis of any introduced legislation 4189
expected to have a measurable financial impact on the retirement 4190
system. The actuarial analysis shall be completed in accordance 4191
with the actuarial standards of practice promulgated by the 4192
actuarial standards board of the American academy of actuaries. 4193
The actuary shall prepare a report of the actuarial analysis, 4194
which shall include all of the following: 4195

(1) A summary of the statutory changes that are being 4196
evaluated; 4197

(2) A description of or reference to the actuarial 4198
assumptions and actuarial cost method used in the report; 4199

(3) A description of the participant group or groups included 4200
in the report; 4201

(4) A statement of the financial impact of the legislation, 4202
including the resulting increase, if any, in the employer normal 4203
cost percentage; the increase, if any, in actuarial accrued 4204
liabilities; and the per cent of payroll that would be required to 4205
amortize the increase in actuarial accrued liabilities as a level 4206
per cent of covered payroll for all active members over a period 4207
not to exceed thirty years; 4208

(5) A statement of whether the scheduled contributions to the 4209
system after the proposed change is enacted are expected to be 4210

sufficient to satisfy the funding objectives established by the board. 4211
4212

Not later than sixty days from the date of introduction of 4213
the legislation, the board shall submit a copy of the actuarial 4214
analysis to ~~the legislative budget office of~~ the legislative 4215
service commission, the standing committees of the house of 4216
representatives and the senate with primary responsibility for 4217
retirement legislation, and the Ohio retirement study ~~commission~~ 4218
council. 4219

(E) The board shall have prepared annually a report giving a 4220
full accounting of the revenues and costs relating to the 4221
provision of benefits under sections 3309.375 and 3309.69 of the 4222
Revised Code. The report shall be made as of June 30, 1997, and 4223
the thirtieth day of June of each year thereafter. The report 4224
shall include the following: 4225

(1) A description of the statutory authority for the benefits 4226
provided; 4227

(2) A summary of the benefits; 4228

(3) A summary of the eligibility requirements for the 4229
benefits; 4230

(4) A statement of the number of participants eligible for 4231
the benefits; 4232

(5) A description of the accounting, asset valuation, and 4233
funding method used to provide the benefits; 4234

(6) A statement of the net assets available for the provision 4235
of the benefits as of the last day of the fiscal year; 4236

(7) A statement of any changes in the net assets available 4237
for the provision of benefits, including participant and employer 4238
contributions, net investment income, administrative expenses, and 4239
benefits provided to participants, as of the last day of the 4240

fiscal year; 4241

(8) For the last six consecutive fiscal years, a schedule of 4242
the net assets available for the benefits, the annual cost of 4243
benefits, administrative expenses incurred, and annual employer 4244
contributions allocated for the provision of benefits; 4245

(9) A description of any significant changes that affect the 4246
comparability of the report required under this division; 4247

(10) A statement of the amount paid under division ~~(D)~~(C) of 4248
section 3309.69 of the Revised Code. 4249

The board shall submit the report to the Ohio retirement 4250
study ~~commission~~ council and the standing committees of the house 4251
of representatives and the senate with primary responsibility for 4252
retirement legislation not later than the thirty-first day of 4253
December following the year for which the report was made. 4254

Sec. 3309.43. ~~A~~ (A) Except as provided in division (B) of 4255
this section, a member of the school employees retirement system 4256
who has ceased to be an employee, and who is also a member of 4257
either the public employees retirement system or the state 4258
teachers retirement system, or both, may not withdraw his the 4259
member's accumulated contributions, unless he. 4260

(B) On application, the school employees retirement board 4261
shall pay a member described in division (A) of this section the 4262
member's accumulated contributions if either of the following 4263
applies: 4264

(1) The member also withdraws his the member's contributions 4265
from such other systems. The 4266

(2) The member is a participant in a plan established under 4267
section 145.81 or 3307.81 of the Revised Code and has withdrawn 4268
the member's contributions under plans described in sections 4269
145.201 to 145.79 and 3307.50 to 3307.79 of the Revised Code. 4270

The school employees retirement board may waive the annual 4271
expense fee where a member is contributing to another state 4272
retirement system provided such member is not at the same time 4273
contributing to the school employees retirement system. 4274

Sec. 3309.45. Except as provided in division (C)(1) of this 4275
section, in lieu of accepting the payment of the accumulated 4276
account of a member who dies before service retirement, the 4277
beneficiary, as determined in section 3309.44 of the Revised Code, 4278
may elect to forfeit the accumulated account and to substitute 4279
certain other benefits either under division (A) or (B) of this 4280
section. 4281

(A)(1) If a deceased member was eligible for a service 4282
retirement allowance as provided in section 3309.36, 3309.38, or 4283
3309.381 of the Revised Code, a surviving spouse or other sole 4284
dependent beneficiary may elect to receive a monthly benefit 4285
computed as the joint-survivor allowance designated as "plan D" in 4286
section 3309.46 of the Revised Code, which the member would have 4287
received had the member retired on the last day of the month of 4288
death and had the member at that time selected such joint-survivor 4289
plan. Payment shall begin with the month subsequent to the 4290
member's death. 4291

(2) Beginning on a date selected by the school employees 4292
retirement board, which shall be not later than July 1, 2004, a 4293
surviving spouse or other sole dependent beneficiary may elect, in 4294
lieu of a monthly payment under division (A)(1) of this section, a 4295
plan of payment consisting of both of the following: 4296

(a) A lump sum in an amount the surviving spouse or other 4297
sole dependent beneficiary designates that constitutes a portion 4298
of the allowance that would be payable under division (A)(1) of 4299
this section; 4300

(b) The remainder of that allowance in monthly payments. 4301

The total amount paid as a lump sum and a monthly benefit 4302
shall be the actuarial equivalent of the amount that would have 4303
been paid had the lump sum not been selected. 4304

The lump sum amount designated by the surviving spouse or 4305
other sole dependent beneficiary under division (A)(2)(a) of this 4306
section shall be not less than six times and not more than 4307
thirty-six times the monthly amount that would be payable to the 4308
surviving spouse or other sole dependent beneficiary under 4309
division (A)(1) of this section and shall not result in a monthly 4310
benefit that is less than fifty per cent of that monthly amount. 4311

(B) If the deceased member had completed at least one and 4312
one-half years of credit for Ohio service, with at least 4313
one-quarter year of Ohio contributing service credit within the 4314
two and one-half years prior to the date of death, or was 4315
receiving at the time of death a disability benefit as provided in 4316
section 3309.40 or 3309.401 of the Revised Code, qualified 4317
survivors who elect to receive monthly benefits shall receive the 4318
greater of the benefits provided in division (B)(1)(a) or (b) as 4319
allocated in accordance with division (B)(5) of this section. 4320

(1)(a) Number 4321

of Qualified Or 4322

survivors Annual Benefit as a Per Monthly Benefit 4323

affecting Cent of Decedent's Final shall not be 4324

the benefit Average Salary less than 4325

1 25% \$96 4326

2 40 186 4327

3 50 236 4328

4 55 236 4329

5 or more 60 236 4330

(b) Years of Service Annual Benefit as a Per Cent of 4331

Member's Final Average Salary

20 29% 4332

21	33	4333
22	37	4334
23	41	4335
24	45	4336
25	48	4337
26	51	4338
27	54	4339
28	57	4340
29 or more	60	4341

(2) Benefits shall begin as qualified survivors meet 4342
eligibility requirements as follows: 4343

(a) A qualified spouse is the surviving spouse of the 4344
deceased member who is age sixty-two, or regardless of age if the 4345
deceased member had ten or more years of Ohio service credit, or 4346
regardless of age if caring for a surviving child, or regardless 4347
of age if adjudged physically or mentally incompetent. 4348

(b) A qualified child is any child of the deceased member who 4349
has never been married and to whom one of the following applies: 4350
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(i) Is under age eighteen, or under age twenty-two if the 4352
child is attending an institution of learning or training pursuant 4353
to a program designed to complete in each school year the 4354
equivalent of at least two-thirds of the full-time curriculum 4355
requirements of such institution and as further determined by 4356
board policy; 4357

(ii) Regardless of age, is adjudged physically or mentally 4358
incompetent if the incompetence existed prior to the member's 4359
death and prior to the child attaining age eighteen, or age 4360
twenty-two if attending an institution described in division 4361
(B)(2)(b)(i) of this section. 4362

(c) A qualified parent is a dependent parent aged sixty-five 4363

or older.

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

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(4) Benefits to a qualified survivor shall terminate upon a first marriage, abandonment, adoption, or during active military service. Benefits to a deceased member's surviving spouse that were terminated under a former version of this section that required termination due to remarriage and were not resumed prior to September 16, 1998, shall resume on the first day of the month immediately following receipt by the board of an application on a form provided by the board.

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Upon the death of any subsequent spouse who was a member of the public employees retirement system, state teachers retirement system, or school employees retirement system, the surviving spouse of such member may elect to continue receiving benefits under this division, or to receive survivor's benefits, based upon the subsequent spouse's membership in one or more of the systems, for which such surviving spouse is eligible under this section or section 145.45 or 3307.66 of the Revised Code. If the surviving spouse elects to continue receiving benefits under this division, such election shall not preclude the payment of benefits under this division to any other qualified survivor.

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

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(5)(a) If a benefit is payable under division (B)(1)(a) of this section, benefits to a qualified spouse shall be paid in the amount determined for the first qualifying survivor in division

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(B)(1)(a) of this section, but shall not be less than one hundred 4395
six dollars per month if the deceased member had ten or more years 4396
of Ohio service credit. All other qualifying survivors shall share 4397
equally in the benefit or remaining portion thereof. 4398

(b) All qualifying survivors shall share equally in a benefit 4399
payable under division (B)(1)(b) of this section, except that if 4400
there is a surviving spouse, the surviving spouse shall receive no 4401
less than the greater of the amount determined for the first 4402
qualifying survivor in division (B)(1)(a) of this section or one 4403
hundred six dollars per month. 4404

(6) The beneficiary of a member who is also a member of the 4405
public employees retirement system, or of the state teachers 4406
retirement system, must forfeit the member's accumulated 4407
contributions in those systems, if the beneficiary takes a 4408
survivor benefit. Such benefit shall be exclusively governed by 4409
section 3309.35 of the Revised Code. 4410

(C)(1) Regardless of whether the member is survived by a 4411
spouse or designated beneficiary, if the school employees 4412
retirement system receives notice that a deceased member described 4413
in division (A) or (B) of this section has one or more qualified 4414
children, all persons who are qualified survivors under ~~Division~~ 4415
division (B) of this section shall receive monthly benefits as 4416
provided in division (B) of this section. 4417

If, after determining the monthly benefits to be paid under 4418
division (B) of this section, the system receives notice that 4419
there is a qualified survivor who was not considered when the 4420
determination was made, the system shall, notwithstanding section 4421
3309.661 of the Revised Code, recalculate the monthly benefits 4422
with that qualified survivor included, even if the benefits to 4423
qualified survivors already receiving benefits are reduced as a 4424
result. The benefits shall be calculated as if the qualified 4425
survivor who is the subject of the notice became eligible on the 4426

date the notice was received and shall be paid to qualified 4427
survivors effective on the first day of the first month following 4428
the system's receipt of the notice. 4429

If the retirement system did not receive notice that a 4430
deceased member has one or more qualified children prior to making 4431
payment under section 3309.44 of the Revised Code to a beneficiary 4432
as determined by the retirement system, the payment is a full 4433
discharge and release of the system from any future claims under 4434
this section or section 3309.44 of the Revised Code. 4435

(2) If benefits under division (C)(1) of this section to all 4436
persons, or to all persons other than a surviving spouse or other 4437
sole beneficiary, terminate, there are no children under the age 4438
of twenty-two years, and the surviving spouse or beneficiary 4439
qualifies for benefits under division (A) of this section, the 4440
surviving spouse or beneficiary may elect to receive benefits 4441
under division (A) of this section. Benefits shall be effective on 4442
the first day of the month following receipt by the board of an 4443
application for benefits under division (A) of this section. 4444

(D) The final average salary used in the calculation of a 4445
benefit payable pursuant to division (A) or (B) of this section to 4446
a survivor or beneficiary of a disability benefit recipient shall 4447
be adjusted for each year between the disability benefit's 4448
effective date and the recipient's date of death by the lesser of 4449
three per cent or the actual average percentage increase in the 4450
consumer price index prepared by the United States bureau of labor 4451
statistics (U.S. City Average for Urban Wage Earners and Clerical 4452
Workers: "All Items 1982-84=100"). 4453

(E) If the survivor benefits due and paid under this section 4454
are in a total amount less than the member's accumulated account 4455
that was transferred from the employees' savings fund, the state 4456
teachers retirement fund, and the public employees retirement fund 4457
to the survivors' benefit fund, then the difference between the 4458

total amount of the benefits paid shall be paid to the beneficiary 4459
under section 3309.44 of the Revised Code. 4460

Sec. 3309.46. (A) The retirement allowance calculated under 4461
section 3309.36, 3309.38, or 3309.381 of the Revised Code shall be 4462
paid as provided in this section. If the member is eligible to 4463
elect a plan of payment under this section, the election shall be 4464
made on the application for retirement. A plan of payment elected 4465
under this section shall be effective only if it is certified by 4466
the actuary engaged by the school employees retirement board to be 4467
the actuarial equivalent of the member's retirement allowance and 4468
is approved by the retirement board. 4469

(B)(1) Unless the member is eligible to elect another plan of 4470
payment, a member who retires under section 3309.36, 3309.38, or 4471
3309.381 of the Revised Code shall receive a retirement allowance 4472
under "plan A," which shall consist of the actuarial equivalent of 4473
the member's retirement allowance determined under section 4474
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 4475
amount payable for life and one-half of such allowance continuing 4476
after death to the member's surviving spouse for the life of the 4477
spouse. 4478

A member may elect to receive a retirement allowance under a 4479
plan of payment other than "plan A" if the member is not married 4480
or either the member's spouse consents in writing to the member's 4481
election to a plan of payment other than "plan A" or the board 4482
waives the requirement that the spouse consent. 4483

An application for retirement shall include an explanation of 4484
all of the following: 4485

(a) That, if the member is married, unless the spouse 4486
consents to another plan of payment, the member's retirement 4487
allowance will be paid under "plan A," which consists of the 4488
actuarial equivalent of the member's retirement allowance in a 4489

lesser amount payable for life and one-half of the allowance 4490
continuing after death to the surviving spouse for the life of the 4491
spouse; 4492

(b) A description of the alternative plans of payment, 4493
including all plans described in divisions (B)(2) and (3) of this 4494
section, available with the consent of the spouse; 4495

(c) That the spouse may consent to another plan of payment 4496
and the procedure for giving consent; 4497

(d) That consent is irrevocable once notice of consent is 4498
filed with the board. 4499

Consent shall be valid only if it is in writing, signed by 4500
the spouse, and witnessed by an employee of the school employees 4501
retirement system or a notary public. The board may waive the 4502
requirement of consent if the spouse is incapacitated or cannot be 4503
located or for any other reason specified by the board. Consent or 4504
waiver is effective only with regard to the spouse who is the 4505
subject of the consent or waiver. 4506

(2) A member eligible to elect to receive a retirement 4507
allowance under a plan of payment other than "plan A" shall 4508
receive the retirement allowance under the plan described in 4509
division (B)(3) of this section or one of the following plans 4510
~~electd at the time the member makes application for retirement:~~ 4511

(a) "Plan B," which shall consist of an allowance determined 4512
under section 3309.36, 3309.38, or 3309.381 of the Revised Code; 4513

(b) "Plan C," which shall consist of the actuarial equivalent 4514
of the member's retirement allowance determined under section 4515
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 4516
amount payable for life and one-half or some other portion of the 4517
allowance continuing after death to the member's sole surviving 4518
beneficiary designated at the time of the member's retirement, 4519
provided that the amount payable to the beneficiary does not 4520

exceed the amount payable to the member;

(c) "Plan D," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser amount payable for life and continuing after death to a surviving designated beneficiary designated at the time of the member's retirement;

(d) "Plan E," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser amount payable for a certain period from the member's retirement date as elected by the member and approved by the retirement board, and on the member's death before the expiration of that certain period, the member's lesser retirement allowance continued for the remainder of that period to, and in such order, the beneficiaries as the member has nominated by written designation and filed with the retirement board.

Monthly benefits shall not be paid to joint beneficiaries, but they may receive the present value of any remaining payments in a lump sum settlement. If all beneficiaries die before the expiration of the certain period, the present value of all such payments yet remaining in such period shall be paid to the estate of the beneficiary last receiving.

(3)(a) Beginning on a date selected by the board, which shall be not later than July 1, 2004, a member may elect, in lieu of a plan of payment under division (B)(1) or (2) of this section, a plan consisting of both a lump sum in an amount the member designates that constitutes a portion of the retirement allowance payable under a plan described in division (B)(1) or (2) of this section and the remainder of the allowance payable under that plan in monthly payments.

The total amount paid as a lump sum and a monthly benefit 4552
shall be the actuarial equivalent of the amount that would have 4553
been paid had the lump sum not been selected. 4554

(b) The lump sum amount designated by the member shall be not 4555
less than six times and not more than thirty-six times the monthly 4556
amount that would be payable to the member under the plan of 4557
payment elected under this section had the lump sum not been 4558
elected and shall not result in a monthly benefit that is less 4559
than fifty per cent of that amount. 4560

(4) An election under division (B)(2) or (3) of this section 4561
shall be made at the time the member makes application for 4562
retirement. 4563

(5) A member eligible to elect to receive a retirement 4564
allowance under a plan of payment other than "plan A" because the 4565
member is unmarried who fails to make an election on retirement 4566
shall receive a retirement allowance under "plan B." 4567

(C) Until the first payment of any retirement allowance is 4568
made, as provided in sections 3309.36, 3309.38, or 3309.381 of the 4569
Revised Code, a member may change the member's election of a 4570
payment plan if the election is made in accordance with and is 4571
consistent with division (B) of this section. 4572

(D) If the retirement allowances due and paid under the above 4573
provisions of this section are in a total amount less than (1) the 4574
accumulated contributions, (2) the deposits for additional credit 4575
as provided by section 3309.31 of the Revised Code, (3) the 4576
deposits for additional annuities as provided by section 3309.47 4577
of the Revised Code, (4) the deposits for repurchase of service 4578
credit as provided by section 3309.26 of the Revised Code, (5) the 4579
accumulated contributions provided by section 3309.65 of the 4580
Revised Code, (6) the deposits for purchase of military service 4581
credit provided by section 3309.021 or 3309.022 of the Revised 4582

Code, and (7) the deposits for the purchase of service credit 4583
provided by section 3309.73 of the Revised Code, standing to the 4584
credit of the member at the time of retirement, then the 4585
difference between the total amount of the allowances paid and the 4586
accumulated contributions and other deposits shall be paid to the 4587
beneficiary provided under division (D) of section 3309.44 of the 4588
Revised Code. 4589

(E)(1) The death of a spouse or any other designated 4590
beneficiary following the member's retirement shall cancel any 4591
plan of payment to provide continuing lifetime benefits to the 4592
spouse or designated beneficiary and the retirant shall receive 4593
the retirant's single lifetime retirement allowance equivalent as 4594
determined by the board. 4595

(2) On divorce, annulment, or marriage dissolution, a 4596
retirant receiving a retirement allowance under a plan of payment 4597
that provides for continuation of all or part of the allowance 4598
after death for the lifetime of the member's surviving spouse may 4599
elect to cancel the plan and receive the member's single lifetime 4600
retirement allowance equivalent as determined by the retirement 4601
board, except that in the case of a member who retires on or after 4602
July 24, 1990, the election may be made only with the written 4603
consent of the spouse or pursuant to an order of the court with 4604
jurisdiction over the termination of the marriage. The election 4605
shall be made on a form provided by the board and shall be 4606
effective the month following its receipt by the board. 4607

(3) Following marriage or remarriage, a retirant who is 4608
receiving a benefit pursuant to "plan B" may elect a new plan of 4609
payment under division (B)(1), (2)(b), or (2)(c) of this section 4610
based on the actuarial equivalent of the member's single lifetime 4611
retirement allowance as determined by the board. The plan shall 4612
become effective the first day of the month following receipt by 4613
the board of an application on a form approved by the board. 4614

Sec. 3309.69. (A) As used in this section, "ineligible 4615
individual" means all of the following: 4616

(1) A former member receiving benefits pursuant to section 4617
3309.34, 3309.35, 3309.36, 3309.38, or 3309.381 of the Revised 4618
Code for whom eligibility is established more than five years 4619
after June 13, 1981, and who, at the time of establishing 4620
eligibility, has accrued less than ten years of service credit, 4621
exclusive of credit obtained after January 29, 1981, pursuant to 4622
sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised 4623
Code; 4624

(2) The spouse of the former member; 4625

(3) The beneficiary of the former member receiving benefits 4626
pursuant to section 3309.46 of the Revised Code. 4627

(B) The school employees retirement board may enter into an 4628
agreement with insurance companies, health insuring corporations, 4629
or government agencies authorized to do business in the state for 4630
issuance of a policy or contract of health, medical, hospital, or 4631
surgical benefits, or any combination thereof, for those 4632
individuals receiving service retirement or a disability or 4633
survivor benefit subscribing to the plan and their eligible 4634
dependents. 4635

If all or any portion of the policy or contract premium is to 4636
be paid by any individual receiving service retirement or a 4637
disability or survivor benefit, the person shall, by written 4638
authorization, instruct the board to deduct the premiums agreed to 4639
be paid by the individual to the companies, corporations, or 4640
agencies. 4641

The board may contract for coverage on the basis of part or 4642
all of the cost of the coverage to be paid from appropriate funds 4643
of the school employees retirement system. The cost paid from the 4644

funds of the system shall be included in the employer's
contribution rate provided by sections 3309.49 and 3309.491 of the
Revised Code. The board shall not pay or reimburse the cost for
health care under this section or section 3309.375 of the Revised
Code for any ineligible individual.

The board may provide for self-insurance of risk or level of
risk as set forth in the contract with the companies,
corporations, or agencies, and may provide through the
self-insurance method specific benefits as authorized by the rules
of the board.

~~(C) If the board provides health, medical, hospital, or
surgical benefits through any means other than a health insuring
corporation, it shall offer to each individual eligible for the
benefits the alternative of receiving benefits through enrollment
in a health insuring corporation, if all of the following apply:~~

~~(1) The health insuring corporation provides health care
services in the geographical area in which the individual lives;~~

~~(2) The eligible individual was receiving health care
benefits through a health maintenance organization or a health
insuring corporation before retirement;~~

~~(3) The rate and coverage provided by the health insuring
corporation to eligible individuals is comparable to that
currently provided by the board under division (B) of this
section. If the rate or coverage provided by the health insuring
corporation is not comparable to that currently provided by the
board under division (B) of this section, the board may deduct the
additional cost from the eligible individual's monthly benefit.~~

~~The health insuring corporation shall accept as an enrollee
any eligible individual who requests enrollment.~~

~~The board shall permit each eligible individual to change
from one plan to another at least once a year at a time determined~~

~~by the board.~~

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~~(D)~~ The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, make a monthly payment to each recipient of service retirement, or a disability or survivor benefit under the school employees retirement system who is eligible for insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, except that the board shall make no such payment to any ineligible individual. Effective on the first day of the month after ~~the effective date of this amendment~~ April 9, 2001, the amount of the payment shall be the lesser of an amount equal to the basic premium for such coverage, or an amount equal to the basic premium in effect on January 1, 1999.

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~~(E)~~(D) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section or section 3309.375 of the Revised Code with any similar coverage, payment, or benefit made available to the same individual by the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, or state highway patrol retirement system.

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~~(F)~~(E) The board shall make all other necessary rules pursuant to the purpose and intent of this section.

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Sec. 5505.12. (A) The state highway patrol retirement board shall have prepared annually by or under the supervision of an actuary an actuarial valuation of the pension assets, liabilities, and funding requirements of the state highway patrol retirement system as established pursuant to this chapter. The actuary shall complete the valuation in accordance with actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries and prepare a report of the valuation. The report shall include all of the following:

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- (1) A summary of the benefit provisions evaluated; 4707
- (2) A summary of the census data and financial information 4708
used in the valuation; 4709
- (3) A description of the actuarial assumptions, actuarial 4710
cost method, and asset valuation method used in the valuation, 4711
including a statement of the assumed rate of payroll growth and 4712
assumed rate of growth or decline in the number of members 4713
contributing to the retirement system; 4714
- (4) A summary of findings that includes a statement of the 4715
actuarial accrued pension liabilities and unfunded actuarial 4716
accrued pension liabilities; 4717
- (5) A schedule showing the effect of any changes in the 4718
benefit provisions, actuarial assumptions, or cost methods since 4719
the last annual actuarial valuation; 4720
- (6) A statement of whether contributions to the retirement 4721
system are expected to be sufficient to satisfy the funding 4722
objectives established by the board. 4723
- The board shall submit the report to the Ohio retirement 4724
study council and the standing committees of the house of 4725
representatives and the senate with primary responsibility for 4726
retirement legislation not later than the first day of July 4727
following the year for which the valuation was made. 4728
- (B) At such times as the state highway patrol retirement 4729
board determines, and at least once in each five-year period after 4730
January 1, 1966, the board shall have prepared by or under the 4731
supervision of an actuary an actuarial investigation of the 4732
mortality, service, and other experience of the members, 4733
retirants, and beneficiaries to update the actuarial assumptions 4734
used in the actuarial valuation required by division (A) of this 4735
section. The actuary shall prepare a report of the actuarial 4736
investigation. The report shall be prepared and any recommended 4737

changes in actuarial assumptions shall be made in accordance with 4738
the actuarial standards of practice promulgated by the actuarial 4739
standards board of the American academy of actuaries. The report 4740
shall include all of the following: 4741

(1) A summary of relevant decrement and economic assumption 4742
experience observed over the period of the investigation; 4743

(2) Recommended changes in actuarial assumptions to be used 4744
in subsequent actuarial valuations required by division (A) of 4745
this section; 4746

(3) A measurement of the financial effect of the recommended 4747
changes in actuarial assumptions. 4748

The board shall submit the report to the Ohio retirement 4749
study council and the standing committees of the house of 4750
representatives and the senate with primary responsibility for 4751
retirement legislation not later than the first day of November 4752
following the last fiscal year of the period the report covers. 4753

(C) The board may at any time request the actuary to make any 4754
studies or actuarial valuations to determine the adequacy of the 4755
rates of contributions provided by section 5505.15 of the Revised 4756
Code. 4757

(D) The board shall have prepared by or under the supervision 4758
of an actuary an actuarial analysis of any introduced legislation 4759
expected to have a measurable financial impact on the retirement 4760
system. The actuarial analysis shall be completed in accordance 4761
with the actuarial standards of practice promulgated by the 4762
actuarial standards board of the American academy of actuaries. 4763
The actuary shall prepare a report of the actuarial analysis, 4764
which shall include all of the following: 4765

(1) A summary of the statutory changes that are being 4766
evaluated; 4767

(2) A description of or reference to the actuarial 4768
assumptions and actuarial cost method used in the report; 4769

(3) A description of the participant group or groups included 4770
in the report; 4771

(4) A statement of the financial impact of the legislation, 4772
including the resulting increase, if any, in the employer normal 4773
cost percentage; the increase, if any, in actuarial accrued 4774
liabilities; and the per cent of payroll that would be required to 4775
amortize the increase in actuarial accrued liabilities as a level 4776
per cent of covered payroll for all active members over a period 4777
not to exceed thirty years; 4778

(5) A statement of whether the scheduled contributions to the 4779
system after the proposed change is enacted are expected to be 4780
sufficient to satisfy the funding objectives established by the 4781
board. 4782

Not later than sixty days from the date of introduction of 4783
the legislation, the board shall submit a copy of the actuarial 4784
analysis to ~~the legislative budget office of the legislative~~ 4785
service commission, the standing committees of the house of 4786
representatives and the senate with primary responsibility for 4787
retirement legislation, and the Ohio retirement study council. 4788

(E) The board shall have prepared annually a report giving a 4789
full accounting of the revenues and costs relating to the 4790
provision of benefits under section 5505.28 of the Revised Code. 4791
The report shall be made as of December 31, 1997, and the 4792
thirty-first day of December of each year thereafter. The report 4793
shall include the following: 4794

(1) A description of the statutory authority for the benefits 4795
provided; 4796

(2) A summary of the benefits; 4797

(3) A summary of the eligibility requirements for the 4798
benefits; 4799

(4) A statement of the number of participants eligible for 4800
the benefits; 4801

(5) A description of the accounting, asset valuation, and 4802
funding method used to provide the benefits; 4803

(6) A statement of the net assets available for the provision 4804
of the benefits as of the last day of the fiscal year; 4805

(7) A statement of any changes in the net assets available 4806
for the provision of benefits, including participant and employer 4807
contributions, net investment income, administrative expenses, and 4808
benefits provided to participants, as of the last day of the 4809
fiscal year; 4810

(8) For the last six consecutive fiscal years, a schedule of 4811
the net assets available for the benefits, the annual cost of 4812
benefits, administrative expenses incurred, and annual employer 4813
contributions allocated for the provision of benefits; 4814

(9) A description of any significant changes that affect the 4815
comparability of the report required under this division; 4816

(10) A statement of the amount paid under division ~~(C)~~(B) of 4817
section 5505.28 of the Revised Code. 4818

The board shall submit the report to the Ohio retirement 4819
study council and the standing committees of the house of 4820
representatives and the senate with primary responsibility for 4821
retirement legislation not later than the thirtieth day of June 4822
following the year for which the report was made. 4823

Sec. 5505.28. (A) The state highway patrol retirement board 4824
may enter into an agreement with insurance companies, health 4825
insuring corporations, or government agencies authorized to do 4826

business in the state for issuance of a policy or contract of 4827
health, medical, hospital, or surgical benefits, or any 4828
combination thereof, for those persons receiving pensions and 4829
subscribing to the plan. Notwithstanding any other provision of 4830
this chapter, the policy or contract may also include coverage for 4831
any eligible individual's spouse and dependent children and for 4832
any of the individual's sponsored dependents as the board 4833
considers appropriate. 4834

If all or any portion of the policy or contract premium is to 4835
be paid by any individual receiving a service, disability, or 4836
survivor pension or benefit, the individual shall, by written 4837
authorization, instruct the board to deduct from the individual's 4838
pension or benefit the premium agreed to be paid by the individual 4839
to the company, corporation, or agency. 4840

The board may contract for coverage on the basis of part or 4841
all of the cost of the coverage to be paid from appropriate funds 4842
of the state highway patrol retirement system. The cost paid from 4843
the funds of the system shall be included in the employer's 4844
contribution rate as provided by section 5505.15 of the Revised 4845
Code. 4846

~~(B) If the board provides health, medical, hospital, or 4847
surgical benefits through any means other than a health insuring 4848
corporation, it shall offer to each individual eligible for the 4849
benefits the alternative of receiving benefits through enrollment 4850
in a health insuring corporation, if all of the following apply:~~ 4851

~~(1) The health insuring corporation provides health care 4852
services in the geographical area in which the individual lives;~~ 4853

~~(2) The eligible individual was receiving health care 4854
benefits through a health maintenance organization or a health 4855
insuring corporation before retirement;~~ 4856

~~(3) The rate and coverage provided by the health insuring 4857~~

~~corporation to eligible individuals is comparable to that
currently provided by the board under division (A) of this
section. If the rate or coverage provided by the health insuring
corporation is not comparable to that currently provided by the
board under division (A) of this section, the board may deduct the
additional cost from the eligible individual's monthly benefit.~~

~~The health insuring corporation shall accept as an enrollee
any eligible individual who requests enrollment.~~

~~The board shall permit each eligible individual to change
from one plan to another at least once a year at a time determined
by the board.~~

~~(C)~~ The board shall, beginning the month following receipt of
satisfactory evidence of the payment for coverage, pay monthly to
each recipient of a pension under the state highway patrol
retirement system who is eligible for medical insurance coverage
under part B of "The Social Security Amendments of 1965," 79 Stat.
301, 42 U.S.C.A. 1395j, as amended, an amount established by board
rule not exceeding the basic premium for such coverage.

~~(D)~~(C) The board shall establish by rule requirements for the
coordination of any coverage, payment, or benefit provided under
this section with any similar coverage, payment, or benefit made
available to the same individual by the public employees
retirement system, Ohio police and fire pension fund, state
teachers retirement system, or school employees retirement system.

~~(E)~~(D) The board shall make all other necessary rules
pursuant to the purpose and intent of this section.

Section 2. That existing sections 145.01, 145.04, 145.05,
145.091, 145.19, 145.191, 145.192, 145.20, 145.22, 145.23, 145.27,
145.35, 145.38, 145.384, 145.40, 145.45, 145.46, 145.56, 145.58,
145.80, 145.81, 145.811, 145.812, 145.813, 145.82, 145.85, 145.86,

145.87, 145.88, 145.91, 145.92, 145.95, 145.97, 742.14, 742.37, 4888
742.372, 742.45, 3105.80, 3307.01, 3307.39, 3307.51, 3307.56, 4889
3307.561, 3307.563, 3307.58, 3307.60, 3307.761, 3307.763, 4890
3307.764, 3307.87, 3309.21, 3309.43, 3309.45, 3309.46, 3309.69, 4891
5505.12, and 5505.28 and sections 742.371 and 742.373 of the 4892
Revised Code are hereby repealed. 4893

Section 3. Section 145.01 of the Revised Code is presented in 4894
this act as a composite of the section as amended by Sub. H.B. 4895
158, Am. Sub. H.B. 405, and Am. Sub. S.B. 164 of the 124th General 4896
Assembly. Section 145.27 of the Revised Code is presented in this 4897
act as a composite of the section as amended by both Sub. H.B. 535 4898
and Am. Sub. S.B. 180 of the 123rd General Assembly. Section 4899
145.56 of the Revised Code is presented in this act as a composite 4900
of the section as amended by both Sub. H.B. 535 and Am. Sub. S.B. 4901
180 of the 123rd General Assembly. Section 3307.58 of the Revised 4902
Code is presented in this act as a composite of the section as 4903
amended by both Sub. H.B. 535 and Sub. S.B. 270 of the 123rd 4904
General Assembly. The General Assembly, applying the principle 4905
stated in division (B) of section 1.52 of the Revised Code that 4906
amendments are to be harmonized if reasonably capable of 4907
simultaneous operation, finds that the composite is the resulting 4908
version of the section in effect prior to the effective date of 4909
the section as presented in this act. 4910