

As Passed by the Senate

124th General Assembly
Regular Session
2001-2002

Sub. S. B. No. 247

SENATORS Blessing, Amstutz, Armbruster, Austria, Carnes, Coughlin,
Randy Gardner, Robert Gardner, Harris, Herington, Mead, Shoemaker, Spada,
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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, 3307.01, 3307.39, 3307.51, 7
3307.56, 3307.561, 3307.563, 3307.58, 3307.60, 8
3307.761, 3307.763, 3307.764, 3307.87, 3309.21, 9
3309.43, 3309.45, 3309.46, 3309.69, 5505.12, and 10
5505.28; to amend, for the purpose of adopting a 11
new section number as indicated in parentheses, 12
section 742.372 (742.371); to enact sections 13
145.193, 145.385, 145.402, 145.814, and 145.83; and 14
to repeal sections 742.371 and 742.373 of the 15
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contributions previously withdrawn from OP&F by 29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, 3307.01, 3307.39, 3307.51, 3307.56, 3307.561, 3307.563, 39
3307.58, 3307.60, 3307.761, 3307.763, 3307.764, 3307.87, 3309.21, 40
3309.43, 3309.45, 3309.46, 3309.69, 5505.12, and 5505.28 be 41
amended, and section 742.372 (742.371) be amended for the purpose 42
of adopting a new section number, and sections 145.193, 145.385, 43
145.402, 145.814, and 145.83 of the Revised Code be enacted to 44
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
cemetery, joint hospital, institutional commissary, 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
division (A)(1) of this section, or employed and paid in whole or
in part by the state or any of the authorities named in division
(A)(1) of this section in any capacity not covered by section
742.01, 3307.01, 3309.01, or 5505.01 of the Revised Code.

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

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

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(4) A person who elects in accordance with section 145.015 of
the Revised Code to remain a contributing member of the public
employees retirement system.

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

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(B) "Member" means any public employee, other than a public

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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
rendered before January 1, 1935, and all service as an employee of
any employer who comes within the state teachers retirement system
or of the school employees retirement system or of any other
retirement system established under the laws of this state
rendered prior to January 1, 1935, provided that if the employee
claiming the service was employed in any capacity covered by that

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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: 140

First, when the member's annual salary is one thousand 141
dollars or less, the service credit for each such calendar year 142
shall be forty per cent of a year. 143

Second, for each full one hundred dollars of annual salary 144
above one thousand dollars, the member's service credit for each 145

such calendar year shall be increased by two and one-half per cent. 146
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(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. 148
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(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. 153
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(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.~~ 158
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(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. 164
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(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 168
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this chapter. In addition, "total service credit" includes any 177
period, not in excess of three years, during which a member was 178
out of service and receiving benefits under Chapters 4121. and 179
4123. of the Revised Code. For the exclusive purpose of satisfying 180
the service credit requirement and of determining eligibility for 181
benefits under sections 145.32, 145.33, 145.331, 145.35, 145.36, 182
and 145.361 of the Revised Code, "five or more years of total 183
service credit" means sixty or more calendar months of 184
contributing service in this system. 185

(2) "One and one-half years of contributing service credit," 186
as used in division (B) of section 145.45 of the Revised Code, 187
also means eighteen or more calendar months of employment by a 188
municipal corporation that formerly operated its own retirement 189
plan for its employees or a part of its employees, provided that 190
all employees of that municipal retirement plan who have eighteen 191
or more months of such employment, upon establishing membership in 192
the public employees retirement system, shall make a payment of 193
the contributions they would have paid had they been members of 194
this system for the eighteen months of employment preceding the 195
date membership was established. When that payment has been made 196
by all such employee members, a corresponding payment shall be 197
paid into the employers' accumulation fund by that municipal 198
corporation as the employer of the employees. 199

(3) Where a member also is a member of the state teachers 200
retirement system or the school employees retirement system, or 201
both, except in cases of retirement on a combined basis pursuant 202
to section 145.37 of the Revised Code or as provided in section 203
145.383 of the Revised Code, service credit for any period shall 204
be credited on the basis of the ratio that contributions to the 205
public employees retirement system bear to total contributions in 206
all state retirement systems. 207

(4) Not more than one year of credit may be given for any 208

period of twelve months. 209

(5) "Ohio service credit" means credit for service that was 210
rendered to the state or any of its political subdivisions or any 211
employer. 212

(I) "Regular interest" means interest at any rates for the 213
respective funds and accounts as the public employees retirement 214
board may determine from time to time. 215

(J) "Accumulated contributions" means the sum of all amounts 216
credited to a contributor's individual account in the employees' 217
savings fund together with any interest credited to the 218
contributor's account under section 145.471 or 145.472 of the 219
Revised Code. 220

(K)(1) "Final average salary" means the quotient obtained by 221
dividing by three the sum of the three full calendar years of 222
contributing service in which the member's earnable salary was 223
highest, except that if the member has a partial year of 224
contributing service in the year the member's employment 225
terminates and the member's earnable salary for the partial year 226
is higher than for any comparable period in the three years, the 227
member's earnable salary for the partial year shall be substituted 228
for the member's earnable salary for the comparable period during 229
the three years in which the member's earnable salary was lowest. 230

(2) If a member has less than three years of contributing 231
service, the member's final average salary shall be the member's 232
total earnable salary divided by the total number of years, 233
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. 264

(P) "Pensions" means annual payments for life derived from 265
contributions made by the employer that at the time of retirement 266
are credited into the annuity and pension reserve fund from the 267
employers' accumulation fund and paid from the annuity and pension 268
reserve fund as provided in this chapter. All pensions shall be 269

paid in twelve equal monthly installments.	270
(Q) "Retirement allowance" means the pension plus that	271
portion of the benefit derived from contributions made by the	272
member.	273
(R)(1) Except as otherwise provided in division (R) of this	274
section, "earnable salary" means all salary, wages, and other	275
earnings paid to a contributor by reason of employment in a	276
position covered by the retirement system. The salary, wages, and	277
other earnings shall be determined prior to determination of the	278
amount required to be contributed to the employees' savings fund	279
under section 145.47 of the Revised Code and without regard to	280
whether any of the salary, wages, or other earnings are treated as	281
deferred income for federal income tax purposes. "Earnable salary"	282
includes the following:	283
(a) Payments made by the employer in lieu of salary, wages,	284
or other earnings for sick leave, personal leave, or vacation used	285
by the contributor;	286
(b) Payments made by the employer for the conversion of sick	287
leave, personal leave, and vacation leave accrued, but not used if	288
the payment is made during the year in which the leave is accrued,	289
except that payments made pursuant to section 124.383 or 124.386	290
of the Revised Code are not earnable salary;	291
(c) Allowances paid by the employer for full maintenance,	292
consisting of housing, laundry, and meals, as certified to the	293
retirement board by the employer or the head of the department	294
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 this section.	302 303
(2) "Earnable salary" does not include any of the following:	304
(a) Fees and commissions, other than those paid under section 507.09 of the Revised Code, paid as sole compensation for personal services and fees and commissions for special services over and above services for which the contributor receives a salary;	305 306 307 308 309
(b) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the contributor or the contributor's family, or amounts paid by the employer to the contributor in lieu of providing the insurance;	310 311 312 313 314
(c) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, or use of the employer's property or equipment, or amounts paid by the employer to the contributor in lieu of providing the incidental benefits;	315 316 317 318
(d) Reimbursement for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development;	319 320 321
(e) Payments for accrued but unused sick leave, personal leave, or vacation that are made at any time other than in the year in which the sick leave, personal leave, or vacation was accrued;	322 323 324 325
(f) Payments made to or on behalf of a contributor 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;	326 327 328 329 330

(g) 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;

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

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

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

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

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

(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 362
less than two hundred fifty dollars, allow a fraction of a month's 363
credit. The numerator of this fraction shall be the earnable 364
salary during the month, and the denominator shall be two hundred 365
fifty dollars, except that if the member's annual earnable salary 366
is less than six hundred dollars, the member's credit shall not be 367
reduced below twenty per cent of a year for a calendar year of 368
employment during which the member worked each month. Division 369
(T)(1)(b) of this section shall not reduce any credit earned 370
before January 1, 1985. 371

(2) Notwithstanding division (T)(1) of this section, an 372
elected official who prior to January 1, 1980, was granted a full 373
year of credit for each year of service as an elected official 374
shall be considered to have earned a full year of credit for each 375
year of service regardless of whether the service was full-time or 376
part-time. The public employees retirement board has no authority 377
to reduce the credit. 378

(U) "State retirement board" means the public employees 379
retirement board, the school employees retirement board, or the 380
state teachers retirement board. 381

(V) "Retirant" means any former member who retires and is 382
receiving a monthly allowance as provided in sections 145.32, 383
145.33, 145.331, 145.34, and 145.46 of the Revised Code. 384

(W) "Employer contribution" means the amount paid by an 385
employer as determined under section 145.48 of the Revised Code. 386

(X) "Public service terminates" means the last day for which 387
a public employee is compensated for services performed for an 388
employer or the date of the employee's death, whichever occurs 389
first. 390

(Y) When a member has been elected or appointed to an office, 391
the term of which is two or more years, for which an annual salary 392

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, 426
means employment covered under this chapter or under a former 427
retirement plan operated, recognized, or endorsed by the employer 428
prior to coverage under this chapter or under a combination of the 429
coverage. 430

(AA) "Deputy sheriff" means any person who is commissioned 431
and employed as a full-time peace officer by the sheriff of any 432
county, and has been so employed since on or before December 31, 433
1965, and whose primary duties are to preserve the peace, to 434
protect life and property, and to enforce the laws of this state; 435
any person who is or has been commissioned and employed as a peace 436
officer by the sheriff of any county since January 1, 1966, and 437
who has received a certificate attesting to the person's 438
satisfactory completion of the peace officer training school as 439
required by section 109.77 of the Revised Code and whose primary 440
duties are to preserve the peace, protect life and property, and 441
enforce the laws of this state; or any person deputized by the 442
sheriff of any county and employed pursuant to section 2301.12 of 443
the Revised Code as a criminal bailiff or court constable who has 444
received a certificate attesting to the person's satisfactory 445
completion of the peace officer training school as required by 446
section 109.77 of the Revised Code and whose primary duties are to 447
preserve the peace, protect life and property, and enforce the 448
laws of this state. 449

(BB) "Township constable or police officer in a township 450
police department or district" means any person who is 451
commissioned and employed as a full-time peace officer pursuant to 452
Chapter 505. or 509. of the Revised Code, who has received a 453
certificate attesting to the person's satisfactory completion of 454
the peace officer training school as required by section 109.77 of 455
the Revised Code, and whose primary duties are to preserve the 456
peace, protect life and property, and enforce the laws of this 457

state.

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

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(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;

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(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.

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(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.

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(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.

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(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.

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(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.

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(HH) "Preserve officer" means a full-time employee of the

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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. 488
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(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. 491
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(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. 495
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(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. 499
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(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. 503
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(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. 507
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(NN) "Ohio veterans' home police officer" means any person who is employed at the Ohio veterans' home as a police officer pursuant to section 5907.02 of the Revised Code and is in compliance with section 109.77 of the Revised Code. 512
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(OO) "Special police officer for a mental health institution" means any person who is designated as such pursuant to section 5119.14 of the Revised Code and is in compliance with section 516
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109.77 of the Revised Code.

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

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

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

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

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

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(UU) "State highway patrol police officer" means a special police officer employed full time and designated by the superintendent of the state highway patrol pursuant to section 5503.09 of the Revised Code or a person serving full time as a special police officer pursuant to that section on a permanent basis on October 21, 1997, who is in compliance with section 109.77 of the Revised Code.

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(VV) Notwithstanding section 2901.01 of the Revised Code, "PERS law enforcement officer" means a sheriff, deputy sheriff,

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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 actuarial services to public retirement plans.	584 585
<u>(ZZ) "PERS defined benefit plan" means the plan described in sections 145.201 to 145.79 of the Revised Code.</u>	586 587
<u>(AAA) "PERS defined contribution plans" means the plan or plans established under section 145.81 of the Revised Code.</u>	588 589
Sec. 145.04. The general administration and management of the public employees retirement system and the making effective of Chapter 145. of the Revised Code, are hereby vested in a board to be known as the "public employees retirement board," which shall consist of nine members as follows:	590 591 592 593 594
(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 shall be a state employee member of the system, who shall be elected by ballot by the state employee members of the system from among their number; another of whom shall be a county employee member of the system, who shall be elected by ballot by the county 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	598 599 600 601 602 603 604 605 606 607 608 609

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.

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(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~~.

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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
employee member of the board representing public library, health
district, park district, conservancy district, sanitary district,
township, metropolitan housing authority, union cemetery, joint
hospital, and institutional commissary employees shall be held on
the first Monday in October, 1945, and on the first Monday in
October in each fourth year thereafter. The election of the state

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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 667
the ballot by the board as a regular candidate. Names of other 668
eligible candidates may, at any election, be substituted for the 669
regular candidates by writing such names upon the ballots. The 670
candidate who receives the highest number of votes for a 671
particular employee member position on the board shall be elected 672
to that office. 673

(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 administer the PERS defined benefit plan described in sections 145.201 to 145.70 of the Revised Code and the plan or PERS defined contribution plans established under section 145.81 of the Revised Code.

Sec. 145.19. (A) Except as provided in division (D) of this section, an individual who becomes employed in a member of the

~~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 in an alternative retirement plan under section 740
3305.05 of the Revised Code ~~is in effect for employment covered by~~ 741
~~the system and the employment is in a position that is subject to~~ 742
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 benefit provisions, actuarial assumptions, or cost methods since the last annual actuarial valuation;	890 891 892
(6) A statement of whether contributions to the retirement system are expected to be sufficient to satisfy the funding objectives established by the board.	893 894 895
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 first day of September following the year for which the valuation was made.	896 897 898 899 900
(B) At such time as the public employees retirement board determines, and at least once in each five-year period, the board shall have prepared by or under the supervision of an actuary an actuarial investigation of the mortality, service, and other experience of the members, retirants, contributors, and beneficiaries of the system to update the actuarial assumptions used in the actuarial valuation required by division (A) of this section. The actuary shall prepare a report of the actuarial investigation. The report shall be prepared and any recommended changes in actuarial assumptions shall be made in accordance with the actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The report shall include all of the following:	901 902 903 904 905 906 907 908 909 910 911 912 913
(1) A summary of relevant decrement and economic assumption experience observed over the period of the investigation;	914 915
(2) Recommended changes in actuarial assumptions to be used in subsequent actuarial valuations required by division (A) of this section;	916 917 918
(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

(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 inspection, except for that the following, ~~which~~ shall be excluded, except with the written authorization of the individual concerned:

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

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

(c) The individual's personal history record.

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

(C) Any person who is a member or contributor of the system shall be furnished with a statement of the amount to the credit of the individual's account upon written request. The board is not required to answer more than one such request of a person in any one year. The board may issue annual statements of accounts to members and contributors.

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

(1) If a member, former member, contributor, former contributor, or retirant is subject to an order issued under section 2907.15 of the Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Revised Code, on written request of a prosecutor as defined in section 2935.01 of the Revised Code, the board shall furnish to the prosecutor the

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 system's records that is signed by the executive director or an officer of the system and to which the system's official seal is affixed, or copies of the system's records to which the signature and seal are attached, shall be received as true copies of the system's records in any court or before any officer of this state.

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

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

Not later than October 16, 1992, the public employees retirement board shall give each person who is a member on July 29, 1992, the opportunity to elect disability coverage either under section 145.36 of the Revised Code or under section 145.361 of the Revised Code. The board shall mail notice of the election, accompanied by an explanation of the coverage under each of the Revised Code sections and a form on which the election is to be made, to each member at the member's last known address. The board shall also provide the explanation and form to any member on request.

Regardless of whether the member actually receives notice of the right to make an election, a member who fails to file a valid election under this section shall be considered to have elected disability coverage under section 145.36 of the Revised Code. To be valid, an election must be made on the form provided by the

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 1218
municipal retirement program. Application must be made within two 1219
years from the date the member's contributing service terminated 1220
or the date the member ceased to make contributions to the PERS 1221
defined benefit plan under section 145.814 of the Revised Code, 1222
unless the retirement board determines that the member's medical 1223
records demonstrate conclusively that at the time the two-year 1224
period expired, the member was physically or mentally 1225
incapacitated for duty and unable to make an application. 1226
Application may not be made by or for any person receiving age and 1227
service retirement benefits under section 145.33, 145.331, 145.34, 1228
or 145.37 of the Revised Code or any person who, pursuant to 1229

section 145.40 of the Revised Code, has been paid the accumulated 1230
contributions standing to the credit of the person's individual 1231
account in the employees' savings fund. The application shall be 1232
made on a form provided by the retirement board. 1233

(D) The benefit payable to any member who is approved for a 1234
disability benefit shall become effective on the first day of the 1235
month immediately following the later of the following: 1236

(1) The last day for which compensation was paid; 1237

(2) The attainment of eligibility for a disability benefit. 1238

(E) Medical examination of a member who has applied for a 1239
disability benefit shall be conducted by a competent disinterested 1240
physician or physicians selected by the board to determine whether 1241
the member is mentally or physically incapacitated for the 1242
performance of duty by a disabling condition either permanent or 1243
presumed to be permanent. The disability must have occurred since 1244
last becoming a member or have increased since last becoming a 1245
member to such extent as to make the disability permanent or 1246
presumed to be permanent. A disability is presumed to be permanent 1247
if it is expected to last for a continuous period of not less than 1248
twelve months following the filing of the application. 1249

If the physician or physicians determine that the member 1250
qualifies for a disability benefit, the board concurs with the 1251
determination, and the member agrees to medical treatment as 1252
specified in division (F) of this section, the member shall 1253
receive a disability benefit under section 145.36 or 145.361 of 1254
the Revised Code. The action of the board shall be final. 1255

(F) The public employees retirement board shall adopt rules 1256
requiring a disability benefit recipient, as a condition of 1257
continuing to receive a disability benefit, to agree in writing to 1258
obtain any medical treatment recommended by the board's physician 1259
and submit medical reports regarding the treatment. If the board 1260

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 of the Revised Code:

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

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

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

(c) Any benefit paid ~~by the system~~ under a PERS defined

~~contribution plan established under section 145.81 of the Revised Code.~~ 1291
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 1311
Revised Code. 1312

(2) A public employer that employs a PERS retirant or other 1313
system retirant, or enters into a contract for services as an 1314
independent contractor with a PERS retirant shall notify the 1315
retirement board of the employment or contract not later than the 1316
end of the month in which the employment or contract commences. 1317
Any overpayment of benefits to a PERS retirant by the retirement 1318
system resulting from delay or failure of the employer to give the 1319
notice shall be repaid to the retirement system by the employer. 1320

(3) On receipt of notice from a public employer that a person 1321

who is an other system retirant has been employed, the retirement 1322
system shall notify the retirement system of which the other 1323
system retirant was a member of such employment. 1324

(4)(a) A PERS retirant who has received a retirement 1325
allowance for less than two months when employment subject to this 1326
section commences shall forfeit the retirement allowance for any 1327
month the PERS retirant is employed prior to the expiration of the 1328
two-month period. Service and contributions for that period shall 1329
not be included in calculation of any benefits payable to the PERS 1330
retirant and those contributions shall be refunded on the 1331
retirant's death or termination of the employment. 1332

(b) An other system retirant who has received a retirement 1333
allowance or disability benefit for less than two months when 1334
employment subject to this section commences shall forfeit the 1335
retirement allowance or disability benefit for any month the other 1336
system retirant is employed prior to the expiration of the 1337
two-month period. Service and contributions for that period shall 1338
not be included in the calculation of any benefits payable to the 1339
other system retirant and those contributions shall be refunded on 1340
the retirant's death or termination of the employment. 1341

(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. 1653

Sec. 145.402. (A) Except as provided in division (B) of this 1654
section, a member of the public employees retirement system who 1655
has ceased to be a public employee under this chapter and is also 1656
a member of either the state teachers retirement system or the 1657
school employees retirement system, or both, may not withdraw the 1658
member's accumulated contributions. 1659

(B) On application, the public employees retirement board 1660
shall pay a member described in division (A) of this section the 1661
member's accumulated contributions if either of the following 1662
applies: 1663

(1) The member also withdraws the member's contributions from 1664

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

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

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(a) A lump sum in an amount the surviving spouse or other sole dependent beneficiary designates that constitutes a portion of the allowance that would be payable under division (A)(1) of this section; 1696
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(b) The remainder of that allowance in monthly payments. 1700

The total amount paid as a lump sum and a monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected. 1701
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The lump sum amount designated by the surviving spouse or other sole dependent beneficiary under division (A)(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 to the surviving spouse or other sole dependent beneficiary under division (A)(1) of this section and shall not result in a monthly payment that is less than fifty per cent of that monthly amount. 1704
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(B) If a deceased member had, except as provided in division (B)(7) of this section, at least one and one-half years of contributing service credit, with, except as provided in division (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. 1711
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(1)(a) Number 1722

of Qualified survivors Or 1723

affecting Annual Benefit as a Per Monthly Benefit 1724

the benefit Cent of Decedent's Final shall not be 1725

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
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(i) Is under age eighteen, or under age twenty-two if the child is 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 such institution and as further determined by board policy;

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

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

(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 making a living because of a physically or mentally disabling condition shall meet the qualifications of this division.

(4) Benefits to a qualified survivor shall terminate upon ceasing to meet eligibility requirements as provided in this division, 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.

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 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 1808
payable under division (B)(1)(b) of this section, except that if 1809
there is a surviving spouse, the surviving spouse shall receive 1810
not less than the amount determined for the first qualifying 1811
survivor in division (B)(1)(a) of this section. 1812

(6) The beneficiary of a member who is also a member of the 1813
state teachers retirement system or of the school employees 1814
retirement system, must forfeit the member's accumulated 1815
contributions in those systems and in the public employees 1816
retirement system, if the beneficiary takes a survivor benefit. 1817
Such benefit shall be exclusively governed by section 145.37 of 1818
the Revised Code. 1819

(7) The restriction that the deceased member have at least 1820
one and one-half years of contributing service credit, with at 1821

least one-quarter year of contributing service within the two and 1822
one-half years prior to the date of death, does not apply if the 1823
deceased member was contributing toward benefits under division 1824
(B) or (C) of section 145.33 of the Revised Code at the time of 1825
death. 1826

(C)(1) Regardless of whether the member is survived by a 1827
spouse or designated beneficiary, if the public employees 1828
retirement system receives notice that a deceased member described 1829
in division (A) or (B) of this section has one or more qualified 1830
children, all persons who are qualified survivors under division 1831
(B) of this section shall receive monthly benefits as provided in 1832
division (B) of this section. 1833

If, after determining the monthly benefits to be paid under 1834
division (B) of this section, the system receives notice that 1835
there is a qualified survivor who was not considered when the 1836
determination was made, the system shall, notwithstanding section 1837
145.561 of the Revised Code, recalculate the monthly benefits with 1838
that qualified survivor included, even if the benefits to 1839
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 1903
actuarial equivalent of the member's retirement allowance in a 1904
lesser amount payable for life and one-half of the allowance 1905
continuing after death to the surviving spouse for the life of the 1906
spouse; 1907

(b) A description of the alternative plans of payment, 1908
including all plans described in divisions (B)(2) and (3) of this 1909
section, available with the consent of the spouse; 1910

(c) That the spouse may consent to another plan of payment 1911
and the procedure for giving consent; 1912

(d) That consent is irrevocable once notice of consent is 1913
filed with the board. 1914

Consent shall be valid only if it is signed, in writing, and 1915

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.

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(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 ~~elected at the time the member makes application~~
~~for retirement:~~

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

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(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,
provided that the amount payable to the beneficiary does not
exceed the amount payable to the member;

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(c) "Plan D," 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 continuing after death to a surviving
beneficiary designated at the time of the member's retirement;

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(d) "Plan E," 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 a certain period from the member's retirement date as
elected by the member and approved by the retirement board, and on

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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
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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 1965
been paid had the lump sum not been selected. 1966

(b) The lump sum designated by a member shall be not less 1967
than six times and not more than thirty-six times the monthly 1968
amount that would be payable to the member under the plan of 1969
payment elected under division (B)(3)(a) of this section had the 1970
lump sum not been elected and shall not result in a monthly 1971
allowance that is less than fifty per cent of that monthly amount. 1972

(4) An election under division (B)(2) or (3) of this section 1973
shall be made at the time the member makes application for 1974
retirement. 1975

(5) A member eligible to elect to receive the member's 1976
retirement allowance under a plan of payment other than "plan A" 1977

because the member is unmarried who fails to make an election on 1978
retirement shall receive the member's retirement allowance under 1979
"plan B." 1980

(C) If the retirement allowances, as a single life annuity or 1981
payment plan as provided in this section, due and paid are in a 1982
total amount less than (1) the accumulated contributions, and (2) 1983
other deposits made by the member as provided by this chapter, 1984
standing to the credit of the member at the time of retirement, 1985
then the difference between the total amount of the allowances 1986
paid and the accumulated contributions and other deposits shall be 1987
paid to the beneficiary provided under division (D) of section 1988
145.43 of the Revised Code. 1989

(D)(1) The death of a spouse or any designated beneficiary 1990
following retirement shall cancel any plan of payment to provide 1991
continuing lifetime benefits to the spouse or beneficiary and 1992
return the retirant to the retirant's single lifetime benefit 1993
equivalent, as determined by the board, to be effective the month 1994
following receipt by the board of notice of the death. 1995

(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~~, 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 2058
issuance of a policy or contract of health, medical, hospital, or 2059
surgical benefits, or any combination thereof, for those 2060
individuals receiving age and service retirement or a disability 2061
or survivor benefit subscribing to the plan, or for PERS retirants 2062
employed under section 145.38 of the Revised Code, for coverage of 2063
benefits in accordance with division (D)(2) of section 145.38 of 2064
the Revised Code. Notwithstanding any other provision of this 2065
chapter, the policy or contract may also include coverage for any 2066
eligible individual's spouse and dependent children and for any of 2067
the individual's sponsored dependents as the board determines 2068
appropriate. If all or any portion of the policy or contract 2069
premium is to be paid by any individual receiving age and service 2070
retirement or a disability or survivor benefit, the individual 2071

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.~~ 2103
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~~The health insuring corporation shall accept as an enrollee any eligible individual who requests enrollment.~~ 2107
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~~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.~~ 2109
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~~(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. 2112
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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 145.325 of the Revised Code with any similar coverage, payment, or benefit made available to the same individual by the Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system. 2121
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~~(F)~~(E) The board shall make all other necessary rules pursuant to the purpose and intent of this section. 2128
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Sec. 145.80. The public employees retirement board shall adopt rules to implement each PERS defined contribution plan established under ~~section 145.81 of the Revised Code.~~ 2130
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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 2180
the pension reserve for the period of service that corresponds to 2181
the contributions made by or on behalf of a member. 2182

(2) "Amount on deposit" means the sum of a member's employee 2183
and employer contributions and, if applicable, any earnings or 2184
losses on those contributions. 2185

(3) "Eligible member" means a member who was eligible to make 2186
an election under section 145.19 or 145.191 of the Revised Code, 2187
regardless of whether the member elected to participate in a PERS 2188
defined contribution plan. 2189

(B) If permitted to do so by the plan documents for a PERS 2190
defined contribution plan or rules governing the PERS defined 2191
benefit plan, an eligible member may elect, at intervals specified 2192

by the plan document or rules, to participate in a different 2193
defined contribution plan or in the PERS defined benefit plan. The 2194
election is subject to this section and rules adopted by the 2195
public employees retirement board under sections 145.09 and 145.80 2196
of the Revised Code. An election to participate in a different 2197
plan shall be made in writing on a form provided by the public 2198
employees retirement system and filed with the system. The 2199
election shall take effect on the first day of the month following 2200
the date the election is filed and, except as provided in the plan 2201
documents or rules governing the PERS defined benefit plan, is 2202
irrevocable on receipt by the system. 2203

(C)(1) Except as provided in division (C)(2) of this section, 2204
an election to participate in a different plan shall apply only to 2205
employee and employer contributions made and, if applicable, 2206
service credit earned after the effective date of the election. 2207
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(2) An eligible member may elect to have the member's amount 2209
on deposit and, if applicable, service credit earned prior to the 2210
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 member would have received had the member been participating in the new plan, pay to the system an amount equal to the additional liability; 2225
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(b) Receive an amount of service credit that corresponds to the amount on deposit. 2229
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For each member who makes the election described in division (C)(2) of this section, the system shall deposit and credit to the new plan the amount on deposit and, if applicable, the amount paid by the member. 2231
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Sec. 145.82. (A) Except as provided in ~~division~~ divisions (B) and (C) of this section, sections 145.201 to 145.70 of the Revised Code do not apply to a PERS defined contribution plan ~~established under section 145.81 of the Revised Code~~, except that a PERS defined contribution plan may incorporate provisions of those sections as specified in the plan document. 2235
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(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. 2241
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(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: 2248
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(1) Retirement, disability, survivor, or death benefits; 2253

(2) Health or long-term care insurance or any other type of health care benefit; 2254
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(3) Additional increases under section 145.323 of the Revised Code; 2256
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(4) A refund of contributions made by or on behalf of a member. 2258
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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. 2260
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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 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. 2268
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If a PERS defined contribution plan includes a program described in this section, the board shall adopt rules to 2283
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establish and administer the program. The rules shall specify the 2285
length of time during which the member will vest in amounts 2286
accumulated on the member's behalf and may provide for a minimum 2287
annual distribution from the accumulated amount after the member 2288
terminates employment in positions subject to this chapter. 2289

Sec. 145.85. Each member participating in a PERS defined 2290
contribution plan ~~established under section 145.81 of the Revised~~ 2291
~~Code~~ shall contribute a per cent of the member's earnable salary 2292
to the public employees retirement system as required in section 2293
145.47 of the Revised Code. Contributions made under this section 2294
shall not exceed the limits established by section 415 of the 2295
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, 2296
as amended. 2297

Sec. 145.86. For each member participating in a PERS defined 2298
contribution plan ~~established under section 145.81 of the Revised~~ 2299
~~Code~~, the employer shall contribute a per cent of the member's 2300
earnable salary to the public employees retirement system as 2301
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 Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

Sec. 742.14. (A) The board of trustees of the Ohio police and fire pension fund 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 Ohio police and fire pension fund as established pursuant to sections 742.01 to 742.61 of the Revised Code. 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:

(1) A summary of the benefit provisions evaluated;

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

(3) A description of the actuarial assumptions, actuarial cost method, and asset valuation method used in the valuation, including a statement of the assumed rate of payroll growth and assumed rate of growth or decline in the number of members of the fund contributing to the pension fund;

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

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

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

The board shall submit the report to the Ohio retirement

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, the board shall have prepared by or under 2448
the supervision of an actuary an actuarial investigation of the 2449
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

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 first day of November following the last fiscal year of the period the report covers.

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

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

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

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

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

(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 section 742.45 of the Revised Code.
The report shall be made as of December 31, 1997, and the
thirty-first day of December 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 provision
of the 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
fiscal year;

(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
(9) A description of any significant changes that affect the comparability of the report required under this division;	2530
(10) A statement of the amount paid under division (C) (B) of section 742.45 of the Revised Code.	2532
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.	2534
Sec. 742.37. The board of trustees of the Ohio police and fire pension fund shall adopt rules for the management of the fund and for the disbursement of benefits and pensions as set forth in this section and section 742.39 of the Revised Code. Any payment of a benefit or pension under this section is subject to the provisions of section 742.461 of the Revised Code. Notwithstanding any other provision of this section, no pension or benefit paid or determined under division (B) or (C) of this section or section 742.39 of the Revised Code shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.	2539
(A) Persons who were receiving benefit or pension payments from a police relief and pension fund established under former section 741.32 of the Revised Code, or from a firemen's relief and pension fund established under former section 521.02 or 741.02 of the Revised Code, at the time the assets of the fund were transferred to the Ohio police and fire pension fund, known at that time as the police and firemen's disability and pension fund, shall receive benefit and pension payments from the Ohio police and fire pension fund in the same amount and subject to the same conditions as such payments were being made from the former fund	2550

on the date of the transfer.

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

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

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

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

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A member who completed twenty-five years of active service,
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.

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

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

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cent for each year in excess of twenty-five years the member was 2624
in the active service of the department. The annual pension shall 2625
not exceed seventy-two per cent of the member's average annual 2626
salary. 2627

(4) With the exception of those persons who may make 2628
application for benefits as provided in section 742.26 of the 2629
Revised Code, no person receiving a pension or other benefit under 2630
division (C) of this section on or after July 24, 1986, shall be 2631
entitled to apply for any new, changed, or different benefit. 2632

If a member covered by division (C) of this section or 2633
section 742.38 of the Revised Code dies prior to the time the 2634
member has received a payment and leaves a surviving spouse or 2635
dependent child, the surviving spouse or dependent child shall 2636
receive a pension under division (D) or (E) of this section. 2637

(D)(1) Except as provided in division (D)(2) of this section, 2638
a surviving spouse of a deceased member of the fund or a surviving 2639
spouse described in division (D)(4) of this section shall receive 2640
a monthly pension as follows: 2641

(a) For the period beginning July 1, 1999, and ending June 2642
30, 2000, five hundred fifty dollars; 2643

(b) For the period beginning July 1, 2000, and ending June 2644
30, 2002, five hundred fifty dollars plus an amount determined by 2645
multiplying five hundred fifty dollars by the average percentage 2646
change in the consumer price index, not exceeding three per cent, 2647
as determined by the board under former section 742.3716 of the 2648
Revised Code; 2649

(c) For the period beginning July 1, 2002, and the period 2650
beginning the first day of July of each year thereafter and 2651
continuing for the following twelve months, an amount equal to the 2652
monthly amount paid during the prior twelve-month period plus 2653
sixteen dollars and fifty cents. 2654

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

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

(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 2687
eighteen years, or marries, whichever event occurs first. A 2688
pension under this division, however, shall continue to be payable 2689
to a child under age twenty-two who is a student in and attending 2690
an institution of learning or training pursuant to a program 2691
designed to complete in each school year the equivalent of at 2692
least two-thirds of the full-time curriculum requirements of the 2693
institution, as determined by the board. If any surviving child, 2694
regardless of age at the time of the member's death, because of 2695
physical or mental disability, is totally dependent upon the 2696
deceased member for support at the time of death, the child shall 2697
receive a monthly pension under this division during the child's 2698
natural life or until the child has recovered from the disability. 2699

(2) An eligible surviving child shall receive a monthly 2700
pension as follows: 2701

(a) For the period beginning July 1, 2001, and ending June 2702
30, 2002, a monthly pension of one hundred fifty dollars plus the 2703
cost of living increase provided for in former section 743.3720 of 2704
the Revised Code; 2705

(b) For the period beginning July 1, 2002, and ending June 2706
30, 2003, one hundred sixty-three dollars and fifty cents; 2707

~~(b)~~(c) For the period beginning July 1, 2003, and the period 2708
beginning the first day of each July thereafter and continuing for 2709
the following twelve months, an amount equal to the monthly amount 2710
paid during the prior twelve-month period plus four dollars and 2711
fifty cents. 2712

(F)(1) If a deceased member of the fund leaves no surviving 2713
spouse or surviving children, but leaves one or two parents 2714
dependent upon the deceased member for support, each parent shall 2715
be paid a monthly pension. The pensions provided for in this 2716
division shall be paid during the natural life of the surviving 2717

parents, or until dependency ceases, or until remarriage, 2718
whichever event occurs first. 2719

(2) Each eligible surviving parent shall be paid a monthly 2720
pension as follows: 2721

(a) For the period ending June 30, 2002, one hundred six 2722
dollars for each parent or two hundred twelve dollars for a sole 2723
dependent parent; 2724

(b) For the period beginning July 1, 2002, and ending June 2725
30, 2003, one hundred nine dollars for each parent or two hundred 2726
eighteen dollars for a sole dependent parent; 2727

(c) For the period beginning July 1, 2003, and the first day 2728
of each July thereafter and continuing for the following twelve 2729
months, an amount equal to the monthly amount paid during the 2730
prior twelve-month period plus three dollars for each parent or 2731
six dollars for a sole dependent parent. 2732

(G) Subject to the provisions of section 742.461 of the 2733
Revised Code, a member of the fund who voluntarily resigns or is 2734
removed from active service in a police or fire department is 2735
entitled to receive an amount equal to the sums deducted from the 2736
member's salary and credited to the member's account in the fund, 2737
except that a member receiving a disability benefit or service 2738
pension is not entitled to receive any return of contributions to 2739
the fund. 2740

(H) On and after January 1, 1970, all pensions shall be 2741
increased in accordance with the following provisions: 2742

(1) A member of the fund who retired prior to January 1, 2743
1967, has attained age sixty-five on January 1, 1970, and was 2744
receiving a pension on December 31, 1969, pursuant to division (B) 2745
or (C)(1) of this section or former division (C)(2), (3), (4), or 2746
(5) of this section, shall have the pension increased by ten per 2747
cent. 2748

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(K)(1) Except as otherwise provided in this division, every

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

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

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

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

(L) On and after July 24, 1986:

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

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

Sec. ~~742.372~~ 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 2840
or fire department, provided both of the following occur: 2841

(A) The member was a member of a police or firemen's relief 2842
and pension fund or the Ohio police and fire pension fund during 2843
the ~~full-time~~ entire period for which such active service credit 2844
is claimed. 2845

(B) The member pays into the Ohio police and fire pension 2846
fund the amount received by the member under division (I) of 2847
former section 521.11, division (I) of former section 741.18, 2848
division (I) of former section 741.49, or division (G) of section 2849
742.37 of the Revised Code, with interest compounded annually 2850
thereon at a rate to be determined by the board of trustees of the 2851
Ohio police and fire pension fund, from the date of such receipt 2852
to the date of such deposit, ~~or there is to the member's credit in~~ 2853
~~the police officers' contribution fund an amount equal to the sums~~ 2854
~~contributed by the member to such police or firemen's relief and~~ 2855
~~pension fund or to the Ohio police and fire pension fund for the~~ 2856
~~full time for which such active service credit is claimed.~~ 2857

Subject to board rules, a member may choose to purchase in 2858
any one payment only part of the credit that may be purchased 2859
under this section. 2860

At the request of the fund, the employer shall certify to the 2861
board the dates the member was in the active service of the police 2862
or fire department. 2863

Sec. 742.45. (A) The board of trustees of the Ohio police and 2864
fire pension fund may enter into an agreement with insurance 2865
companies, health insuring corporations, or government agencies 2866
authorized to do business in the state for issuance of a policy or 2867
contract of health, medical, hospital, or surgical benefits, or 2868
any combination thereof, for those individuals receiving service 2869
or disability pensions or survivor benefits subscribing to the 2870

plan. Notwithstanding any other provision of this chapter, the 2871
policy or contract may also include coverage for any eligible 2872
individual's spouse and dependent children and for any of the 2873
eligible individual's sponsored dependents as the board considers 2874
appropriate. 2875

If all or any portion of the policy or contract premium is to 2876
be paid by any individual receiving a service, disability, or 2877
survivor pension or benefit, the individual shall, by written 2878
authorization, instruct the board to deduct from the individual's 2879
benefit the premium agreed to be paid by the individual to the 2880
company, corporation, or agency. 2881

The board may contract for coverage on the basis of part or 2882
all of the cost of the coverage to be paid from appropriate funds 2883
of the Ohio police and fire pension fund. The cost paid from the 2884
funds of the Ohio police and fire pension fund shall be included 2885
in the employer's contribution rates provided by sections 742.33 2886
and 742.34 of the Revised Code. 2887

The board may provide for self-insurance of risk or level of 2888
risk as set forth in the contract with the companies, 2889
corporations, or agencies, and may provide through the 2890
self-insurance method specific benefits as authorized by the rules 2891
of the board. 2892

~~(B) If the board provides health, medical, hospital, or 2893
surgical benefits through any means other than a health insuring 2894
corporation, it shall offer to each individual eligible for the 2895
benefits the alternative of receiving benefits through enrollment 2896
in a health insuring corporation, if all of the following apply: 2897~~

~~(1) The health insuring corporation provides health care 2898
services in the geographical area in which the individual lives; 2899~~

~~(2) The eligible individual was receiving health care 2900
benefits through a health or a health insuring corporation before 2901~~

retirement;	2902
(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 (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.	2903 2904 2905 2906 2907 2908 2909
The health insuring corporation shall accept as an enrollee any eligible individual who requests enrollment.	2910 2911
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.	2912 2913 2914
(C) 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.	2915 2916 2917 2918 2919 2920 2921
(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.	2922 2923 2924 2925 2926 2927 2928
(E)(D) The board shall make all other necessary rules pursuant to the purpose and intent of this section.	2929 2930
Sec. 3307.01. As used in this chapter:	2931

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

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

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

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

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

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

(5) Any other teacher or faculty member employed in any school, college, university, institution, or other agency wholly controlled and managed, and supported in whole or in part, by the state or any political subdivision thereof, including Central state university, Cleveland state university, the university of Toledo, and the medical college of Ohio at Toledo;

(6) The educational employees of the department of education,

as determined by the state superintendent of public instruction. 2963
2964

In all cases of doubt, the state teachers retirement board 2965
shall determine whether any person is a teacher, and its decision 2966
shall be final. 2967

"Teacher" does not include any academic or administrative 2968
employee of a public institution of higher education, as defined 2969
in section 3305.01 of the Revised Code, who participates in an 2970
alternative retirement plan established under Chapter 3305. of the 2971
Revised Code. 2972

(C) "Member" means any person included in the membership of 2973
the state teachers retirement system, which shall consist of all 2974
teachers and contributors as defined in divisions (B) and (D) of 2975
this section and all disability benefit recipients, as defined in 2976
section 3307.50 of the Revised Code. However, for purposes of this 2977
chapter, the following persons shall not be considered members: 2978
2979

(1) A student, intern, or resident who is not a member while 2980
employed part-time by a school, college, or university at which 2981
the student, intern, or resident is regularly attending classes; 2982

(2) A person denied membership pursuant to section 3307.24 of 2983
the Revised Code; 2984

(3) An other system retirant, as defined in section 3307.35 2985
of the Revised Code, or a superannuate; 2986

(4) An individual employed in a program established pursuant 2987
to the "Job Training Partnership Act," 96 Stat. 1322 (1982), 29
U.S.C.A. 1501. 2988
2989

(D) "Contributor" means any person who has an account in the 2990
teachers' savings fund or defined contribution fund. 2991

(E) "Beneficiary" means any person eligible to receive, or in 2992

receipt of, a retirement allowance or other benefit provided by	2993
this chapter.	2994
(F) "Year" means the year beginning the first day of July and	2995
ending with the thirtieth day of June next following, except that	2996
for the purpose of determining final average salary under the plan	2997
described in sections 3307.50 to 3307.79 of the Revised Code,	2998
"year" may mean the contract year.	2999
(G) "Local district pension system" means any school teachers	3000
pension fund created in any school district of the state in	3001
accordance with the laws of the state prior to September 1, 1920.	3002
	3003
(H) "Employer contribution" means the amount paid by an	3004
employer, as determined by the employer rate, including the normal	3005
and deficiency rates, contributions, and funds wherever used in	3006
this chapter.	3007
(I) "Five years of service credit" means employment covered	3008
under this chapter and employment covered under a former	3009
retirement plan operated, recognized, or endorsed by a college,	3010
institute, university, or political subdivision of this state	3011
prior to coverage under this chapter.	3012
(J) "Actuary" means the actuarial consultant to the state	3013
teachers retirement board, who shall be either of the following:	3014
(1) A member of the American academy of actuaries;	3015
(2) A firm, partnership, or corporation of which at least one	3016
person is a member of the American academy of actuaries.	3017
(K) "Fiduciary" means a person who does any of the following:	3018
	3019
(1) Exercises any discretionary authority or control with	3020
respect to the management of the system, or with respect to the	3021
management or disposition of its assets;	3022

(2) Renders investment advice for a fee, direct or indirect, with respect to money or property of the system;	3023 3024
(3) Has any discretionary authority or responsibility in the administration of the system.	3025 3026
(L)(1) Except as provided in this division, "compensation" means all salary, wages, and other earnings paid to a teacher by reason of the teacher's employment, including compensation paid pursuant to a supplemental contract. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the teachers' savings fund or defined contribution fund under section 3307.26 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.	3027 3028 3029 3030 3031 3032 3033 3034 3035 3036
(2) Compensation does not include any of the following:	3037
(a) Payments for accrued but unused sick leave or personal leave, including payments made under a plan established pursuant to section 124.39 of the Revised Code or any other plan established by the employer;	3038 3039 3040 3041
(b) Payments made for accrued but unused vacation leave, including payments made pursuant to section 124.13 of the Revised Code or a plan established by the employer;	3042 3043 3044
(c) Payments made for vacation pay covering concurrent periods for which other salary, compensation, or benefits under this chapter are paid;	3045 3046 3047
(d) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the teacher or the teacher's family, or amounts paid by the employer to the teacher in lieu of providing the insurance;	3048 3049 3050 3051 3052

(e) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, use of the employer's property or equipment, and reimbursement for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development;

(f) Payments made by the employer in exchange for a member's waiver of a right to receive any payment, amount, or benefit described in division (L)(2) of this section;

(g) Payments by the employer for services not actually rendered;

(h) Any amount paid by the employer as a retroactive increase in salary, wages, or other earnings, unless the increase is one of the following:

(i) A retroactive increase paid to a member employed by a school district board of education in a position that requires a license designated for teaching and not designated for being an administrator issued under section 3319.22 of the Revised Code that is paid in accordance with uniform criteria applicable to all members employed by the board in positions requiring the licenses;

(ii) A retroactive increase paid to a member employed by a school district board of education in a position that requires a license designated for being an administrator issued under section 3319.22 of the Revised Code that is paid in accordance with uniform criteria applicable to all members employed by the board in positions requiring the licenses;

(iii) A retroactive increase paid to a member employed by a school district board of education as a superintendent that is also paid as described in division (L)(2)(h)(i) of this section;

(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 3084
employed by the employer. 3085

(i) Payments made to or on behalf of a teacher that are in 3086
excess of the annual compensation that may be taken into account 3087
by the retirement system under division (a)(17) of section 401 of 3088
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 3089
401(a)(17), as amended. For a teacher who first establishes 3090
membership before July 1, 1996, the annual compensation that may 3091
be taken into account by the retirement system shall be determined 3092
under division (d)(3) of section 13212 of the "Omnibus Budget 3093
Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472. 3094

(j) Payments made under division (B), (C), or (E) of section 3095
5923.05 of the Revised Code, Section 4 of Substitute Senate Bill 3096
No. 3 of the 119th general assembly, Section 3 of Amended 3097
Substitute Senate Bill No. 164 of the 124th general assembly, or 3098
Amended Substitute House Bill No. 405 of the 124th general 3099
assembly; 3100

(k) Anything of value received by the teacher that is based 3101
on or attributable to retirement or an agreement to retire. 3102

(3) The retirement board shall determine by rule both of the 3103
following: 3104

(a) Whether particular forms of earnings are included in any 3105
of the categories enumerated in this division; 3106

(b) Whether any form of earnings not enumerated in this 3107
division is to be included in compensation. 3108

Decisions of the board made under this division shall be 3109
final. 3110

(M) "Superannuate" means both of the following: 3111

(1) A former teacher receiving from the system a retirement 3112
allowance under section 3307.58 or 3307.59 of the Revised Code; 3113

(2) A former teacher receiving ~~any~~ a benefit from the system 3114
under a plan established under section 3307.81 of the Revised 3115
Code, except that "superannuate" does not include a former teacher 3116
who is receiving a benefit based on disability under a plan 3117
established under section 3307.81 of the Revised Code. 3118

For purposes of section 3307.35 of the Revised Code, 3119
"superannuate" also means a former teacher receiving from the 3120
system a combined service retirement benefit paid in accordance 3121
with section 3307.57 of the Revised Code, regardless of which 3122
retirement system is paying the benefit. 3123

Sec. 3307.39. (A) The state teachers retirement board may 3124
enter into an agreement with insurance companies, health insuring 3125
corporations, or government agencies authorized to do business in 3126
the state for issuance of a policy or contract of health, medical, 3127
hospital, or surgical benefits, or any combination thereof, for 3128
those individuals receiving, under the plan described in sections 3129
3307.50 to 3307.79 of the Revised Code, service retirement or a 3130
disability or survivor benefit who subscribe to the plan. 3131
Notwithstanding any other provision of this chapter, the policy or 3132
contract may also include coverage for any eligible individual's 3133
spouse and dependent children and for any of the individual's 3134
sponsored dependents as the board considers appropriate. If all or 3135
any portion of the policy or contract premium is to be paid by any 3136
individual receiving service retirement or a disability or 3137
survivor benefit, the individual shall, by written authorization, 3138
instruct the board to deduct the premium agreed to be paid by the 3139
individual to the companies, corporations, or agencies. 3140

The board may contract for coverage on the basis of part or 3141
all of the cost of the coverage to be paid from appropriate funds 3142
of the state teachers retirement system. The cost paid from the 3143
funds of the system shall be included in the employer's 3144

contribution rate provided by section 3307.28 of the Revised Code. 3145

The board may enter into an agreement under this division for 3146
coverage of recipients of benefits under a plan established under 3147
section 3307.81 of the Revised Code if the plan selected includes 3148
health, medical, hospital, or surgical benefits, or any 3149
combination thereof. The board may contract for coverage on the 3150
basis that the cost of the coverage will be paid by the recipient 3151
or by the plan to which the recipient contributed under this 3152
chapter. The board may offer to recipients plans that provide for 3153
different levels of coverage or for prepayment of the cost of 3154
coverage. 3155

The board may provide for self-insurance of risk or level of 3156
risk as set forth in the contract with the companies, 3157
corporations, or agencies, and may provide through the 3158
self-insurance method specific benefits as authorized by the rules 3159
of the board. 3160

~~(B) If the board provides health, medical, hospital, or 3161
surgical benefits through any means other than a health insuring 3162
corporation, it shall offer to each individual eligible for the 3163
benefits the alternative of receiving benefits through enrollment 3164
in a health insuring corporation, if all of the following apply:~~ 3165

~~(1) The health insuring corporation provides health care 3166
services in the geographical area in which the individual lives;~~ 3167

~~(2) The eligible individual was receiving health care 3168
benefits through a health maintenance organization or a health 3169
insuring corporation before retirement;~~ 3170

~~(3) The rate and coverage provided by the health insuring 3171
corporation to eligible individuals is comparable to that 3172
currently provided by the board under division (A) of this 3173
section. If the rate or coverage provided by the health insuring 3174
corporation is not comparable to that currently provided by the 3175~~

~~board under division (A) of this section, the board may deduct the
additional cost from the eligible individual's monthly benefit.~~ 3176
3177

~~The health insuring corporation shall accept as an enrollee
any eligible individual who requests enrollment.~~ 3178
3179

~~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.~~ 3180
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~~(C)~~ The board shall make a monthly payment to each recipient 3183
of service retirement, or a disability or survivor benefit under 3184
the plan described in sections 3307.50 to 3307.79 of the Revised 3185
Code who is eligible for insurance coverage under part B of "The 3186
Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 3187
1395j, as amended, and may make a monthly payment to a recipient 3188
of benefits under a plan established under section 3307.81 of the 3189
Revised Code who is eligible for that insurance coverage if the 3190
monthly payments are funded through the plan selected by the 3191
recipient. The payment shall be the greater of the following: 3192

(1) Twenty-nine dollars and ninety cents; 3193

(2) An amount determined by multiplying the basic premium for 3194
the coverage by a percentage, not exceeding ninety per cent, 3195
determined by multiplying the years of service used in calculating 3196
the service retirement or benefit or, in the case of a recipient 3197
of benefits under a plan established under section 3307.81 of the 3198
Revised Code, the participant's years of service by a percentage 3199
determined by the board not exceeding three per cent. 3200

The board shall make all payments under this division 3201
beginning the month following receipt of satisfactory evidence of 3202
the payment for the coverage. 3203

~~(D)~~(C) The board shall establish by rule requirements for the 3204
coordination of any coverage, payment, or benefit provided under 3205
this section or section 3307.61 of the Revised Code with any 3206

similar coverage, payment, or benefit made available to the same 3207
individual by the public employees retirement system, Ohio police 3208
and fire pension fund, school employees retirement system, or 3209
state highway patrol retirement system. 3210

~~(E)~~(D) The board shall make all other necessary rules 3211
pursuant to the purpose and intent of this section. 3212

Sec. 3307.51. (A) The state teachers retirement board shall 3213
have prepared annually by or under the supervision of an actuary 3214
an actuarial valuation of the pension assets, liabilities, and 3215
funding requirements of the plan described in sections 3307.50 to 3216
3307.79 of the Revised Code. The actuary shall complete the 3217
valuation in accordance with actuarial standards of practice 3218
promulgated by the actuarial standards board of the American 3219
academy of actuaries and prepare a report of the valuation. The 3220
report shall include all of the following: 3221

(1) A summary of the benefit provisions evaluated; 3222

(2) A summary of the census data and financial information 3223
used in the valuation; 3224

(3) A description of the actuarial assumptions, actuarial 3225
cost method, and asset valuation method used in the valuation, 3226
including a statement of the assumed rate of payroll growth and 3227
assumed rate of growth or decline in the number of members 3228
contributing to the retirement system; 3229

(4) A summary of findings that includes a statement of the 3230
actuarial accrued pension liabilities and unfunded actuarial 3231
accrued pension liabilities; 3232

(5) A schedule showing the effect of any changes in the 3233
benefit provisions, actuarial assumptions, or cost methods since 3234
the last annual actuarial valuation; 3235

(6) A statement of whether contributions to the retirement 3236

system are expected to be sufficient to satisfy the funding 3237
objectives established by the board. 3238

The board shall submit the report to the Ohio retirement 3239
study council and the standing committees of the house of 3240
representatives and the senate with primary responsibility for 3241
retirement legislation not later than the first day of January 3242
following the year for which the valuation was made. 3243

(B) At such times as the state teachers retirement board 3244
determines, and at least once in each quinquennial period, the 3245
board shall have prepared by or under the supervision of an 3246
actuary an actuarial investigation of the mortality, service, and 3247
other experience of the members, retirants, and beneficiaries of 3248
the system, and other system retirants as defined in section 3249
3307.35 of the Revised Code to update the actuarial assumptions 3250
used in the actuarial valuation required by division (A) of this 3251
section. The actuary shall prepare a report of the actuarial 3252
investigation. The report shall be prepared and any recommended 3253
changes in actuarial assumptions shall be made in accordance with 3254
the actuarial standards of practice promulgated by the actuarial 3255
standards board of the American academy of actuaries. The report 3256
shall include all of the following: 3257

(1) A summary of relevant decrement and economic assumption 3258
experience observed over the period of the investigation; 3259

(2) Recommended changes in actuarial assumptions to be used 3260
in subsequent actuarial valuations required by division (A) of 3261
this section; 3262

(3) A measurement of the financial effect of the recommended 3263
changes in actuarial assumptions. 3264

The board shall submit the report to the Ohio retirement 3265
study council and the standing committees of the house of 3266
representatives and the senate with primary responsibility for 3267

retirement legislation not later than the first day of May 3268
following the last fiscal year of the period the report covers. 3269

(C) The board may at any time request the actuary to make any 3270
other studies or actuarial valuations to determine the adequacy of 3271
the normal and deficiency rates of contribution provided by 3272
section 3307.28 of the Revised Code, and those rates may be 3273
adjusted by the board, as recommended by the actuary, effective as 3274
of the first of any year thereafter. 3275

(D) The board shall have prepared by or under the supervision 3276
of an actuary an actuarial analysis of any introduced legislation 3277
expected to have a measurable financial impact on the retirement 3278
system. The actuarial analysis shall be completed in accordance 3279
with the actuarial standards of practice promulgated by the 3280
actuarial standards board of the American academy of actuaries. 3281
The actuary shall prepare a report of the actuarial analysis, 3282
which shall include all of the following: 3283

(1) A summary of the statutory changes that are being 3284
evaluated; 3285

(2) A description of or reference to the actuarial 3286
assumptions and actuarial cost method used in the report; 3287

(3) A description of the participant group or groups included 3288
in the report; 3289

(4) A statement of the financial impact of the legislation, 3290
including the resulting increase, if any, in the employer normal 3291
cost percentage; the increase, if any, in actuarial accrued 3292
liabilities; and the per cent of payroll that would be required to 3293
amortize the increase in actuarial accrued liabilities as a level 3294
per cent of covered payroll for all active members over a period 3295
not to exceed thirty years; 3296

(5) A statement of whether the scheduled contributions to the 3297
system after the proposed change is enacted are expected to be 3298

sufficient to satisfy the funding objectives established by the board. 3299
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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. 3301
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(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: 3307
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(1) A description of the statutory authority for the benefits provided; 3313
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(2) A summary of the benefits; 3315

(3) A summary of the eligibility requirements for the benefits; 3316
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(4) A statement of the number of participants eligible for the benefits; 3318
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(5) A description of the accounting, asset valuation, and funding method used to provide the benefits; 3320
3321

(6) A statement of the net assets available for the provisions of benefits as of the last day of the fiscal year; 3322
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(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; 3324
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(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;

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

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

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 thirty-first day of December following the year for which the report was made.

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

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

The state teachers retirement 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.

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

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

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

(2) If a member has accumulated contributions, in addition to those subject to division (B)(1) of this section, standing to the credit of a member's individual account and is not otherwise in a position in which the member is considered a teacher for the

purposes of that position, pay, to the provider the member
selected pursuant to section 3305.05 of the Revised Code, the
accumulated contributions standing to the credit of the member's
individual account in the teachers' saving fund plus an amount
calculated in accordance with section 3307.80 of the Revised Code.
The payment shall be made on the member's application.

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

Sec. 3307.561. A (A) Except as provided in division (B) of
this section, 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 ceased to be a teacher, and who is
also a member of either the public employees retirement system or
school employees retirement system, or both, may not withdraw the
member's accumulated contributions ~~unless the~~.

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

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

(2) The member is a participant in a plan established under
section 145.81 or 3309.81 of the Revised Code and has withdrawn
the member's contributions under plans described in sections
145.201 to 145.79 and 3309.18 to 3309.70 of the Revised Code.

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

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

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

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

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

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

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

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

(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 3452
death is eligible for the payment of any amount calculated under 3453
this section. 3454

Sec. 3307.58. Any member participating in the plan described 3455
in sections 3307.50 to 3307.79 of the Revised Code who has five 3456
years of service credit and has attained age sixty, or who has 3457
twenty-five years of service credit and has attained age 3458
fifty-five, or who has thirty years of service credit shall be 3459
granted service retirement after filing with the state teachers 3460
retirement board a completed application on a form approved by the 3461
board. 3462

(A) Service retirement shall be effective on the first day of 3463
the month next following the later of: 3464

(1) The last day for which compensation was paid; or 3465

(2) The attainment of minimum age or service credit 3466
eligibility for benefits provided under this section. 3467

Except as provided in division (E) of this section, the 3468
service retirement benefit shall be the greater of the benefits 3469
provided in divisions (B) and (D) of this section. 3470

(B) Subject to any adjustment made under division (C) of this 3471
section, the annual single lifetime benefit of a member shall be 3472
the greater of the amounts determined by the member's Ohio service 3473
credit multiplied by one of the following: 3474

(1) Eighty-six dollars; 3475

(2)(a) The sum of the following amounts: 3476

(i) For each of the first thirty years of Ohio service 3477
credit, two and two-tenths per cent of the member's final average 3478
salary or, subject to the limitation described in division 3479

(B)(2)(b) of this section, two and five-tenths per cent of the 3480

member's final average salary if the member has thirty-five or
more years of service credit under section 3307.53, 3307.57,
3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.77, or
3307.771 of the Revised Code, division (A)(2) or (B) of former
section 3307.513 of the Revised Code, former section 3307.514 of
the Revised Code, section 3307.72 of the Revised Code earned after
July 1, 1978, or any combination of service credit under those
sections;

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

Year	Per	Year	Per	
of	Cent	of	Cent	
Service	for that	Service	for that	
Credit	Year	Credit	Year	
30.01 - 31.00	2.5%	35.01 - 36.00	3.0%	3507
31.01 - 32.00	2.6	36.01 - 37.00	3.1	3508
32.01 - 33.00	2.7	37.01 - 38.00	3.2	3509
33.01 - 34.00	2.8	38.01 - 39.00	3.3	3510
34.01 - 35.00	2.9			3511

For purposes of this schedule, years of service credit shall be

rounded to the nearest one-hundredth of a year. 3513

(b) For purposes of division (B)(2)(a) of this section, a 3514
percentage of final average salary in excess of two and two-tenths 3515
per cent shall be applied to service credit under section 3307.57 3516
of the Revised Code only if the service credit was established 3517
under section 145.30, 145.301, 145.302, 145.47, 145.483, 3309.02, 3518
3309.021, 3309.022, or 3309.47, ~~or~~ of the Revised Code or restored 3519
under section 145.31 or 3309.26 of the Revised Code. 3520

(C) The annual single lifetime benefit of a member determined 3521
under division (B) of this section shall be adjusted by the 3522
greater per cent shown in the following schedule opposite the 3523
member's attained age or Ohio service credit. 3524

Attained	or	Years of	Per Cent	
Age		Ohio Service	of Base	
		Credit	Amount	
58		25	75%	3528
59		26	80	3529
60		27	85	3530
61			88	3531
		28	90	3532
62			91	3533
63			94	3534
		29	95	3535
64			97	3536
65		30 or more	100	3537

Members shall vest the right to a benefit in accordance with 3538
the following schedule, based on the member's attained age by 3539
September 1, 1976: 3540

Attained	Per Cent	
Age	of Base	
	Amount	
66	102%	3544

67	104	3545
68	106	3546
69	108	3547
70 or more	110	3548

The annual single lifetime benefit determined under division 3549
(B) of this section shall not exceed the lesser of one hundred per 3550
cent of the final average salary or the limit established by 3551
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 3552
2085, 26 U.S.C.A. 415, as amended. 3553

(D) The annual single lifetime benefit of a member shall not 3554
exceed the lesser of the sum of the following amounts or the limit 3555
established by section 415 of the "Internal Revenue Code of 1986," 3556
100 Stat. 2085, 26 U.S.C.A. 415, as amended: 3557

(1) An annuity with a reserve equal to the member's 3558
accumulated contributions; 3559

(2) A pension equal to the amount in division (D)(1) of this 3560
section; 3561

(3) An additional pension of forty dollars annually 3562
multiplied by the number of years of prior and military service 3563
credit, except years of credit purchased under section 3307.751 or 3564
3307.752 of the Revised Code; 3565

(4) An additional basic annual pension of one hundred eighty 3566
dollars, provided the member had ten or more years of Ohio service 3567
credit as of October 1, 1956, except that the additional basic 3568
annual pension shall not exceed the sum of the annual benefits 3569
provided by divisions (D)(1), (2), and (3) of this section. 3570

(E) Benefits determined under this section shall be paid as 3571
provided in section 3307.60 of the Revised Code. 3572

Sec. 3307.60. (A) Upon application for retirement as provided 3573
in section 3307.58 or 3307.59 of the Revised Code, the retirant 3574

may elect a plan of payment under this division or, on and after 3575
the date specified in division (B) of this section, a plan of 3576
payment under that division. Under this division, the retirant may 3577
elect to receive a single lifetime benefit, or may elect to 3578
receive the actuarial equivalent of the retirant's benefit in a 3579
lesser amount, payable for life, and continuing after death to a 3580
beneficiary under one of the following optional plans: 3581

(1) Option 1. The retirant's lesser benefit shall be paid for 3582
life to the sole beneficiary named at retirement. 3583

(2) Option 2. Some other portion of the retirant's benefit 3584
shall be paid for life to the sole beneficiary named at 3585
retirement. The beneficiary's monthly amount shall not exceed the 3586
monthly amount payable to the retirant during the retirant's 3587
lifetime. 3588

(3) Option 3. The retirant's lesser benefit established as 3589
provided under option 1 or option 2 shall be paid for life to the 3590
sole beneficiary named at retirement, except that in the event of 3591
the death of the sole beneficiary or termination of a marital 3592
relationship between the retirant and the sole beneficiary the 3593
retirant may elect to return to a single lifetime benefit 3594
equivalent as determined by the state teachers retirement board, 3595
if, in the case of termination of a marital relationship, the 3596
election is made with the written consent of the beneficiary or 3597
pursuant to an order of the court with jurisdiction over 3598
termination of the marital relationship. 3599

(4) Option 4. Upon the retirant's death before the expiration 3600
of a certain period from the retirement date and elected by the 3601
retirant, and approved by the board, the retirant's benefit shall 3602
be continued for the remainder of such period to the beneficiary. 3603
Monthly benefits shall not be paid to joint beneficiaries, but 3604
they may receive the present value of any remaining payments in a 3605
lump sum settlement. If all beneficiaries die before the 3606

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.

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(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.

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(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:

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

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(2) Either of the following:

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

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(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.

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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.

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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

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monthly allowance that is less than fifty per cent of that amount. 3637

(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~~ 3638
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(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. 3642
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(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: 3647
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(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; 3651
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(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. 3654
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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. 3657
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~~(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 section 3307.562 of the Revised Code. 3663
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~~(D)~~(F) In the case of a retirant who elected an optional plan 3667
prior to September 15, 1989: 3668

(1) The death of the spouse or other designated beneficiary 3669
following retirement shall, at the election of the retirant, 3670
cancel any optional plan selected at retirement to provide 3671
continuing lifetime benefits to the spouse or other beneficiary 3672
and return the retirant to a single lifetime benefit equivalent as 3673
determined by the board. 3674

(2) A divorce, annulment, or marriage dissolution shall, at 3675
the election of the retirant, cancel any optional plan selected at 3676
retirement to provide continuing lifetime benefits to the spouse 3677
as designated beneficiary and return the retirant to a single 3678
lifetime benefit equivalent as determined by the board if the 3679
election is made with the written consent of the beneficiary or 3680
pursuant to an order of a court of common pleas or the court of 3681
another state with jurisdiction over the termination of the 3682
marriage. 3683

~~(E)~~(G) Following marriage or remarriage, a retirant may elect 3684
a new optional plan of payment based on the actuarial equivalent 3685
of the retirant's single lifetime benefit, as determined by the 3686
board, except that if the retirant is receiving a retirement 3687
allowance under an optional plan that provides for continuation of 3688
benefits after death to a former spouse, the retirant may elect a 3689
new optional plan of payment only with the written consent of the 3690
former spouse or pursuant to an order of the court with 3691
jurisdiction over the termination of the marriage. Such plan shall 3692
become effective the first of the month following an application 3693
on a form approved by the board. 3694

~~(F)~~(H)(1) Unless one of the following occurs, an application 3695
for service retirement made pursuant to section 3307.58 or 3307.59 3696
of the Revised Code by a married person shall be considered an 3697
election of a benefit under option 2 as provided for in division 3698

(A)(2) of this section under which one-half of the lesser benefit payable during the life of the retirant will be paid after death to the retirant's spouse for life as sole beneficiary:

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

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

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

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

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

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

(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.

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

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

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

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

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

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(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 a

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uniform retirement system shall, in computing years of total 3760
service, be given full credit for service credit earned under 3761
Chapter 742. or 5505. of the Revised Code or for military service 3762
credit if a transfer to the state teachers retirement system is 3763
made under this division. At the request of the member, the 3764
uniform system shall transfer to the state teachers retirement 3765
system, for each year of service, the sum of the following: 3766

(1) An amount equal to the member's accumulated contributions 3767
to the uniform system and any payments by the member for military 3768
service credit; 3769

(2) An amount equal to the lesser of the employer's 3770
contributions to the uniform system or the amount that would have 3771
been contributed by the employer for the service had the member 3772
been a member of the state teachers retirement system at the time 3773
the credit was earned; 3774

(3) Interest, determined as provided in division (F) of this 3775
section, on the amounts specified in divisions (B)(1) and (2) of 3776
this section from the last day of the year for which the service 3777
credit in the uniform system was earned or in which payment was 3778
made for military service credit was purchased or obtained to the 3779
date the transfer is made. 3780

(C) A member participating in the plan described in sections 3781
3307.50 to 3307.79 of the Revised Code who has at least ~~eighteen~~ 3782
months one and one-half years of contributing service with the 3783
state teachers retirement system, is a former member of a uniform 3784
retirement system, and has received a refund of contributions to 3785
that uniform system shall, in computing years of total service, be 3786
given full credit for service credit earned under Chapter 742. or 3787
5505. of the Revised Code or for military service credit if, for 3788
each year of service, the state teachers retirement system 3789
receives the sum of the following: 3790

(1) An amount, which shall be paid by the member, equal to 3791
the amount refunded by the uniform system to the member for that 3792
year for accumulated contributions and payments for military 3793
service credit, with interest at a rate established by the state 3794
teachers retirement board on that amount from the date of the 3795
refund to the date of the payment; 3796

(2) Interest, which shall be transferred by the uniform 3797
system, on the amount refunded to the member that is attributable 3798
to the year of service from the last day of the year for which the 3799
service credit was earned or in which payment was made for 3800
military service credit to the date the refund was made; 3801

(3) An amount, which shall be transferred by the uniform 3802
system, equal to the lesser of the employer's contributions to the 3803
uniform system or the amount that would have been contributed by 3804
the employer for the service had the member been a member of the 3805
state teachers retirement system at the time the credit was 3806
earned, with interest on that amount from the last day of the year 3807
for which the service credit was earned or in which payment was 3808
made for military service to the date of the transfer. 3809

On receipt of payment from the member, the state teachers 3811
retirement system shall notify the uniform system, which, on 3812
receipt of the notice, shall make the transfer required by this 3813
division. Interest shall be determined as provided in division (F) 3814
of this section. 3815

A member may choose to purchase only part of the credit the 3816
member is eligible to purchase under this division in any one 3817
payment, subject to rules of the state teachers retirement board. 3818

(D) A member is ineligible to obtain credit under this 3819
section for service that is used in the calculation of any 3820
retirement benefit currently being paid or payable in the future 3821

under any other retirement program or for service credit that may 3822
be transferred under section 3307.765 of the Revised Code. 3823

(E) If a member of the state teachers retirement system who 3824
is not a current contributor elects to obtain credit under section 3825
742.21 or 5505.40 of the Revised Code for service for which the 3826
member contributed to the system or purchased for military service 3827
credit, the system shall transfer to the uniform retirement 3828
system, as applicable, the amount specified in division (D) of 3829
section 742.21 or division (B)(2) of section 5505.40 of the 3830
Revised Code. 3831

(F) Interest charged under this section shall be calculated 3832
separately for each year of service credit. Unless otherwise 3833
specified in this section it shall be calculated at the lesser of 3834
the actuarial assumption rate for that year of the state teachers 3835
retirement system or of the uniform retirement system in which the 3836
credit was earned. The interest shall be compounded annually. 3837

(G) The state teachers retirement board shall credit to a 3838
member's account in the teachers' savings fund the amounts 3839
described in divisions (B)(1) and (C)(1) of this section, except 3840
that the interest paid by the member under division (C)(1) of this 3841
section shall be credited to the employers' trust fund. The board 3842
shall credit to the employers' trust fund the amounts described in 3843
divisions (B)(2) and (3) and (C)(2) and (3) of this section. 3844

(H) At the request of the state teachers retirement system, 3845
the Ohio police and fire pension fund or state highway patrol 3846
retirement system shall certify to the state teachers retirement 3847
system a copy of the records of the service and contributions of a 3848
state teachers retirement system member who seeks service credit 3849
under this section. 3850

Sec. 3307.763. (A) If the conditions described in division 3851
(B) of section 3307.762 of the Revised Code are met, a member of 3852

the state teachers retirement system who is not receiving a 3853
pension or benefit from the state teachers retirement system is 3854
eligible to obtain credit for service as a member of the 3855
Cincinnati retirement system under this section. 3856

(B) A member of the state teachers retirement system 3857
participating in the plan described in sections 3307.50 to 3307.79 3858
of the Revised Code who has contributions on deposit with, but is 3859
no longer contributing to, the Cincinnati retirement system shall, 3860
in computing years of service credit, be given credit for service 3861
credit earned under the Cincinnati retirement system or purchased 3862
or obtained as military service credit if, for each year of 3863
service, the Cincinnati retirement system transfers to the state 3864
teachers retirement system the sum of the following: 3865

(1) The amount contributed by the member, or, in the case of 3866
military service credit, paid by the member, that is attributable 3867
to the year of service; 3868

(2) An amount equal to the lesser of the employer's 3869
contributions to the Cincinnati retirement system or the amount 3870
that would have been contributed by the employer for the service 3871
had the member been a member of the state teachers retirement 3872
system at the time the credit was earned; 3873

(3) Interest on the amounts specified in divisions (B)(1) and 3874
(2) of this section from the last day of the year for which 3875
service credit was earned or in which payment was made for 3876
military service credit to the date the transfer is made. 3877

(C) A member of the state teachers retirement system with at 3878
least ~~eighteen months~~ one and one-half years of contributing 3879
service credit with the state teachers retirement system who has 3880
received a refund of the member's contributions to the Cincinnati 3881
retirement system shall, in computing years of service, be given 3882
credit for service credit earned under the Cincinnati retirement 3883
system or purchased or obtained as military service credit if, for 3884

each year of service, the state teachers retirement system	3885
receives the sum of the following:	3886
(1) An amount, paid by the member, equal to the sum of the following:	3887
(a) The amount refunded by the Cincinnati retirement system to the member for that year for contributions and payments for military service credit, with interest at a rate established by the state teachers retirement board on that amount from the date of the refund to the date of payment;	3888
(b) The amount of interest, if any, the member received when the refund was made that is attributable to the year of service.	3889
(2) An amount, transferred by the Cincinnati retirement system to the state teachers retirement system, equal to the sum of the following:	3890
(a) Interest on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;	3891
(b) 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, 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.	3892
(D) The amount transferred under division (C)(2)(a) of this section shall not include any amount of interest the Cincinnati retirement system paid to the person when it made the refund.	3893
(E) On receipt of payment from the member under division (C)(1) of this section, the state teachers retirement system shall notify the Cincinnati retirement system. On receipt of the notice,	3894
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the Cincinnati retirement system shall transfer the amount 3916
described in division (C)(2) of this section. 3917

(F) Interest charged under this section shall be calculated 3918
separately for each year of service credit. Unless otherwise 3919
specified in this section, it shall be calculated at the lesser of 3920
the actuarial assumption rate for that year of the state teachers 3921
retirement system or the Cincinnati retirement system. The 3922
interest shall be compounded annually. 3923

(G) At the request of the state teachers retirement system, 3924
the Cincinnati retirement system shall certify to the state 3925
teachers retirement system a copy of the records of the service 3926
and contributions of a state teachers retirement system member who 3927
seeks service credit under this section. 3928

(H) A member may choose to purchase only part of the credit 3929
the member is eligible to purchase under division (C) of this 3930
section in any one payment, subject to rules of the state teachers 3931
retirement board. 3932

(I) A member is ineligible to obtain credit under this 3933
section for service that is used in the calculation of any 3934
retirement benefit currently being paid or payable in the future. 3935

(J) The state teachers retirement board shall credit to the 3936
member's account in the teachers' savings fund the amounts 3937
described in divisions (B)(1) and (C)(1)(a) of this section, 3938
except that interest paid by the member under division (C)(1)(a) 3939
of this section shall be credited to the employers' trust fund. 3940
The board shall credit to the employers' trust fund the amounts 3941
described in divisions (B)(2), (B)(3), (C)(1)(b), and (C)(2) of 3942
this section. 3943

Sec. 3307.764. (A) If the conditions described in division 3944
(B) of section 3307.762 of the Revised Code are met and a person 3945

who is a member or former member of the state teachers retirement 3946
system through participation in the plan described in sections 3947
3307.50 to 3307.79 of the Revised Code, but is not a current 3948
contributor and who is not receiving a pension or benefit from the 3949
state teachers retirement system elects to receive credit under 3950
the Cincinnati retirement system for service for which the person 3951
contributed to the state teachers retirement system or purchased 3952
or obtained as military service credit, the state teachers 3953
retirement system shall transfer the amounts specified in division 3954
(B) or (C) of this section to the Cincinnati retirement system. 3955

(B) If the person has contributions on deposit with the state 3956
teachers retirement system, the retirement system shall, for each 3957
year of service credit, transfer to the Cincinnati retirement 3958
system the sum of the following: 3959

(1) An amount equal to the person's contributions to the 3960
state teachers retirement system and payments made by the member 3961
for military service credit; 3962

(2) An amount equal to the lesser of the employer's 3963
contributions to the state teachers retirement system or the 3964
amount that would have been contributed by the employer for the 3965
service had the person been a member of the Cincinnati retirement 3966
system at the time the credit was earned; 3967

(3) Interest on the amounts specified in divisions (B)(1) and 3968
(2) of this section for the period from the last day of the year 3969
for which the service credit was earned or in which payment was 3970
made for military service credit to the date the transfer was 3971
made. 3972

(C)(1) If the person has received a refund of accumulated 3973
contributions to the state teachers retirement system, the state 3974
teachers retirement system shall, for each year of service credit, 3975
transfer to the Cincinnati retirement system the sum of the 3976
following: 3977

(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~~

specified by the plan or in the regulations adopted under that 4040
section rules adopted by the state teachers retirement board. 4041

Consent or waiver is effective only with regard to the spouse 4042
who is the subject of the consent or waiver. 4043

Sec. 3309.21. (A) The school employees retirement board shall 4044
have prepared annually by or under the supervision of an actuary 4045
an actuarial valuation of the pension assets, liabilities, and 4046
funding requirements of the school employees retirement system as 4047
established pursuant to this chapter. The actuary shall complete 4048
the valuation in accordance with actuarial standards of practice 4049
promulgated by the actuarial standards board of the American 4050
academy of actuaries and prepare a report of the valuation. The 4051
report shall include all of the following: 4052

(1) A summary of the benefit provisions evaluated; 4053

(2) A summary of the census data and financial information 4054
used in the valuation; 4055

(3) A description of the actuarial assumptions, actuarial 4056
cost method, and asset valuation method used in the valuation, 4057
including a statement of the assumed rate of payroll growth and 4058
assumed rate of growth or decline in the number of members 4059
contributing to the retirement system; 4060

(4) A summary of findings that includes a statement of the 4061
actuarial accrued pension liabilities and unfunded actuarial 4062
accrued pension liabilities; 4063

(5) A schedule showing the effect of any changes in the 4064
benefit provisions, actuarial assumptions, or cost methods since 4065
the last annual actuarial valuation; 4066

(6) A statement of whether contributions to the retirement 4067
system are expected to be sufficient to satisfy the funding 4068
objectives established by the board. 4069

The board shall submit the report to the Ohio retirement study ~~commission~~ council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the first day of May following the year for which the valuation was made.

(B) At such times as the school employees retirement board determines, and 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 mortality, service, and other experience of the members, retirants, and beneficiaries of the retirement system, and SERS retirants and other system retirants as defined in section 3309.341 of the Revised Code to update the actuarial assumptions used in the actuarial valuation required by division (A) of this section. The actuary shall prepare a report of the actuarial investigation. The report shall be prepared and any recommended changes in actuarial assumptions shall be made in accordance with the actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The report shall include all of the following:

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

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

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

The board shall submit the report to the Ohio retirement study ~~commission~~ council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the first day of May

following the last fiscal year of the period the report covers. 4101

(C) The board may at any time request the actuary to make any 4102
studies or actuarial valuations to determine the adequacy of the 4103
rates of contribution as provided by section 3309.49 of the 4104
Revised Code, and those rates may be adjusted by the board, as 4105
recommended by the actuary, effective as of the first of any year 4106
thereafter. 4107

(D) The board shall have prepared by or under the supervision 4108
of an actuary an actuarial analysis of any introduced legislation 4109
expected to have a measurable financial impact on the retirement 4110
system. The actuarial analysis shall be completed in accordance 4111
with the actuarial standards of practice promulgated by the 4112
actuarial standards board of the American academy of actuaries. 4113
The actuary shall prepare a report of the actuarial analysis, 4114
which shall include all of the following: 4115

(1) A summary of the statutory changes that are being 4116
evaluated; 4117

(2) A description of or reference to the actuarial 4118
assumptions and actuarial cost method used in the report; 4119

(3) A description of the participant group or groups included 4120
in the report; 4121

(4) A statement of the financial impact of the legislation, 4122
including the resulting increase, if any, in the employer normal 4123
cost percentage; the increase, if any, in actuarial accrued 4124
liabilities; and the per cent of payroll that would be required to 4125
amortize the increase in actuarial accrued liabilities as a level 4126
per cent of covered payroll for all active members over a period 4127
not to exceed thirty years; 4128

(5) A statement of whether the scheduled contributions to the 4129
system after the proposed change is enacted are expected to be 4130
sufficient to satisfy the funding objectives established by the 4131

board. 4132

Not later than sixty days from the date of introduction of 4133
the legislation, the board shall submit a copy of the actuarial 4134
analysis to ~~the legislative budget office~~ of the legislative 4135
service commission, the standing committees of the house of 4136
representatives and the senate with primary responsibility for 4137
retirement legislation, and the Ohio retirement study ~~commission~~ 4138
council. 4139

(E) The board shall have prepared annually a report giving a 4140
full accounting of the revenues and costs relating to the 4141
provision of benefits under sections 3309.375 and 3309.69 of the 4142
Revised Code. The report shall be made as of June 30, 1997, and 4143
the thirtieth day of June of each year thereafter. The report 4144
shall include the following: 4145

(1) A description of the statutory authority for the benefits 4146
provided; 4147

(2) A summary of the benefits; 4148

(3) A summary of the eligibility requirements for the 4149
benefits; 4150

(4) A statement of the number of participants eligible for 4151
the benefits; 4152

(5) A description of the accounting, asset valuation, and 4153
funding method used to provide the benefits; 4154

(6) A statement of the net assets available for the provision 4155
of the benefits as of the last day of the fiscal year; 4156

(7) A statement of any changes in the net assets available 4157
for the provision of benefits, including participant and employer 4158
contributions, net investment income, administrative expenses, and 4159
benefits provided to participants, as of the last day of the 4160
fiscal year; 4161

(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;

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

(10) A statement of the amount paid under division ~~(D)~~(C) of section 3309.69 of the Revised Code.

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

Sec. 3309.43. ~~A~~ (A) Except as provided in division (B) of this section, a member of the school employees retirement system who has ceased to be an employee, and who is also a member of either the public employees retirement system or the state teachers retirement system, or both, may not withdraw his the member's accumulated contributions, unless he.

(B) On application, the school 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:

(1) The member also withdraws his the member's contributions from such other systems. The

(2) The member is a participant in a plan established under section 145.81 or 3307.81 of the Revised Code and has withdrawn the member's contributions under plans described in sections 145.201 to 145.79 and 3307.50 to 3307.79 of the Revised Code.

The school employees retirement board may waive the annual

expense fee where a member is contributing to another state 4192
retirement system provided such member is not at the same time 4193
contributing to the school employees retirement system. 4194

Sec. 3309.45. Except as provided in division (C)(1) of this 4195
section, in lieu of accepting the payment of the accumulated 4196
account of a member who dies before service retirement, the 4197
beneficiary, as determined in section 3309.44 of the Revised Code, 4198
may elect to forfeit the accumulated account and to substitute 4199
certain other benefits either under division (A) or (B) of this 4200
section. 4201

(A)(1) If a deceased member was eligible for a service 4202
retirement allowance as provided in section 3309.36, 3309.38, or 4203
3309.381 of the Revised Code, a surviving spouse or other sole 4204
dependent beneficiary may elect to receive a monthly benefit 4205
computed as the joint-survivor allowance designated as "plan D" in 4206
section 3309.46 of the Revised Code, which the member would have 4207
received had the member retired on the last day of the month of 4208
death and had the member at that time selected such joint-survivor 4209
plan. Payment shall begin with the month subsequent to the 4210
member's death. 4211

(2) Beginning on a date selected by the school employees 4212
retirement board, which shall be not later than July 1, 2004, a 4213
surviving spouse or other sole dependent beneficiary may elect, in 4214
lieu of a monthly payment under division (A)(1) of this section, a 4215
plan of payment consisting of both of the following: 4216

(a) A lump sum in an amount the surviving spouse or other 4217
sole dependent beneficiary designates that constitutes a portion 4218
of the allowance that would be payable under division (A)(1) of 4219
this section; 4220

(b) The remainder of that allowance in monthly payments. 4221

The total amount paid as a lump sum and a monthly benefit 4222

shall be the actuarial equivalent of the amount that would have 4223
been paid had the lump sum not been selected. 4224

The lump sum amount designated by the surviving spouse or 4225
other sole dependent beneficiary under division (A)(2)(a) of this 4226
section shall be not less than six times and not more than 4227
thirty-six times the monthly amount that would be payable to the 4228
surviving spouse or other sole dependent beneficiary under 4229
division (A)(1) of this section and shall not result in a monthly 4230
benefit that is less than fifty per cent of that monthly amount. 4231

(B) If the deceased member had completed at least one and 4232
one-half years of credit for Ohio service, with at least 4233
one-quarter year of Ohio contributing service credit within the 4234
two and one-half years prior to the date of death, or was 4235
receiving at the time of death a disability benefit as provided in 4236
section 3309.40 or 3309.401 of the Revised Code, qualified 4237
survivors who elect to receive monthly benefits shall receive the 4238
greater of the benefits provided in division (B)(1)(a) or (b) as 4239
allocated in accordance with division (B)(5) of this section. 4240

(1)(a) Number				4241
of Qualified			Or	4242
survivors	Annual Benefit as a Per		Monthly Benefit	4243
affecting	Cent of Decedent's Final		shall not be	4244
the benefit	Average Salary		less than	4245
1	25%		\$96	4246
2	40		186	4247
3	50		236	4248
4	55		236	4249
5 or more	60		236	4250

(b) Years of Service	Annual Benefit as a Per Cent of			4251
	Member's Final Average Salary			
20		29%		4252
21		33		4253

22	37	4254
23	41	4255
24	45	4256
25	48	4257
26	51	4258
27	54	4259
28	57	4260
29 or more	60	4261

(2) Benefits shall begin as qualified survivors meet 4262
eligibility requirements as follows: 4263

(a) A qualified spouse is the surviving spouse of the 4264
deceased member who is age sixty-two, or regardless of age if the 4265
deceased member had ten or more years of Ohio service credit, or 4266
regardless of age if caring for a surviving child, or regardless 4267
of age if adjudged physically or mentally incompetent. 4268

(b) A qualified child is any child of the deceased member who 4269
has never been married and to whom one of the following applies: 4270
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(i) Is under age eighteen, or under age twenty-two if the 4272
child is attending an institution of learning or training pursuant 4273
to a program designed to complete in each school year the 4274
equivalent of at least two-thirds of the full-time curriculum 4275
requirements of such institution and as further determined by 4276
board policy; 4277

(ii) Regardless of age, is adjudged physically or mentally 4278
incompetent if the incompetence existed prior to the member's 4279
death and prior to the child attaining age eighteen, or age 4280
twenty-two if attending an institution described in division 4281
(B)(2)(b)(i) of this section. 4282

(c) A qualified parent is a dependent parent aged sixty-five 4283
or older. 4284

(3) "Physically or mentally incompetent" as used in this 4285
section may be determined by a court of jurisdiction, or by a 4286
physician appointed by the retirement board. Incapability of 4287
earning a living because of a physically or mentally disabling 4288
condition shall meet the qualifications of this division. 4289

(4) Benefits to a qualified survivor shall terminate upon a 4290
first marriage, abandonment, adoption, or during active military 4291
service. Benefits to a deceased member's surviving spouse that 4292
were terminated under a former version of this section that 4293
required termination due to remarriage and were not resumed prior 4294
to September 16, 1998, shall resume on the first day of the month 4295
immediately following receipt by the board of an application on a 4296
form provided by the board. 4297

Upon the death of any subsequent spouse who was a member of 4298
the public employees retirement system, state teachers retirement 4299
system, or school employees retirement system, the surviving 4300
spouse of such member may elect to continue receiving benefits 4301
under this division, or to receive survivor's benefits, based upon 4302
the subsequent spouse's membership in one or more of the systems, 4303
for which such surviving spouse is eligible under this section or 4304
section 145.45 or 3307.66 of the Revised Code. If the surviving 4305
spouse elects to continue receiving benefits under this division, 4306
such election shall not preclude the payment of benefits under 4307
this division to any other qualified survivor. 4308

Benefits shall begin or resume on the first day of the month 4309
following the attainment of eligibility and shall terminate on the 4310
first day of the month following loss of eligibility. 4311

(5)(a) If a benefit is payable under division (B)(1)(a) of 4312
this section, benefits to a qualified spouse shall be paid in the 4313
amount determined for the first qualifying survivor in division 4314
(B)(1)(a) of this section, but shall not be less than one hundred 4315
six dollars per month if the deceased member had ten or more years 4316

of Ohio service credit. All other qualifying survivors shall share 4317
equally in the benefit or remaining portion thereof. 4318

(b) All qualifying survivors shall share equally in a benefit 4319
payable under division (B)(1)(b) of this section, except that if 4320
there is a surviving spouse, the surviving spouse shall receive no 4321
less than the greater of the amount determined for the first 4322
qualifying survivor in division (B)(1)(a) of this section or one 4323
hundred six dollars per month. 4324

(6) The beneficiary of a member who is also a member of the 4325
public employees retirement system, or of the state teachers 4326
retirement system, must forfeit the member's accumulated 4327
contributions in those systems, if the beneficiary takes a 4328
survivor benefit. Such benefit shall be exclusively governed by 4329
section 3309.35 of the Revised Code. 4330

(C)(1) Regardless of whether the member is survived by a 4331
spouse or designated beneficiary, if the school employees 4332
retirement system receives notice that a deceased member described 4333
in division (A) or (B) of this section has one or more qualified 4334
children, all persons who are qualified survivors under ~~Division~~ 4335
division (B) of this section shall receive monthly benefits as 4336
provided in division (B) of this section. 4337

If, after determining the monthly benefits to be paid under 4338
division (B) of this section, the system receives notice that 4339
there is a qualified survivor who was not considered when the 4340
determination was made, the system shall, notwithstanding section 4341
3309.661 of the Revised Code, recalculate the monthly benefits 4342
with that qualified survivor included, even if the benefits to 4343
qualified survivors already receiving benefits are reduced as a 4344
result. The benefits shall be calculated as if the qualified 4345
survivor who is the subject of the notice became eligible on the 4346
date the notice was received and shall be paid to qualified 4347
survivors effective on the first day of the first month following 4348

the system's receipt of the notice.

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If the retirement system did not receive notice that a
deceased member has one or more qualified children prior to making
payment under section 3309.44 of the Revised Code to a beneficiary
as determined by the retirement system, the payment is a full
discharge and release of the system from any future claims under
this section or section 3309.44 of the Revised Code.

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(2) If benefits under division (C)(1) of this section to all
persons, or to all persons other than a surviving spouse or other
sole beneficiary, terminate, there are no children under the age
of twenty-two years, and the surviving spouse or beneficiary
qualifies for benefits under division (A) of this section, the
surviving spouse or beneficiary may elect to receive benefits
under division (A) of this section. Benefits shall be effective on
the first day of the month following receipt by the board of an
application for benefits under division (A) of this section.

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(D) The final average salary used in the calculation of a
benefit payable pursuant to division (A) or (B) of this section to
a survivor or beneficiary of a disability benefit recipient shall
be adjusted for each year between the disability benefit's
effective date and the recipient's date of death by the lesser of
three per cent or the actual average percentage increase in the
consumer price index prepared by the United States bureau of labor
statistics (U.S. City Average for Urban Wage Earners and Clerical
Workers: "All Items 1982-84=100").

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(E) If the survivor benefits due and paid under this section
are in a total amount less than the member's accumulated account
that was transferred from the employees' savings fund, the state
teachers retirement fund, and the public employees retirement fund
to the survivors' benefit fund, then the difference between the
total amount of the benefits paid shall be paid to the beneficiary
under section 3309.44 of the Revised Code.

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Sec. 3309.46. (A) The retirement allowance calculated under 4381
section 3309.36, 3309.38, or 3309.381 of the Revised Code shall be 4382
paid as provided in this section. If the member is eligible to 4383
elect a plan of payment under this section, the election shall be 4384
made on the application for retirement. A plan of payment elected 4385
under this section shall be effective only if it is certified by 4386
the actuary engaged by the school employees retirement board to be 4387
the actuarial equivalent of the member's retirement allowance and 4388
is approved by the retirement board. 4389

(B)(1) Unless the member is eligible to elect another plan of 4390
payment, a member who retires under section 3309.36, 3309.38, or 4391
3309.381 of the Revised Code shall receive a retirement allowance 4392
under "plan A," which shall consist of the actuarial equivalent of 4393
the member's retirement allowance determined under section 4394
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 4395
amount payable for life and one-half of such allowance continuing 4396
after death to the member's surviving spouse for the life of the 4397
spouse. 4398

A member may elect to receive a retirement allowance under a 4399
plan of payment other than "plan A" if the member is not married 4400
or either the member's spouse consents in writing to the member's 4401
election to a plan of payment other than "plan A" or the board 4402
waives the requirement that the spouse consent. 4403

An application for retirement shall include an explanation of 4404
all of the following: 4405

(a) That, if the member is married, unless the spouse 4406
consents to another plan of payment, the member's retirement 4407
allowance will be paid under "plan A," which consists of the 4408
actuarial equivalent of the member's retirement allowance in a 4409
lesser amount payable for life and one-half of the allowance 4410
continuing after death to the surviving spouse for the life of the 4411

spouse; 4412

(b) A description of the alternative plans of payment, 4413
including all plans described in divisions (B)(2) and (3) of this 4414
section, available with the consent of the spouse; 4415

(c) That the spouse may consent to another plan of payment 4416
and the procedure for giving consent; 4417

(d) That consent is irrevocable once notice of consent is 4418
filed with the board. 4419

Consent shall be valid only if it is in writing, signed by 4420
the spouse, and witnessed by an employee of the school employees 4421
retirement system or a notary public. The board may waive the 4422
requirement of consent if the spouse is incapacitated or cannot be 4423
located or for any other reason specified by the board. Consent or 4424
waiver is effective only with regard to the spouse who is the 4425
subject of the consent or waiver. 4426

(2) A member eligible to elect to receive a retirement 4427
allowance under a plan of payment other than "plan A" shall 4428
receive the retirement allowance under the plan described in 4429
division (B)(3) of this section or one of the following plans 4430
~~electd at the time the member makes application for retirement:~~ 4431

(a) "Plan B," which shall consist of an allowance determined 4432
under section 3309.36, 3309.38, or 3309.381 of the Revised Code; 4433

(b) "Plan C," which shall consist of the actuarial equivalent 4434
of the member's retirement allowance determined under section 4435
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 4436
amount payable for life and one-half or some other portion of the 4437
allowance continuing after death to the member's sole surviving 4438
beneficiary designated at the time of the member's retirement, 4439
provided that the amount payable to the beneficiary does not 4440
exceed the amount payable to the member; 4441

(c) "Plan D," which shall consist of the actuarial equivalent 4442
of the member's retirement allowance determined under section 4443
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 4444
amount payable for life and continuing after death to a surviving 4445
designated beneficiary designated at the time of the member's 4446
retirement; 4447

(d) "Plan E," which shall consist of the actuarial equivalent 4448
of the member's retirement allowance determined under section 4449
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 4450
amount payable for a certain period from the member's retirement 4451
date as elected by the member and approved by the retirement 4452
board, and on the member's death before the expiration of that 4453
certain period, the member's lesser retirement allowance continued 4454
for the remainder of that period to, and in such order, the 4455
beneficiaries as the member has nominated by written designation 4456
and filed with the retirement board. 4457

Monthly benefits shall not be paid to joint beneficiaries, 4458
but they may receive the present value of any remaining payments 4459
in a lump sum settlement. If all beneficiaries die before the 4460
expiration of the certain period, the present value of all such 4461
payments yet remaining in such period shall be paid to the estate 4462
of the beneficiary last receiving. 4463

(3)(a) Beginning on a date selected by the board, which shall 4464
be not later than July 1, 2004, a member may elect, in lieu of a 4465
plan of payment under division (B)(1) or (2) of this section, a 4466
plan consisting of both a lump sum in an amount the member 4467
designates that constitutes a portion of the retirement allowance 4468
payable under a plan described in division (B)(1) or (2) of this 4469
section and the remainder of the allowance payable under that plan 4470
in monthly payments. 4471

The total amount paid as a lump sum and a monthly benefit 4472
shall be the actuarial equivalent of the amount that would have 4473

been paid had the lump sum not been selected. 4474

(b) The lump sum amount designated by the member shall be not 4475
less than six times and not more than thirty-six times the monthly 4476
amount that would be payable to the member under the plan of 4477
payment elected under this section had the lump sum not been 4478
elected and shall not result in a monthly benefit that is less 4479
than fifty per cent of that amount. 4480

(4) An election under division (B)(2) or (3) of this section 4481
shall be made at the time the member makes application for 4482
retirement. 4483

(5) A member eligible to elect to receive a retirement 4484
allowance under a plan of payment other than "plan A" because the 4485
member is unmarried who fails to make an election on retirement 4486
shall receive a retirement allowance under "plan B." 4487

(C) Until the first payment of any retirement allowance is 4488
made, as provided in sections 3309.36, 3309.38, or 3309.381 of the 4489
Revised Code, a member may change the member's election of a 4490
payment plan if the election is made in accordance with and is 4491
consistent with division (B) of this section. 4492

(D) If the retirement allowances due and paid under the above 4493
provisions of this section are in a total amount less than (1) the 4494
accumulated contributions, (2) the deposits for additional credit 4495
as provided by section 3309.31 of the Revised Code, (3) the 4496
deposits for additional annuities as provided by section 3309.47 4497
of the Revised Code, (4) the deposits for repurchase of service 4498
credit as provided by section 3309.26 of the Revised Code, (5) the 4499
accumulated contributions provided by section 3309.65 of the 4500
Revised Code, (6) the deposits for purchase of military service 4501
credit provided by section 3309.021 or 3309.022 of the Revised 4502
Code, and (7) the deposits for the purchase of service credit 4503
provided by section 3309.73 of the Revised Code, standing to the 4504

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 3309.44 of the
Revised Code.

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(E)(1) The death of a spouse or any other designated
beneficiary following the member's retirement shall cancel any
plan of payment to provide continuing lifetime benefits to the
spouse or designated beneficiary and the retirant shall receive
the retirant's single lifetime retirement allowance equivalent as
determined by the board.

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(2) On divorce, annulment, or marriage dissolution, a
retirant receiving a retirement allowance under a plan of payment
that provides for continuation of all or part of the allowance
after death for the lifetime of the member's surviving spouse may
elect to cancel the plan and receive the member's single lifetime
retirement allowance equivalent as determined by the retirement
board, except that in the case of a member who retires on or after
July 24, 1990, the election may be made only with the written
consent of the spouse or pursuant to an order of the court with
jurisdiction over the termination of the marriage. The election
shall be made on a form provided by the board and shall be
effective the month following its receipt by the board.

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

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Sec. 3309.69. (A) As used in this section, "ineligible

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individual" means all of the following: 4536

(1) A former member receiving benefits pursuant to section 4537
3309.34, 3309.35, 3309.36, 3309.38, or 3309.381 of the Revised 4538
Code for whom eligibility is established more than five years 4539
after June 13, 1981, and who, at the time of establishing 4540
eligibility, has accrued less than ten years of service credit, 4541
exclusive of credit obtained after January 29, 1981, pursuant to 4542
sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised 4543
Code; 4544

(2) The spouse of the former member; 4545

(3) The beneficiary of the former member receiving benefits 4546
pursuant to section 3309.46 of the Revised Code. 4547

(B) The school employees retirement board may enter into an 4548
agreement with insurance companies, health insuring corporations, 4549
or government agencies authorized to do business in the state for 4550
issuance of a policy or contract of health, medical, hospital, or 4551
surgical benefits, or any combination thereof, for those 4552
individuals receiving service retirement or a disability or 4553
survivor benefit subscribing to the plan and their eligible 4554
dependents. 4555

If all or any portion of the policy or contract premium is to 4556
be paid by any individual receiving service retirement or a 4557
disability or survivor benefit, the person shall, by written 4558
authorization, instruct the board to deduct the premiums agreed to 4559
be paid by the individual to the companies, corporations, or 4560
agencies. 4561

The board may contract for coverage on the basis of part or 4562
all of the cost of the coverage to be paid from appropriate funds 4563
of the school employees retirement system. The cost paid from the 4564
funds of the system shall be included in the employer's 4565
contribution rate provided by sections 3309.49 and 3309.491 of the 4566

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.

~~(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.

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

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:

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

(2) A summary of the census data and financial information used in the valuation;	4628 4629
(3) A description of the actuarial assumptions, actuarial cost method, and asset valuation method used in the valuation, including a statement of the assumed rate of payroll growth and assumed rate of growth or decline in the number of members contributing to the retirement system;	4630 4631 4632 4633 4634
(4) A summary of findings that includes a statement of the actuarial accrued pension liabilities and unfunded actuarial accrued pension liabilities;	4635 4636 4637
(5) A schedule showing the effect of any changes in the benefit provisions, actuarial assumptions, or cost methods since the last annual actuarial valuation;	4638 4639 4640
(6) A statement of whether contributions to the retirement system are expected to be sufficient to satisfy the funding objectives established by the board.	4641 4642 4643
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 first day of July following the year for which the valuation was made.	4644 4645 4646 4647 4648
(B) At such times as the state highway patrol retirement board determines, and at least once in each five-year period after January 1, 1966, the board shall have prepared by or under the supervision of an actuary an actuarial investigation of the mortality, service, and other experience of the members, retirants, and beneficiaries to update the actuarial assumptions used in the actuarial valuation required by division (A) of this section. The actuary shall prepare a report of the actuarial investigation. The report shall be prepared and any recommended changes in actuarial assumptions shall be made in accordance with	4649 4650 4651 4652 4653 4654 4655 4656 4657 4658

the actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The report shall include all of the following:

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

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

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

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 first day of November following the last fiscal year of the period the report covers.

(C) The board may at any time request the actuary to make any studies or actuarial valuations to determine the adequacy of the rates of contributions provided by section 5505.15 of the Revised Code.

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

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

(2) A description of or reference to the actuarial

assumptions and actuarial cost method used in the report;	4689
(3) A description of the participant group or groups included in the report;	4690 4691
(4) A statement of the financial impact of the legislation, including the resulting increase, if any, in the employer normal cost percentage; the increase, if any, in actuarial accrued liabilities; and the per cent of payroll that would be required to amortize the increase in actuarial accrued liabilities as a level per cent of covered payroll for all active members over a period not to exceed thirty years;	4692 4693 4694 4695 4696 4697 4698
(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.	4699 4700 4701 4702
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.	4703 4704 4705 4706 4707 4708
(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 section 5505.28 of the Revised Code. The report shall be made as of December 31, 1997, and the thirty-first day of December of each year thereafter. The report shall include the following:	4709 4710 4711 4712 4713 4714
(1) A description of the statutory authority for the benefits provided;	4715 4716
(2) A summary of the benefits;	4717
(3) A summary of the eligibility requirements for the	4718

benefits;	4719
(4) A statement of the number of participants eligible for the benefits;	4720 4721
(5) A description of the accounting, asset valuation, and funding method used to provide the benefits;	4722 4723
(6) A statement of the net assets available for the provision of the benefits as of the last day of the fiscal year;	4724 4725
(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;	4726 4727 4728 4729 4730
(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;	4731 4732 4733 4734
(9) A description of any significant changes that affect the comparability of the report required under this division;	4735 4736
(10) A statement of the amount paid under division (C) (B) of section 5505.28 of the Revised Code.	4737 4738
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.	4739 4740 4741 4742 4743
Sec. 5505.28. (A) The state highway patrol 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	4744 4745 4746 4747

health, medical, hospital, or surgical benefits, or any 4748
combination thereof, for those persons receiving pensions and 4749
subscribing to the plan. Notwithstanding any other provision of 4750
this chapter, the policy or contract may also include coverage for 4751
any eligible individual's spouse and dependent children and for 4752
any of the individual's sponsored dependents as the board 4753
considers appropriate. 4754

If all or any portion of the policy or contract premium is to 4755
be paid by any individual receiving a service, disability, or 4756
survivor pension or benefit, the individual shall, by written 4757
authorization, instruct the board to deduct from the individual's 4758
pension or benefit the premium agreed to be paid by the individual 4759
to the company, corporation, or agency. 4760

The board may contract for coverage on the basis of part or 4761
all of the cost of the coverage to be paid from appropriate funds 4762
of the state highway patrol retirement system. The cost paid from 4763
the funds of the system shall be included in the employer's 4764
contribution rate as provided by section 5505.15 of the Revised 4765
Code. 4766

~~(B) If the board provides health, medical, hospital, or 4767
surgical benefits through any means other than a health insuring 4768
corporation, it shall offer to each individual eligible for the 4769
benefits the alternative of receiving benefits through enrollment 4770
in a health insuring corporation, if all of the following apply: 4771~~

~~(1) The health insuring corporation provides health care 4772
services in the geographical area in which the individual lives; 4773~~

~~(2) The eligible individual was receiving health care 4774
benefits through a health maintenance organization or a health 4775
insuring corporation before retirement; 4776~~

~~(3) The rate and coverage provided by the health insuring 4777
corporation to eligible individuals is comparable to that 4778~~

~~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.~~ 4779
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~~The health insuring corporation shall accept as an enrollee any eligible individual who requests enrollment.~~ 4784
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~~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.~~ 4786
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~~(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. 4789
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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, Ohio police and fire pension fund, state teachers retirement system, or school employees retirement system. 4796
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~~(E)~~(D) The board shall make all other necessary rules pursuant to the purpose and intent of this section. 4802
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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, 4804
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742.372, 742.45, 3307.01, 3307.39, 3307.51, 3307.56, 3307.561, 4809
3307.563, 3307.58, 3307.60, 3307.761, 3307.763, 3307.764, 3307.87, 4810
3309.21, 3309.43, 3309.45, 3309.46, 3309.69, 5505.12, and 5505.28 4811
and sections 742.371 and 742.373 of the Revised Code are hereby 4812
repealed. 4813

Section 3. Section 145.01 of the Revised Code is presented in 4814
this act as a composite of the section as amended by Sub. H.B. 4815
158, Am. Sub. H.B. 405, and Am. Sub. S.B. 164 of the 124th General 4816
Assembly. Section 145.27 of the Revised Code is presented in this 4817
act as a composite of the section as amended by both Sub. H.B. 535 4818
and Am. Sub. S.B. 180 of the 123rd General Assembly. Section 4819
145.56 of the Revised Code is presented in this act as a composite 4820
of the section as amended by both Sub. H.B. 535 and Am. Sub. S.B. 4821
180 of the 123rd General Assembly. Section 3307.58 of the Revised 4822
Code is presented in this act as a composite of the section as 4823
amended by both Sub. H.B. 535 and Sub. S.B. 270 of the 123rd 4824
General Assembly. The General Assembly, applying the principle 4825
stated in division (B) of section 1.52 of the Revised Code that 4826
amendments are to be harmonized if reasonably capable of 4827
simultaneous operation, finds that the composite is the resulting 4828
version of the section in effect prior to the effective date of 4829
the section as presented in this act. 4830