

# As Reported by the House Retirement and Aging Committee

124th General Assembly

Regular Session

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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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REPRESENTATIVES Ogg, Flowers, Barrett, Brown, Schaffer, Lendrum,

Schuring

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## A BILL

To amend sections 145.01, 145.04, 145.05, 145.091, 1  
145.19, 145.191, 145.192, 145.20, 145.22, 145.23, 2  
145.27, 145.35, 145.38, 145.384, 145.40, 145.45, 3  
145.46, 145.56, 145.58, 145.80, 145.81, 145.811, 4  
145.812, 145.813, 145.82, 145.85, 145.86, 145.87, 5  
145.88, 145.91, 145.92, 145.95, 145.97, 742.14, 6  
742.37, 742.372, 742.45, 3105.80, 3307.01, 3307.39, 7  
3307.51, 3307.56, 3307.561, 3307.563, 3307.58, 8  
3307.60, 3307.761, 3307.763, 3307.764, 3307.87, 9  
3309.21, 3309.43, 3309.45, 3309.46, 3309.69, 10  
5505.12, and 5505.28; to amend, for the purpose of 11  
adopting a new section number as indicated in 12  
parentheses, section 742.372 (742.371); to enact 13  
sections 145.193, 145.385, 145.402, 145.814, and 14  
145.83; and to repeal sections 742.371 and 742.373 15  
of the Revised Code to create in the State Teachers 16  
Retirement System (STRS), School Employees 17  
Retirement System, and Public Employees Retirement 18  
System (PERS) the option of receiving retirement 19  
benefits as a partial lump sum followed by a 20  
reduced monthly allowance, to make other changes to 21

the law governing STRS to make changes to the Ohio 22  
Police and Fire Pension Fund (OP&F) cost of living 23  
increase, to eliminate a health maintenance 24  
organization requirement for public pension system 25  
retirees, to permit certain PERS reemployed 26  
retirants to elect resumption of a retirement 27  
allowance, to make permissive the redeposit of 28  
contributions previously withdrawn from OP&F by 29  
firefighters and police officers returning to the 30  
same employer after a period of absence, and to 31  
alter provisions governing the PERS defined 32  
contribution retirement plan. 33

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

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

**Sec. 145.01.** As used in this chapter: 46

(A) "Public employee" means: 47

(1) Any person holding an office, not elective, under the 48  
state or any county, township, municipal corporation, park 49

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

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

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

(4) A person who elects in accordance with section 145.015 of 76  
the Revised Code to remain a contributing member of the public 77  
employees retirement system. 78

In all cases of doubt, the public employees retirement board 79  
shall determine whether any person is a public employee, and its 80  
decision is final. 81

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

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

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

(E) "Prior service" means all service as a public employee 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 114  
other system after that other system was established, credit for 115  
the service may be allowed by the public employees retirement 116  
system only when the employee has made payment, to be computed on 117  
the salary earned from the date of appointment to the date 118  
membership was established in the public employees retirement 119  
system, at the rate in effect at the time of payment, and the 120  
employer has made payment of the corresponding full liability as 121  
provided by section 145.44 of the Revised Code. "Prior service" 122  
also means all service credited for active duty with the armed 123  
forces of the United States as provided in section 145.30 of the 124  
Revised Code. 125

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

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

(1) When the member has been either elected or appointed to 137  
an office the term of which was two or more years and for which an 138  
annual salary is established, the fractional part of the year's 139  
credit shall be computed as follows: 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  
such calendar year shall be increased by two and one-half per  
cent.

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

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

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

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

(H)(1) "Total service credit," except as provided in section  
145.37 of the Revised Code, means all service credited to a member  
of the retirement system since last becoming a member, including  
restored service credit as provided by section 145.31 of the  
Revised Code; credit purchased under sections 145.293 and 145.299  
of the Revised Code; all the member's prior service credit; all  
the member's military service credit computed as provided in this  
chapter; all service credit established pursuant to section

145.297 of the Revised Code; and any other service credited under 176  
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 period of twelve months.	208 209
(5) "Ohio service credit" means credit for service that was rendered to the state or any of its political subdivisions or any employer.	210 211 212
(I) "Regular interest" means interest at any rates for the respective funds and accounts as the public employees retirement board may determine from time to time.	213 214 215
(J) "Accumulated contributions" means the sum of all amounts credited to a contributor's individual account in the employees' savings fund together with any interest credited to the contributor's account under section 145.471 or 145.472 of the Revised Code.	216 217 218 219 220
(K)(1) "Final average salary" means the quotient obtained by dividing by three the sum of the three full calendar years of contributing service in which the member's earnable salary was highest, except that if the member has a partial year of contributing service in the year the member's employment terminates and the member's earnable salary for the partial year is higher than for any comparable period in the three years, the member's earnable salary for the partial year shall be substituted for the member's earnable salary for the comparable period during the three years in which the member's earnable salary was lowest.	221 222 223 224 225 226 227 228 229 230
(2) If a member has less than three years of contributing service, the member's final average salary shall be the member's total earnable salary divided by the total number of years, including any fraction of a year, of the member's contributing service.	231 232 233 234 235
(3) For the purpose of calculating benefits payable to a member qualifying for service credit under division (Z) of this section, "final average salary" means the total earnable salary on	236 237 238



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 302  
this section. 303

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

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

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

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

(e) Payments for accrued but unused sick leave, personal 322  
leave, or vacation that are made at any time other than in the 323  
year in which the sick leave, personal leave, or vacation was 324  
accrued; 325

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

U.S.C.A. 401(a)(17), as amended; 330

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

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

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

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

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

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

(T)(1) "Contributing service" means all service credited to a 355  
member of the system since January 1, 1935, for which 356  
contributions are made as required by sections 145.47, 145.48, and 357  
145.483 of the Revised Code. In any year subsequent to 1934, 358  
credit for any service shall be allowed by the following formula: 359

(a) For each month for which the member's earnable salary is 360  
two hundred fifty dollars or more, allow one month's credit. 361

(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

## As Reported by the House Retirement and Aging Committee

(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 393  
increased and the member is denied the additional salary by reason 394  
of any constitutional provision prohibiting an increase in salary 395  
during a term of office, the member may elect to have the amount 396  
of the member's contributions calculated upon the basis of the 397  
increased salary for the office. At the member's request, the 398  
board shall compute the total additional amount the member would 399  
have contributed, or the amount by which each of the member's 400  
contributions would have increased, had the member received the 401  
increased salary for the office the member holds. If the member 402  
elects to have the amount by which the member's contribution would 403  
have increased withheld from the member's salary, the member shall 404  
notify the employer, and the employer shall make the withholding 405  
and transmit it to the retirement system. A member who has not 406  
elected to have that amount withheld may elect at any time to make 407  
a payment to the retirement system equal to the additional amount 408  
the member's contribution would have increased, plus interest on 409  
that contribution, compounded annually at a rate established by 410  
the board and computed from the date on which the last 411  
contribution would have been withheld from the member's salary to 412  
the date of payment. A member may make a payment for part of the 413  
period for which the increased contribution was not withheld, in 414  
which case the interest shall be computed from the date the last 415  
contribution would have been withheld for the period for which the 416  
payment is made. Upon the payment of the increased contributions 417  
as provided in this division, the increased annual salary as 418  
provided by law for the office for the period for which the member 419  
paid increased contributions thereon shall be used in determining 420  
the member's earnable salary for the purpose of computing the 421  
member's final average salary. 422  
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(Z) "Five years of service credit," for the exclusive purpose 424  
of satisfying the service credit requirements and of determining 425  
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  
peace, protect life and property, and enforce the laws of this  
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 department of natural resources who is designated a preserve officer under section 1517.10 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

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

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

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

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

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

(NN) "Ohio veterans' home police officer" means any person 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.

(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 518  
109.77 of the Revised Code. 519

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

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

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

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

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

(UU) "State highway patrol police officer" means a special 541  
police officer employed full time and designated by the 542  
superintendent of the state highway patrol pursuant to section 543  
5503.09 of the Revised Code or a person serving full time as a 544  
special police officer pursuant to that section on a permanent 545  
basis on October 21, 1997, who is in compliance with section 546  
109.77 of the Revised Code. 547

(VV) Notwithstanding section 2901.01 of the Revised Code, 548

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

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

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

(1) Exercises any discretionary authority or control with 573  
respect to the management of the system or with respect to the 574  
management or disposition of its assets; 575

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

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

(YY) "Actuary" means an individual who satisfies all of the following requirements: 580  
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(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  
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(ZZ) "PERS defined benefit plan" means the plan described in sections 145.201 to 145.79 of the Revised Code. 586  
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(AAA) "PERS defined contribution plans" means the plan or plans established under section 145.81 of the Revised Code. 588  
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**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  
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(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 598  
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of the system from among their number; and another of whom shall  
be a park district, conservancy district, sanitary district,  
health district, public library, township, metropolitan housing  
authority, union cemetery, joint hospital, or institutional  
commissary employee member of the system, who shall be elected by  
ballot by the park district, conservancy district, sanitary  
district, health district, metropolitan housing authority,  
township, public library, union cemetery, joint hospital, and  
institutional commissary employee members of the system from among  
their number, in a manner to be approved by the board. Members of  
the system who are receiving a disability benefit under this  
chapter are ineligible for membership on the board as employee  
members.

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

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

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October in each fourth year thereafter. The election of the state 641  
employee member of the board and the municipal employee member of 642  
the board shall be held on the first Monday in October, 1946, and 643  
on the first Monday in October in each fourth year thereafter. The 644  
election of the initial university-college employee member of the 645  
board shall be held on the first Monday in October, 1978, and 646  
elections for subsequent university-college employee members of 647  
the board shall be held on the first Monday in October in each 648  
fourth year thereafter. 649

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

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

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(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.

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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.

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**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~~.

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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 chapter on or after the date on which the public employees retirement board first establishes a PERS defined contribution plan under section 145.81 of the Revised Code shall make an election under this section. Not later than one hundred eighty days after the date on which employment begins, the individual shall elect to participate either in the PERS defined benefit plan described in sections 145.201 to 145.79 of the Revised Code or one of the plans established under section 145.81 of the Revised Code a PERS defined contribution plan. If a form evidencing an election under this section is not on file with received by the employer at the end of public employees retirement system not later than the last day of the one-hundred-eighty-day period, the individual is deemed to have elected to participate in the PERS defined benefit plan described in sections 145.201 to 145.79 of the Revised Code.

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

(C) An election under this section shall take effect on the date employment began and, except as provided in section 145.814 of the Revised Code or rules governing the PERS defined benefit plan, is irrevocable on receipt by the employer system.

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

(1) At the time employment begins, the individual is already a member or contributor participating in the plan described in



~~sections 145.201 to 145.79 of the Revised Code or a PERS retirant~~ 735  
~~or other system retirant, as those terms are defined in section~~ 736  
~~145.38 of the Revised Code, or is retired under section 145.383 of~~ 737  
~~the Revised Code.~~ 738

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

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

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

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

**Sec. 145.191.** ~~(A) A member of the~~ Except as provided in 751  
~~division (E) of this section, a public employees retirement~~ 752  
~~system, other than a member who is a PERS law enforcement officer,~~ 753  
~~member or contributor~~ who, as of the last day of the month 754  
immediately preceding the date on which the ~~system~~ public 755  
employees retirement board first establishes a PERS defined 756  
contribution plan under ~~section 145.81 of the Revised Code~~, has 757  
less than five years of total service credit is eligible to make 758  
an election under this section. A member or contributor who is 759  
employed in more than one position subject to this chapter is 760  
eligible to make only one election. The election applies to all 761  
positions subject to this chapter. 762

Not later than one hundred eighty days after the day the 763  
board first establishes ~~one or more plans under section 145.81 of~~ 764  
~~the Revised Code~~ a PERS defined contribution plan, an eligible 765

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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 section 145.38 of the Revised Code; 796  
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(2) A PERS law enforcement officer or a Hamilton county municipal court bailiff. 798  
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**Sec. 145.192.** A Except as provided in section 145.814 and in division (C) of section 145.82 of the Revised Code, a member of the public employees retirement system who elects to participate in a PERS defined contribution plan established under section 145.81 of the Revised Code shall be ineligible for any benefit or payment under sections 145.201 to 145.79 of the Revised Code the PERS defined benefit plan and shall be forever barred from claiming or purchasing service credit with the system or any other Ohio state retirement system, as defined in section 145.30 of the Revised Code, for service covered by the election. 800  
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**Sec. 145.193.** Except as provided in division (E) of section 3305.05 of the Revised Code, an election made or deemed to have been made under section 145.19 or 145.191 of the Revised Code applies to all positions subject to this chapter for which the member is contributing under section 145.47 or 145.85 of the Revised Code. A member who terminates employment in all positions subject to this chapter and later becomes employed in a position subject to this chapter may make an election under section 145.19 of the Revised Code as provided by that section. 810  
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**Sec. 145.20.** (A) Any elective official of the state of Ohio or of any political subdivision thereof having employees in the public employees retirement system shall be considered as an employee of the state or such political subdivision, and may become a member of the system upon application to the public employees retirement board, with all the rights, privileges, and obligations of membership. Service An elective official who 819  
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becomes a member of the system on or after the date the public 826  
employees retirement board first establishes a PERS defined 827  
contribution plan shall make an election pursuant to section 828  
145.19 of the Revised Code not later than one hundred eighty days 829  
after applying for membership in the system. The election is 830  
effective as of the date the official applies for membership and 831  
is irrevocable on receipt by the system. If a form evidencing an 832  
election is not received by the system not later than the last day 833  
of the one-hundred-eighty-day period, the official is deemed to 834  
have elected to participate in the PERS defined benefit plan. 835

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

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

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

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

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

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

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

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

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

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

(2) A summary of the census data and financial information 880  
used in the valuation; 881

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

(4) A summary of findings that includes a statement of the 887

actuarial accrued pension liabilities and unfunded actuarial 888  
accrued pension liabilities; 889

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

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

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

(B) At such time as the public employees retirement board 901  
determines, and at least once in each five-year period, the board 902  
shall have prepared by or under the supervision of an actuary an 903  
actuarial investigation of the mortality, service, and other 904  
experience of the members, retirants, contributors, and 905  
beneficiaries of the system to update the actuarial assumptions 906  
used in the actuarial valuation required by division (A) of this 907  
section. The actuary shall prepare a report of the actuarial 908  
investigation. The report shall be prepared and any recommended 909  
changes in actuarial assumptions shall be made in accordance with 910  
the actuarial standards of practice promulgated by the actuarial 911  
standards board of the American academy of actuaries. The report 912  
shall include all of the following: 913

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

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

(3) A measurement of the financial effect of the recommended changes in actuarial assumptions. 919  
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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. 921  
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(C) The board may at any time request the actuary to make any studies or actuarial valuations to determine the adequacy of the contribution rate determined under section 145.48 of the Revised Code, and those rates may be adjusted by the board, as recommended by the actuary, effective as of the first of any year thereafter. 926  
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(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: 932  
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(1) A summary of the statutory changes that are being evaluated; 940  
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(2) A description of or reference to the actuarial assumptions and actuarial cost method used in the report; 942  
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(3) A description of the participant group or groups included in the report; 944  
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(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 946  
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amortize the increase in actuarial accrued liabilities as a level 950  
per cent of covered payroll for all active members over a period 951  
not to exceed thirty years; 952

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

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

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

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

(2) A summary of the benefits; 971

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

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

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

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



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

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

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

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

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

**Sec. 145.23.** The funds hereby created are the employees' 998  
savings fund, the employers' accumulation fund, the annuity and 999  
pension reserve fund, the income fund, the survivors' benefit 1000  
fund, the defined contribution fund, and the expense fund. 1001

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

The accumulated contributions of a contributor returned to 1006  
the contributor upon withdrawal, or paid to the contributor's 1007  
estate or designated beneficiary in the event of death, shall be 1008  
paid from the employees' savings fund. Any accumulated 1009

contributions forfeited by failure of a member, or a member's 1010  
estate, to claim the same, shall be transferred from the 1011  
employees' savings fund to the income fund. The accumulated 1012  
contributions of a contributor shall be transferred from the 1013  
employees' savings fund to the annuity and pension reserve fund in 1014  
the event of the contributor's retirement. 1015

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

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

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

(C) The annuity and pension reserve fund is the fund from 1029  
which shall be paid all pensions, disability benefits, annuities, 1030  
and benefits in lieu thereof, because of which reserves have been 1031  
transferred from the employees' savings fund and the employers' 1032  
accumulation fund. 1033

Any ~~contributor~~ member participating in the PERS defined 1034  
benefit plan may deposit in the employees' savings fund, subject 1035  
to rules established by the public employees retirement system, 1036  
additional amounts, and, at the time of age and service 1037  
retirement, shall receive in return therefor, at the ~~contributor's~~ 1038  
participant's option, either an annuity having a reserve equal to 1039  
the amount deposited or a cash refund of such amounts together 1040

with such interest as may have been allowed by the board. Such 1041  
deposits for additional annuity together with such interest as may 1042  
have been allowed by the board at the end of each calendar year 1043  
shall be refunded in the event of death prior to retirement or 1044  
withdrawal of accumulated contributions as provided in sections 1045  
145.40 and 145.43 of the Revised Code or upon application of the 1046  
contributor prior to age and service retirement. 1047

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

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

(D) The income fund is the fund from which interest is 1060  
transferred and credited on the amounts in the funds described in 1061  
divisions (B), (C), and (F) of this section, and is a contingent 1062  
fund from which the special requirements of the funds may be paid 1063  
by transfer from this fund. All income derived from the investment 1064  
of the funds of the system, together with all gifts and bequests, 1065  
or the income therefrom, shall be paid into this fund. 1066

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

section, the amount of the deficiency shall be transferred from 1073  
the employers' accumulation fund. 1074

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

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

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

(G) The defined contribution fund is the fund in which shall 1087  
be accumulated the contributions deducted from the earnable salary 1088  
of members participating in a PERS defined contribution plan 1089  
~~established under section 145.81 of the Revised Code~~, as provided 1090  
in section 145.85 of the Revised Code, together with any earnings 1091  
and employer contributions, as provided in section 145.86 of the 1092  
Revised Code, credited thereon. The defined contribution fund is 1093  
the fund from which shall be paid all benefits provided under a 1094  
PERS defined contribution plan ~~established under section 145.81 of~~ 1095  
~~the Revised Code~~. 1096

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

determines to be confidential. 1104

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

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

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

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

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

(C) Any person who is a member or contributor of the system 1121  
shall be furnished with a statement of the amount to the credit of 1122  
the individual's account upon written request. The board is not 1123  
required to answer more than one such request of a person in any 1124  
one year. The board may issue annual statements of accounts to 1125  
members and contributors. 1126

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

(1) If a member, former member, contributor, former 1130  
contributor, or retirant is subject to an order issued under 1131  
section 2907.15 of the Revised Code or is convicted of or pleads 1132  
guilty to a violation of section 2921.41 of the Revised Code, on 1133  
written request of a prosecutor as defined in section 2935.01 of 1134

the Revised Code, the board shall furnish to the prosecutor the  
information requested from the individual's personal history  
record.

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

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

(4) Within fourteen days after receiving from the director of  
job and family services a list of the names and social security  
numbers of recipients of public assistance pursuant to section  
5101.181 of the Revised Code, the board shall inform the auditor  
of state of the name, current or most recent employer address, and  
social security number of each member whose name and social  
security number are the same as that of a person whose name or  
social security number was submitted by the director. The board  
and its employees shall, except for purposes of furnishing the  
auditor of state with information required by this section,  
preserve the confidentiality of recipients of public assistance in  
compliance with division (A) of section 5101.181 of the Revised  
Code.

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

On the written request of an alternate payee, as defined in  
section 3105.80 of the Revised Code, the system shall furnish to  
the alternate payee information on the amount and status of any  
amounts payable to the alternate payee under an order issued under

section 3105.171 or 3105.65 of the Revised Code. 1166

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

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

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

Not later than October 16, 1992, the public employees 1183  
retirement board shall give each person who is a member on July 1184  
29, 1992, the opportunity to elect disability coverage either 1185  
under section 145.36 of the Revised Code or under section 145.361 1186  
of the Revised Code. The board shall mail notice of the election, 1187  
accompanied by an explanation of the coverage under each of the 1188  
Revised Code sections and a form on which the election is to be 1189  
made, to each member at the member's last known address. The board 1190  
shall also provide the explanation and form to any member on 1191  
request. 1192

Regardless of whether the member actually receives notice of 1193  
the right to make an election, a member who fails to file a valid 1194  
election under this section shall be considered to have elected 1195  
disability coverage under section 145.36 of the Revised Code. To 1196

be valid, an election must be made on the form provided by the  
retirement board, signed by the member, and filed with the board  
not later than one hundred eighty days after the date the notice  
was mailed, or, in the case of a form provided at the request of a  
member, a date specified by rule of the retirement board. Once  
made, an election is irrevocable, but if the member ceases to be a  
member of the retirement system, the election is void. If a person  
who makes an election under this section also makes an election  
under section 3307.62 or 3309.39 of the Revised Code, the election  
made for the system that pays a disability benefit to that person  
shall govern the benefit.

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

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

(C) Application for a disability benefit may be made by a  
member, by a person acting in the member's behalf, or by the  
member's employer, provided the member has disability coverage  
under section 145.36 or 145.361 of the Revised Code and is not  
receiving a disability benefit under any other Ohio state or  
municipal retirement program. Application must be made within two  
years from the date the member's contributing service terminated  
or the date the member ceased to make contributions to the PERS  
defined benefit plan under section 145.814 of the Revised Code,  
unless the retirement board determines that the member's medical  
records demonstrate conclusively that at the time the two-year  
period expired, the member was physically or mentally  
incapacitated for duty and unable to make an application.  
Application may not be made by or for any person receiving age and  
service retirement benefits under section 145.33, 145.331, 145.34,



or 145.37 of the Revised Code or any person who, pursuant to 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  
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 <u>PERS defined</u>	1290
<u>contribution</u> plan established under section 145.81 of the Revised	1291
Code.	1292
(2) "Other system retirant" means both of the following:	1293
(a) A member or former member of the Ohio police and fire	1294
pension fund, state teachers retirement system, school employees	1295
retirement system, state highway patrol retirement system, or	1296
Cincinnati retirement system who is receiving age and service or	1297
commuted age and service retirement benefits or a disability	1298
benefit from a system of which the person is a member or former	1299
member;	1300
(b) A member or former member of the public employees	1301
retirement system who is receiving age and service retirement	1302
benefits or a disability benefit under section 145.37 of the	1303
Revised Code paid by the school employees retirement system or the	1304
state teachers retirement system.	1305
(B)(1) Subject to this section, a PERS retirant or other	1306
system retirant may be employed by a public employer. If so	1307
employed, the PERS retirant or other system retirant shall	1308
contribute to the public employees retirement system in accordance	1309
with section 145.47 of the Revised Code, and the employer shall	1310
make contributions in accordance with section 145.48 of the	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



## As Reported by the House Retirement and Aging Committee

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  
1697  
1698  
1699

(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  
1702  
1703

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  
1705  
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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



As Reported by the House Retirement and Aging Committee

2	40	400	1728
3	50	500	1729
4	55	500	1730
5 or more	60	500	1731
(b) Years of	Annual Benefit as a Per Cent		1732
Service	of Member's Final Average		1733
	Salary		1734
20	29%		1735
21	33		1736
22	37		1737
23	41		1738
24	45		1739
25	48		1740
26	51		1741
27	54		1742
28	57		1743
29 or more	60		1744

(2) Benefits shall begin as qualified survivors meet 1745  
 eligibility requirements as follows: 1746

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

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

(i) Is under age eighteen, or under age twenty-two if the 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

## As Reported by the House Retirement and Aging Committee

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.

(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:~~

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

(b) "Plan C," which shall consist of the actuarial equivalent  
of the member's retirement allowance determined under section  
145.33, 145.331, or 145.34 of the Revised Code in a lesser amount  
payable for life and one-half or some other portion of the  
allowance continuing after death to the member's sole surviving  
beneficiary designated at the time of the member's retirement,  
provided that the amount payable to the beneficiary does not  
exceed the amount payable to the member;

(c) "Plan D," which shall consist of the actuarial equivalent  
of the member's retirement allowance determined under section  
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;

(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

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

(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. 2407  
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**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: 2409  
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(1) A summary of the benefit provisions evaluated; 2419

(2) A summary of the census data and financial information used in the valuation; 2420  
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(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; 2422  
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(4) A summary of findings that includes a statement of the actuarial accrued pension liabilities and unfunded actuarial accrued pension liabilities; 2427  
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(5) A schedule showing the effect of any changes in the benefit provisions, actuarial assumptions, or cost methods since the last annual actuarial valuation; 2430  
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(6) A statement of whether contributions to the pension fund are expected to be sufficient to satisfy the funding objectives established by the board. 2433  
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The board shall submit the report to the Ohio retirement 2436

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

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

(C) At such times as the board determines, and at least once 2447  
in each quinquennial period, the board shall have prepared by or 2448  
under the supervision of an actuary an actuarial investigation of 2449  
the mortality, service, and other experience of the members of the 2450  
fund and of other system retirants, as defined in section 742.26 2451  
of the Revised Code, who are members of a police department or a 2452  
fire department to update the actuarial assumptions used in the 2453  
actuarial valuation required by division (A) of this section. The 2454  
actuary shall prepare a report of the actuarial investigation. The 2455  
report shall be prepared and any recommended changes in actuarial 2456  
assumptions shall be made in accordance with the actuarial 2457  
standards of practice promulgated by the actuarial standards board 2458  
of the American academy of actuaries. The report shall include all 2459  
of the following: 2460

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

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

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



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

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

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

(1) A summary of the statutory changes that are being 2484  
evaluated; 2485

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

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

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

(5) A statement of whether the scheduled contributions to the 2497  
system after the proposed change is enacted are expected to be 2498

sufficient to satisfy the funding objectives established by the board. 2499  
2500

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 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. 2501  
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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 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: 2507  
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(1) A description of the statutory authority for the benefits provided; 2513  
2514

(2) A summary of the benefits; 2515

(3) A summary of the eligibility requirements for the benefits; 2516  
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(4) A statement of the number of participants eligible for the benefits; 2518  
2519

(5) A description of the accounting, asset valuation, and funding method used to provide the benefits; 2520  
2521

(6) A statement of the net assets available for the provision of the benefits as of the last day of the fiscal year; 2522  
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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; 2524  
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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 742.45 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 thirtieth day of June following the year for which the report was made.

(F) At least once in each quinquennial period, the board shall have prepared by or under the supervision of an actuary an actuarial investigation of the deferred retirement option plan established under section 742.43 of the Revised Code. The investigation shall include an examination of the financial impact, if any, on the fund of offering the plan to members.

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

If the board ceases to allow members to elect to participate

in the plan, the rights and obligations of members who have 2560  
already elected to participate shall not be altered. 2561

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

**Sec. 742.37.** The board of trustees of the Ohio police and 2572  
fire pension fund shall adopt rules for the management of the fund 2573  
and for the disbursement of benefits and pensions as set forth in 2574  
this section and section 742.39 of the Revised Code. Any payment 2575  
of a benefit or pension under this section is subject to the 2576  
provisions of section 742.461 of the Revised Code. Notwithstanding 2577  
any other provision of this section, no pension or benefit paid or 2578  
determined under division (B) or (C) of this section or section 2579  
742.39 of the Revised Code shall exceed the limit established by 2580  
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2581  
2085, 26 U.S.C.A. 415, as amended. 2582

(A) Persons who were receiving benefit or pension payments 2583  
from a police relief and pension fund established under former 2584  
section 741.32 of the Revised Code, or from a firemen's relief and 2585  
pension fund established under former section 521.02 or 741.02 of 2586  
the Revised Code, at the time the assets of the fund were 2587  
transferred to the Ohio police and fire pension fund, known at 2588  
that time as the police and firemen's disability and pension fund, 2589  
shall receive benefit and pension payments from the Ohio police 2590

and fire pension fund in the same amount and subject to the same 2591  
conditions as such payments were being made from the former fund 2592  
on the date of the transfer. 2593

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

(C) Members of the fund who have not elected to receive 2607  
benefits and pensions from a police relief and pension fund or a 2608  
firemen's relief and pension fund in accordance with the rules of 2609  
the fund in force on April 1, 1947, shall receive pensions and 2610  
benefits in accordance with the following provisions: 2611

(1) A member of the fund who has completed twenty-five years 2612  
of active service in a police or fire department and has attained 2613  
forty-eight years of age may, at the member's election, retire 2614  
from the police or fire department. Except while participating in 2615  
the deferred retirement option plan established under section 2616  
742.43 of the Revised Code, upon notifying the board in writing of 2617  
the election, the member shall receive an annual pension, payable 2618  
in twelve monthly installments, in an amount equal to a percentage 2619  
of the member's average annual salary. The percentage shall be the 2620  
sum of two and one-half per cent for each of the first twenty 2621  
years the member was in the active service of the department, plus 2622

two per cent for each of the twenty-first to twenty-fifth years 2623  
the member was in the active service of the department, plus one 2624  
and one-half per cent for each year in excess of twenty-five years 2625  
the member was in the active service of the department. The annual 2626  
pension shall not exceed seventy-two per cent of the member's 2627  
average annual salary. 2628

A member who completed twenty-five years of active service, 2629  
has resigned or been discharged, and has left the sum deducted 2630  
from the member's salary on deposit in the pension fund shall, 2631  
upon attaining forty-eight years of age, be entitled to receive a 2632  
normal service pension benefit computed and paid under division 2633  
(C)(1) of this section. 2634

(2) A member of the fund who has served fifteen or more years 2635  
as an active member of a police or fire department and who 2636  
voluntarily resigns or is discharged from the department for any 2637  
reason other than dishonesty, cowardice, intemperate habits, or 2638  
conviction of a felony, shall receive an annual pension, payable 2639  
in twelve monthly installments, in an amount equal to one and 2640  
one-half per cent of the member's average annual salary multiplied 2641  
by the number of full years the member was in the active service 2642  
of the department. The pension payments shall not commence until 2643  
the member has attained the age of forty-eight years and until 2644  
twenty-five years have elapsed from the date on which the member 2645  
became a full-time regular police officer or firefighter in the 2646  
department. 2647

(3) A member of the fund who has completed fifteen or more 2648  
years of active service in a police or fire department and who has 2649  
attained sixty-two years of age, may retire from the department 2650  
and, upon notifying the board in writing of the election to 2651  
retire, shall receive an annual pension, payable in twelve monthly 2652  
installments, in an amount equal to a percentage of the member's 2653  
average annual salary. The percentage shall be the sum of two and 2654

one-half per cent for each of the first twenty years the member  
was in the active service of the department, plus two per cent for  
each of the twenty-first to twenty-fifth years the member was in  
the active service of the department, plus one and one-half per  
cent for each year in excess of twenty-five years the member was  
in the active service of the department. The annual pension shall  
not exceed seventy-two per cent of the member's average annual  
salary.

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

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

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

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

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

(c) For the period beginning July 1, 2002, and the period

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

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

(3) A pension paid under this division shall continue during 2701  
the natural life of the surviving spouse. Benefits to a deceased 2702  
member's surviving spouse that were terminated under a former 2703  
version of this section that required termination due to 2704  
remarriage and were not resumed prior to September 16, 1998, shall 2705  
resume on the first day of the month immediately following receipt 2706  
by the board of an application on a form provided by the board. 2707

(4) A surviving spouse of a deceased member of or contributor 2708  
to a fund established under former Chapter 521. or 741. of the 2709  
Revised Code whose benefit or pension was terminated or not paid 2710  
due to remarriage shall receive a monthly pension under division 2711  
(D)(1) of this section. 2712

The pension shall commence on the first day of the month 2713  
immediately following receipt by the board of a completed 2714  
application on a form provided by the board and evidence 2715  
acceptable to the board that at the time of death the deceased 2716  
spouse was a member of or contributor to a police or firemen's 2717



relief and pension fund established under former Chapter 521. or 2718  
741. of the Revised Code and that the surviving spouse's benefits 2719  
were terminated or not granted due to remarriage. 2720

(E)(1) Each surviving child of a deceased member of the fund 2721  
shall receive a monthly pension until the child attains the age of 2722  
eighteen years, or marries, whichever event occurs first. A 2723  
pension under this division, however, shall continue to be payable 2724  
to a child under age twenty-two who is a student in and attending 2725  
an institution of learning or training pursuant to a program 2726  
designed to complete in each school year the equivalent of at 2727  
least two-thirds of the full-time curriculum requirements of the 2728  
institution, as determined by the board. If any surviving child, 2729  
regardless of age at the time of the member's death, because of 2730  
physical or mental disability, is totally dependent upon the 2731  
deceased member for support at the time of death, the child shall 2732  
receive a monthly pension under this division during the child's 2733  
natural life or until the child has recovered from the disability. 2734

(2) An eligible surviving child shall receive a monthly 2735  
pension as follows: 2736

(a) For the period beginning July 1, 2001, and ending June 2737  
30, 2002, a monthly pension of one hundred fifty dollars plus the 2738  
cost of living increase provided for in former section 742.3720 of 2739  
the Revised Code; 2740

(b) For the period beginning July 1, 2002, and ending June 2741  
30, 2003, one hundred sixty-three dollars and fifty cents; 2742

~~(b)~~(c) For the period beginning July 1, 2003, and the period 2743  
beginning the first day of each July thereafter and continuing for 2744  
the following twelve months, an amount equal to the monthly amount 2745  
paid during the prior twelve-month period plus four dollars and 2746  
fifty cents. 2747

(F)(1) If a deceased member of the fund leaves no surviving 2748

spouse or surviving children, but leaves one or two parents 2749  
dependent upon the deceased member for support, each parent shall 2750  
be paid a monthly pension. The pensions provided for in this 2751  
division shall be paid during the natural life of the surviving 2752  
parents, or until dependency ceases, or until remarriage, 2753  
whichever event occurs first. 2754

(2) Each eligible surviving parent shall be paid a monthly 2755  
pension as follows: 2756

(a) For the period ending June 30, 2002, one hundred six 2757  
dollars for each parent or two hundred twelve dollars for a sole 2758  
dependent parent; 2759

(b) For the period beginning July 1, 2002, and ending June 2760  
30, 2003, one hundred nine dollars for each parent or two hundred 2761  
eighteen dollars for a sole dependent parent; 2762

(c) For the period beginning July 1, 2003, and the first day 2763  
of each July thereafter and continuing for the following twelve 2764  
months, an amount equal to the monthly amount paid during the 2765  
prior twelve-month period plus three dollars for each parent or 2766  
six dollars for a sole dependent parent. 2767

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

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

(1) A member of the fund who retired prior to January 1, 2778  
1967, has attained age sixty-five on January 1, 1970, and was 2779

receiving a pension on December 31, 1969, pursuant to division (B) 2780  
or (C)(1) of this section or former division (C)(2), (3), (4), or 2781  
(5) of this section, shall have the pension increased by ten per 2782  
cent. 2783

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

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

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

(5) A member of the fund, including a survivor of a member, 2795  
who is receiving a pension in accordance with the rules governing 2796  
the granting of pensions and benefits in force on April 1, 1947, 2797  
that provide an increase in the original pension from time to time 2798  
pursuant to changes in the salaries of active members, shall not 2799  
be eligible for the benefits provided in this division. 2800

(I) On and after January 1, 1977, a member of the fund who 2801  
was receiving a pension or benefit on December 31, 1973, under 2802  
division (A), (B), (C)(1), or former division (C)(2) or (7) of 2803  
this section shall have the pension or benefit increased as 2804  
follows: 2805

(1) If the member's annual pension or benefit is less than 2806  
two thousand seven hundred dollars, it shall be increased to three 2807  
thousand dollars. 2808

(2) If the member's annual pension or benefit is two thousand 2809  
seven hundred dollars or more, it shall be increased by three 2810

hundred dollars. 2811

The following shall not be eligible to receive increased 2812  
pensions or benefits as provided in this division: 2813

(a) A member of the fund who is receiving a pension or 2814  
benefit in accordance with the rules in force on April 1, 1947, 2815  
governing the granting of pensions and benefits, which provide an 2816  
increase in the original pension or benefit from time to time 2817  
pursuant to changes in the salaries of active members; 2818

(b) A member of the fund who is receiving a pension or 2819  
benefit under division (A) or (B) of this section, based on funded 2820  
volunteer or funded part-time service, or off-duty disability, or 2821  
partial on-duty disability, or early vested service; 2822

(c) A member of the fund who is receiving a pension under 2823  
division (C)(1) of this section, based on funded volunteer or 2824  
funded part-time service. 2825

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

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

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

(2) A member of the fund who is receiving a pension or 2840

benefit under division (B) or (C)(2) of this section or former  
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 or fire department, provided both of the following occur:

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

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

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

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

**Sec. 742.45.** (A) The board of trustees of the Ohio police and fire pension fund 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 2902  
contract of health, medical, hospital, or surgical benefits, or 2903  
any combination thereof, for those individuals receiving service 2904  
or disability pensions or survivor benefits subscribing to the 2905  
plan. Notwithstanding any other provision of this chapter, the 2906  
policy or contract may also include coverage for any eligible 2907  
individual's spouse and dependent children and for any of the 2908  
eligible individual's sponsored dependents as the board considers 2909  
appropriate. 2910

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

The board may contract for coverage on the basis of part or 2917  
all of the cost of the coverage to be paid from appropriate funds 2918  
of the Ohio police and fire pension fund. The cost paid from the 2919  
funds of the Ohio police and fire pension fund shall be included 2920  
in the employer's contribution rates provided by sections 742.33 2921  
and 742.34 of the Revised Code. 2922

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

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

~~(1) The health insuring corporation provides health care 2933~~

~~services in the geographical area in which the individual lives;~~ 2934

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

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

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

~~The board shall permit each eligible individual to change 2947  
from one plan to another at least once a year at a time determined 2948  
by the board. 2949~~

~~(E) The board shall, beginning the month following receipt of 2950  
satisfactory evidence of the payment for coverage, pay monthly to 2951  
each recipient of service, disability, or survivor benefits under 2952  
the Ohio police and fire pension fund who is eligible for medical 2953  
insurance coverage under part B of "The Social Security Amendments 2954  
of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, an amount 2955  
equal to the basic premiums for such coverage. 2956~~

~~(D)(C) The board shall establish by rule requirements for the 2957  
coordination of any coverage, payment, or benefit provided under 2958  
this section with any similar coverage, payment, or benefit made 2959  
available to the same individual by the public employees 2960  
retirement system, state teachers retirement system, school 2961  
employees retirement system, or state highway patrol retirement 2962  
system. 2963~~

~~(E)(D) The board shall make all other necessary rules 2964~~



pursuant to the purpose and intent of this section. 2965

**Sec. 3105.80.** As used in this section and sections 3105.81 to 2966  
3105.90 of the Revised Code: 2967

(A) "Alternate payee" means a party in an action for divorce, 2968  
legal separation, annulment, or dissolution of marriage who is to 2969  
receive one or more payments from a benefit or lump sum payment 2970  
under an order issued under section 3105.171 or 3105.65 of the 2971  
Revised Code that is in compliance with sections 3105.81 to 2972  
3105.90 of the Revised Code. 2973

(B) "Benefit" means a periodic payment under a pension, 2974  
annuity, allowance, or other type of benefit, other than a 2975  
survivor benefit, that has been or may be granted to a participant 2976  
under sections 742.01 to 742.61 or Chapter 145., 3307., 3309., or 2977  
5505. of the Revised Code or any payment that is to be made under 2978  
a contract a participant has entered into for the purposes of an 2979  
alternative retirement plan. "Benefit" also includes all amounts 2980  
received or to be received under a plan of payment elected under 2981  
division (B)(3) of section 145.46, division (B) of section 2982  
3307.60, or division (B)(3) of section 3309.46 of the Revised 2983  
Code. 2984

(C) "Lump sum payment" means a payment of accumulated 2985  
contributions standing to a participant's credit under sections 2986  
742.01 to 742.61 or Chapter 145., 3307., 3309., or 5505. of the 2987  
Revised Code or pursuant to a contract a participant has entered 2988  
into for the purposes of an alternative retirement plan and any 2989  
other payment made or that may be made to a participant under 2990  
those sections or chapters on withdrawal of a participant's 2991  
contributions. "Lump sum payment" includes a lump sum payment 2992  
under section 145.384, 742.26, 3307.352, or 3309.344 of the 2993  
Revised Code. 2994

(D) "Participant" means a member, contributor, retirant, or 2995

disability benefit recipient who is or will be entitled to a 2996  
benefit or lump sum payment under sections 742.01 to 742.61 or 2997  
Chapter 145., 3307., 3309., or 5505. of the Revised Code or an 2998  
academic or administrative employee who elects to participate in 2999  
an alternative retirement plan under Chapter 3305. of the Revised 3000  
Code. 3001

(E) "Personal history record" has the same meaning as in 3002  
section 145.27, 742.41, 3305.20, 3307.20, 3309.22, and 5505.04 of 3003  
the Revised Code. 3004

(F) "Public retirement program" means the public employees 3005  
retirement system, Ohio police and fire pension fund, school 3006  
employees retirement system, state teachers retirement system, 3007  
state highway patrol retirement system, or an entity providing an 3008  
alternative retirement plan under Chapter 3305. of the Revised 3009  
Code. 3010

**Sec. 3307.01.** As used in this chapter: 3011

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

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

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

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

(3) Any person holding an internship certificate issued under 3025

section 3319.28 of the Revised Code and employed in a public 3026  
school in this state; 3027

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

(5) Any other teacher or faculty member employed in any 3036  
school, college, university, institution, or other agency wholly 3037  
controlled and managed, and supported in whole or in part, by the 3038  
state or any political subdivision thereof, including Central 3039  
state university, Cleveland state university, the university of 3040  
Toledo, and the medical college of Ohio at Toledo; 3041

(6) The educational employees of the department of education, 3042  
as determined by the state superintendent of public instruction. 3043  
3044

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

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

(C) "Member" means any person included in the membership of 3053  
the state teachers retirement system, which shall consist of all 3054  
teachers and contributors as defined in divisions (B) and (D) of 3055  
this section and all disability benefit recipients, as defined in 3056

section 3307.50 of the Revised Code. However, for purposes of this 3057  
chapter, the following persons shall not be considered members: 3058  
3059

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

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

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

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

(D) "Contributor" means any person who has an account in the 3070  
teachers' savings fund or defined contribution fund. 3071

(E) "Beneficiary" means any person eligible to receive, or in 3072  
receipt of, a retirement allowance or other benefit provided by 3073  
this chapter. 3074

(F) "Year" means the year beginning the first day of July and 3075  
ending with the thirtieth day of June next following, except that 3076  
for the purpose of determining final average salary under the plan 3077  
described in sections 3307.50 to 3307.79 of the Revised Code, 3078  
"year" may mean the contract year. 3079

(G) "Local district pension system" means any school teachers 3080  
pension fund created in any school district of the state in 3081  
accordance with the laws of the state prior to September 1, 1920. 3082  
3083

(H) "Employer contribution" means the amount paid by an 3084  
employer, as determined by the employer rate, including the normal 3085  
and deficiency rates, contributions, and funds wherever used in 3086

this chapter.	3087
(I) "Five years of service credit" means employment covered	3088
under this chapter and employment covered under a former	3089
retirement plan operated, recognized, or endorsed by a college,	3090
institute, university, or political subdivision of this state	3091
prior to coverage under this chapter.	3092
(J) "Actuary" means the actuarial consultant to the state	3093
teachers retirement board, who shall be either of the following:	3094
(1) A member of the American academy of actuaries;	3095
(2) A firm, partnership, or corporation of which at least one	3096
person is a member of the American academy of actuaries.	3097
(K) "Fiduciary" means a person who does any of the following:	3098
	3099
(1) Exercises any discretionary authority or control with	3100
respect to the management of the system, or with respect to the	3101
management or disposition of its assets;	3102
(2) Renders investment advice for a fee, direct or indirect,	3103
with respect to money or property of the system;	3104
(3) Has any discretionary authority or responsibility in the	3105
administration of the system.	3106
(L)(1) Except as provided in this division, "compensation"	3107
means all salary, wages, and other earnings paid to a teacher by	3108
reason of the teacher's employment, including compensation paid	3109
pursuant to a supplemental contract. The salary, wages, and other	3110
earnings shall be determined prior to determination of the amount	3111
required to be contributed to the teachers' savings fund or	3112
defined contribution fund under section 3307.26 of the Revised	3113
Code and without regard to whether any of the salary, wages, or	3114
other earnings are treated as deferred income for federal income	3115
tax purposes.	3116

(2) Compensation does not include any of the following:	3117
(a) Payments for accrued but unused sick leave or personal 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;	3118 3119 3120 3121
(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;	3122 3123 3124
(c) Payments made for vacation pay covering concurrent periods for which other salary, compensation, or benefits under this chapter are paid;	3125 3126 3127
(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;	3128 3129 3130 3131 3132
(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;	3133 3134 3135 3136 3137 3138
(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;	3139 3140 3141
(g) Payments by the employer for services not actually rendered;	3142 3143
(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:	3144 3145 3146

(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 employed by the employer.

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

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

Substitute Senate Bill No. 164 of the 124th general assembly, or	3178
Amended Substitute House Bill No. 405 of the 124th general	3179
assembly;	3180
(k) Anything of value received by the teacher that is based	3181
on or attributable to retirement or an agreement to retire.	3182
(3) The retirement board shall determine by rule both of the	3183
following:	3184
(a) Whether particular forms of earnings are included in any	3185
of the categories enumerated in this division;	3186
(b) Whether any form of earnings not enumerated in this	3187
division is to be included in compensation.	3188
Decisions of the board made under this division shall be	3189
final.	3190
(M) "Superannuate" means both of the following:	3191
(1) A former teacher receiving from the system a retirement	3192
allowance under section 3307.58 or 3307.59 of the Revised Code;	3193
(2) A former teacher receiving <del>any</del> <u>a</u> benefit from the system	3194
under a plan established under section 3307.81 of the Revised	3195
Code, <u>except that "superannuate" does not include a former teacher</u>	3196
<u>who is receiving a benefit based on disability under a plan</u>	3197
<u>established under section 3307.81 of the Revised Code.</u>	3198
For purposes of section 3307.35 of the Revised Code,	3199
"superannuate" also means a former teacher receiving from the	3200
system a combined service retirement benefit paid in accordance	3201
with section 3307.57 of the Revised Code, regardless of which	3202
retirement system is paying the benefit.	3203
<b>Sec. 3307.39.</b> (A) The state teachers retirement board may	3204
enter into an agreement with insurance companies, health insuring	3205
corporations, or government agencies authorized to do business in	3206



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the state for issuance of a policy or contract of health, medical, 3207  
hospital, or surgical benefits, or any combination thereof, for 3208  
those individuals receiving, under the plan described in sections 3209  
3307.50 to 3307.79 of the Revised Code, service retirement or a 3210  
disability or survivor benefit who subscribe to the plan. 3211  
Notwithstanding any other provision of this chapter, the policy or 3212  
contract may also include coverage for any eligible individual's 3213  
spouse and dependent children and for any of the individual's 3214  
sponsored dependents as the board considers appropriate. If all or 3215  
any portion of the policy or contract premium is to be paid by any 3216  
individual receiving service retirement or a disability or 3217  
survivor benefit, the individual shall, by written authorization, 3218  
instruct the board to deduct the premium agreed to be paid by the 3219  
individual to the companies, corporations, or agencies. 3220

The board may contract for coverage on the basis of part or 3221  
all of the cost of the coverage to be paid from appropriate funds 3222  
of the state teachers retirement system. The cost paid from the 3223  
funds of the system shall be included in the employer's 3224  
contribution rate provided by section 3307.28 of the Revised Code. 3225

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

The board may provide for self-insurance of risk or level of 3236  
risk as set forth in the contract with the companies, 3237  
corporations, or agencies, and may provide through the 3238

self-insurance method specific benefits as authorized by the rules 3239  
of the board. 3240

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

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

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

~~(3) The rate and coverage provided by the health insuring 3251  
corporation to eligible individuals is comparable to that 3252  
currently provided by the board under division (A) of this 3253  
section. If the rate or coverage provided by the health insuring 3254  
corporation is not comparable to that currently provided by the 3255  
board under division (A) of this section, the board may deduct the 3256  
additional cost from the eligible individual's monthly benefit. 3257~~

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

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

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

Revised Code who is eligible for that insurance coverage if the 3270  
monthly payments are funded through the plan selected by the 3271  
recipient. The payment shall be the greater of the following: 3272

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

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

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

~~(D)~~(C) The board shall establish by rule requirements for the 3284  
coordination of any coverage, payment, or benefit provided under 3285  
this section or section 3307.61 of the Revised Code with any 3286  
similar coverage, payment, or benefit made available to the same 3287  
individual by the public employees retirement system, Ohio police 3288  
and fire pension fund, school employees retirement system, or 3289  
state highway patrol retirement system. 3290

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

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

report shall include all of the following:	3301
(1) A summary of the benefit provisions evaluated;	3302
(2) A summary of the census data and financial information used in the valuation;	3303 3304
(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;	3305 3306 3307 3308 3309
(4) A summary of findings that includes a statement of the actuarial accrued pension liabilities and unfunded actuarial accrued pension liabilities;	3310 3311 3312
(5) A schedule showing the effect of any changes in the benefit provisions, actuarial assumptions, or cost methods since the last annual actuarial valuation;	3313 3314 3315
(6) A statement of whether contributions to the retirement system are expected to be sufficient to satisfy the funding objectives established by the board.	3316 3317 3318
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 January following the year for which the valuation was made.	3319 3320 3321 3322 3323
(B) At such times as the state teachers 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 system, and other system retirants as defined in section 3307.35 of the Revised Code to update the actuarial assumptions used in the actuarial valuation required by division (A) of this	3324 3325 3326 3327 3328 3329 3330 3331

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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 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.

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

(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:	3363
(1) A summary of the statutory changes that are being evaluated;	3364 3365
(2) A description of or reference to the actuarial assumptions and actuarial cost method used in the report;	3366 3367
(3) A description of the participant group or groups included in the report;	3368 3369
(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;	3370 3371 3372 3373 3374 3375 3376
(5) A statement of whether the scheduled contributions to the system after the proposed change is enacted are expected to be sufficient to satisfy the funding objectives established by the board.	3377 3378 3379 3380
Not later than sixty days from the date of introduction of the legislation, the board shall submit a copy of the actuarial analysis to <del>the legislative budget office</del> 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.	3381 3382 3383 3384 3385 3386
(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:	3387 3388 3389 3390 3391 3392

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(1) A description of the statutory authority for the benefits provided;	3393 3394
(2) A summary of the benefits;	3395
(3) A summary of the eligibility requirements for the benefits;	3396 3397
(4) A statement of the number of participants eligible for the benefits;	3398 3399
(5) A description of the accounting, asset valuation, and funding method used to provide the benefits;	3400 3401
(6) A statement of the net assets available for the provisions of benefits as of the last day of the fiscal year;	3402 3403
(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;	3404 3405 3406 3407 3408
(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;	3409 3410 3411 3412
(9) A description of any significant changes that affect the comparability of the report required under this division;	3413 3414
(10) A statement of the amount paid under division <del>(C)</del> (B) of section 3307.39 of the Revised Code.	3415 3416
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.	3417 3418 3419 3420 3421

Sec. 3307.56. (A)(1) Subject to sections 3307.37 and 3307.561 3422  
of the Revised Code and except as provided in division (B)(2) of 3423  
this section, a member participating in the plan described in 3424  
sections 3307.50 to 3307.79 of the Revised Code who ceases to be a 3425  
teacher for any cause other than death, retirement, receipt of a 3426  
disability benefit, or current employment in a position in which 3427  
the member has elected to participate in an alternative retirement 3428  
plan under section 3305.05 of the Revised Code, upon application, 3429  
shall be paid the accumulated contributions standing to the credit 3430  
of the member's individual account in the teachers' savings fund 3431  
plus an amount calculated in accordance with section 3307.563 of 3432  
the Revised Code. If the member or the member's legal 3433  
representative cannot be found within ten years after the member 3434  
ceased making contributions pursuant to section 3307.26 of the 3435  
Revised Code, the accumulated contributions may be transferred to 3436  
the guarantee fund and thereafter paid to the member, to the 3437  
member's beneficiaries, or to the member's estate, upon proper 3438  
application. 3439

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

The state teachers retirement board may waive the requirement 3451  
of consent if the spouse is incapacitated or cannot be located, or 3452  
for any other reason specified by the board. Consent or waiver is 3453



effective only with regard to the spouse who is the subject of the consent or waiver. 3454  
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(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. 3456  
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Subject to sections 3307.37 and 3307.561 of the Revised Code, the state teachers retirement system shall do the following: 3461  
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(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; 3463  
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(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. 3467  
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(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. 3477  
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**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 3514  
on the member's accumulated contributions, compounded annually, at 3515  
a rate not greater than six per cent established by the board; 3516

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

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

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

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

(B) Notwithstanding sections 3307.56 and 3307.562 of the 3530  
Revised Code, neither the beneficiaries, survivors, nor estate of 3531  
a deceased member who was granted disability benefits prior to 3532  
death is eligible for the payment of any amount calculated under 3533  
this section. 3534

**Sec. 3307.58.** Any member participating in the plan described 3535  
in sections 3307.50 to 3307.79 of the Revised Code who has five 3536  
years of service credit and has attained age sixty, or who has 3537  
twenty-five years of service credit and has attained age 3538  
fifty-five, or who has thirty years of service credit shall be 3539  
granted service retirement after filing with the state teachers 3540  
retirement board a completed application on a form approved by the 3541  
board. 3542

(A) Service retirement shall be effective on the first day of 3543

the month next following the later of: 3544

(1) The last day for which compensation was paid; or 3545

(2) The attainment of minimum age or service credit 3546  
eligibility for benefits provided under this section. 3547

Except as provided in division (E) of this section, the 3548  
service retirement benefit shall be the greater of the benefits 3549  
provided in divisions (B) and (D) of this section. 3550

(B) Subject to any adjustment made under division (C) of this 3551  
section, the annual single lifetime benefit of a member shall be 3552  
the greater of the amounts determined by the member's Ohio service 3553  
credit multiplied by one of the following: 3554

(1) Eighty-six dollars; 3555

(2)(a) The sum of the following amounts: 3556

(i) For each of the first thirty years of Ohio service 3557  
credit, two and two-tenths per cent of the member's final average 3558  
salary or, subject to the limitation described in division 3559  
(B)(2)(b) of this section, two and five-tenths per cent of the 3560  
member's final average salary if the member has thirty-five or 3561  
more years of service credit under section 3307.53, 3307.57, 3562  
3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.77, or 3563  
3307.771 of the Revised Code, division (A)(2) or (B) of former 3564  
section 3307.513 of the Revised Code, former section 3307.514 of 3565  
the Revised Code, section 3307.72 of the Revised Code earned after 3566  
July 1, 1978, or any combination of service credit under those 3567  
sections; 3568

(ii) For each year or fraction of a year of Ohio service 3569  
credit in excess of thirty years, two and two-tenths per cent of 3570  
the member's final average salary or, subject to the limitation 3571  
described in division (B)(2)(b) of this section, if the member has 3572  
more than thirty years service credit under section 3307.53, 3573

3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.77, 3574  
 or 3307.771 of the Revised Code, division (A)(2) or (B) of former 3575  
 section 3307.513 of the Revised Code, former section 3307.514 of 3576  
 the Revised Code, section 3307.72 of the Revised Code earned after 3577  
 July 1, 1978, or any combination of service credit under those 3578  
 sections, the per cent of final average salary shown in the 3579  
 following schedule for each corresponding year or fraction of a 3580  
 year of service credit under those sections that is in excess of 3581  
 thirty years: 3582

Year	Per	Year	Per	
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%	3583
31.01 - 32.00	2.6	36.01 - 37.00	3.1	3584
32.01 - 33.00	2.7	37.01 - 38.00	3.2	3585
33.01 - 34.00	2.8	38.01 - 39.00	3.3	3586
34.01 - 35.00	2.9			3587

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

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

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

Years of	Per Cent	3605
----------	----------	------

Attained	or	Ohio Service	of Base	3606
Age		Credit	Amount	3607
58		25	75%	3608
59		26	80	3609
60		27	85	3610
61			88	3611
		28	90	3612
62			91	3613
63			94	3614
		29	95	3615
64			97	3616
65		30 or more	100	3617

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

	Per Cent	3621
Attained	of Base	3622
Age	Amount	3623
66	102%	3624
67	104	3625
68	106	3626
69	108	3627
70 or more	110	3628

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

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

(1) An annuity with a reserve equal to the member's accumulated contributions;	3638 3639
(2) A pension equal to the amount in division (D)(1) of this section;	3640 3641
(3) An additional pension of forty dollars annually multiplied by the number of years of prior and military service credit, except years of credit purchased under section 3307.751 or 3307.752 of the Revised Code;	3642 3643 3644 3645
(4) An additional basic annual pension of one hundred eighty dollars, provided the member had ten or more years of Ohio service credit as of October 1, 1956, except that the additional basic annual pension shall not exceed the sum of the annual benefits provided by divisions (D)(1), (2), and (3) of this section.	3646 3647 3648 3649 3650
(E) Benefits determined under this section shall be paid as provided in section 3307.60 of the Revised Code.	3651 3652
<b>Sec. 3307.60.</b> (A) Upon application for retirement as provided in section 3307.58 or 3307.59 of the Revised Code, the retirant may elect <u>a plan of payment under this division or, on and after the date specified in division (B) of this section, a plan of payment under that division. Under this division, the retirant may elect</u> to receive a single lifetime benefit, or may elect to receive the actuarial equivalent of the retirant's benefit in a lesser amount, payable for life, and continuing after death to a beneficiary under one of the following optional plans:	3653 3654 3655 3656 3657 3658 3659 3660 3661
(1) Option 1. The retirant's lesser benefit shall be paid for life to the sole beneficiary named at retirement.	3662 3663
(2) Option 2. Some other portion of the retirant's benefit shall be paid for life to the sole beneficiary named at retirement. The beneficiary's monthly amount shall not exceed the monthly amount payable to the retirant during the retirant's	3664 3665 3666 3667

lifetime. 3668

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

(4) Option 4. Upon the retirant's death before the expiration 3680  
of a certain period from the retirement date and elected by the 3681  
retirant, and approved by the board, the retirant's benefit shall 3682  
be continued for the remainder of such period to the beneficiary. 3683  
Monthly benefits shall not be paid to joint beneficiaries, but 3684  
they may receive the present value of any remaining payments in a 3685  
lump sum settlement. If all beneficiaries die before the 3686  
expiration of the certain period, the present value of all 3687  
payments yet remaining in such period shall be paid to the estate 3688  
of the beneficiary last receiving. 3689

(5) Option 5. A plan of payment established by the state 3690  
teachers retirement board combining any of the features of options 3691  
1, 2, and 4. 3692

(B) Beginning on a date selected by the state teachers 3693  
retirement board, which shall be not later than July 1, 2004, a 3694  
retirant may elect, in lieu of a plan of payment under division 3695  
(A) of this section, a plan consisting of both of the following: 3696

(1) A lump sum in an amount the member designates that 3697  
constitutes a portion of the member's single lifetime benefit; 3698



<u>(2) Either of the following:</u>	3699
<u>(a) The remainder of the retirant's single lifetime benefit;</u>	3700
<u>(b) The actuarial equivalent of the remainder of the</u>	3701
<u>retirant's benefit in a lesser amount, payable for life, and</u>	3702
<u>continuing after death to a beneficiary under one of the options</u>	3703
<u>described in divisions (A)(1) to (5) of this section.</u>	3704
<u>In the event of the death of the sole beneficiary or</u>	3705
<u>termination of a marital relationship between the retirant and the</u>	3706
<u>sole beneficiary, the retirant may elect to receive the actuarial</u>	3707
<u>equivalent of the remainder of the retirant's single lifetime</u>	3708
<u>benefit except that, in the case of termination of a marital</u>	3709
<u>relationship, the election may be made only with the written</u>	3710
<u>consent of the beneficiary or pursuant to an order of the court</u>	3711
<u>with jurisdiction over termination of the marital relationship.</u>	3712
<u>The amount designated by the member under division (B)(1) of</u>	3713
<u>this section shall be not less than six times and not more than</u>	3714
<u>thirty-six times the monthly amount that would be payable to the</u>	3715
<u>member as a single lifetime benefit and shall not result in a</u>	3716
<u>monthly allowance that is less than fifty per cent of that amount.</u>	3717
<u>(C) Until the first payment is made to a former member under</u>	3718
<u>section 3307.58 or 3307.59 of the Revised Code, the former member</u>	3719
<u>may change the selection of a plan of payment. <del>If death occurs</del></u>	3720
<u><del>prior to an election of a plan of payment</del></u>	3721
<u>(D)(1) If a deceased member was eligible for but had not yet</u>	3722
<u>been awarded a service retirement benefit under section 3307.58 or</u>	3723
<u>3307.59 of the Revised Code at the time of death, option 1 as</u>	3724
<u>provided for in division (A)(1) of this section shall be paid to</u>	3725
<u>the spouse or other sole dependent beneficiary.</u>	3726
<u>(2) Beginning on a date selected by the board, which shall be</u>	3727
<u>not later than July 1, 2004, the spouse or sole beneficiary may</u>	3728
<u>elect, in lieu of option 1, a plan of payment consisting of both</u>	3729

of the following: 3730

(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; 3731  
3732  
3733

(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. 3734  
3735  
3736

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. 3737  
3738  
3739  
3740  
3741  
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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. 3743  
3744  
3745  
3746

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

(1) The death of the spouse or other designated beneficiary following retirement shall, at the election of the retirant, cancel any optional plan selected at retirement to provide continuing lifetime benefits to the spouse or other beneficiary and return the retirant to a single lifetime benefit equivalent as determined by the board. 3749  
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(2) A divorce, annulment, or marriage dissolution shall, at the election of the retirant, cancel any optional plan selected at retirement to provide continuing lifetime benefits to the spouse as designated beneficiary and return the retirant to a single lifetime benefit equivalent as determined by the board if the election is made with the written consent of the beneficiary or 3755  
3756  
3757  
3758  
3759  
3760

pursuant to an order of a court of common pleas or the court of  
another state with jurisdiction over the termination of the  
marriage.

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

~~(F)~~(H)(1) Unless one of the following occurs, an application  
for service retirement made pursuant to section 3307.58 or 3307.59  
of the Revised Code by a married person shall be considered an  
election of a benefit under option 2 as provided for in division  
(A)(2) of this section under which one-half of the lesser 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.	3793
(2) An application for retirement shall include an explanation of all of the following:	3794 3795
(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" <u>as provided for in division (A)(2) of this section</u> 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;	3796 3797 3798 3799 3800 3801 3802
(b) A description of the alternative plans of payment available with the consent of the spouse;	3803 3804
(c) That the spouse may consent to another plan of payment and the procedure for giving consent;	3805 3806
(d) That consent is irrevocable once notice of consent is filed with the board.	3807 3808
Consent shall be valid only if it is signed, in writing, and witnessed by a notary public.	3809 3810
(3) If the retirant does not select an optional plan of payment as described in division <del>(F)</del> <u>(H)</u> (1)(a) of this section and the board does not receive the written statement provided for in division <del>(F)</del> <u>(H)</u> (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.	3811 3812 3813 3814 3815 3816 3817 3818 3819 3820 3821
<del>(G)</del> <u>(I)</u> For the purpose of determining actuarial equivalence	3822

## As Reported by the House Retirement and Aging Committee

under this section, on the advice of an actuary employed by the 3823  
 board, the board shall adopt mortality tables that may take into 3824  
 consideration the membership experience of the state teachers 3825  
 retirement system and may also include the membership experience 3826  
 of the public employees retirement system and the school employees 3827  
 retirement system. 3828

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

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

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

(B) A member of the state teachers retirement system 3837  
 participating in the plan described in sections 3307.50 to 3307.79 3838  
 of the Revised Code who has contributions on deposit with a 3839  
 uniform retirement system shall, in computing years of total 3840  
 service, be given full credit for service credit earned under 3841  
 Chapter 742. or 5505. of the Revised Code or for military service 3842  
 credit if a transfer to the state teachers retirement system is 3843  
 made under this division. At the request of the member, the 3844  
 uniform system shall transfer to the state teachers retirement 3845  
 system, for each year of service, the sum of the following: 3846

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

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

the credit was earned; 3854

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

(C) A member participating in the plan described in sections 3861  
3307.50 to 3307.79 of the Revised Code who has at least ~~eighteen~~ 3862  
months one and one-half years of contributing service with the 3863  
state teachers retirement system, is a former member of a uniform 3864  
retirement system, and has received a refund of contributions to 3865  
that uniform system shall, in computing years of total service, be 3866  
given full credit for service credit earned under Chapter 742. or 3867  
5505. of the Revised Code or for military service credit if, for 3868  
each year of service, the state teachers retirement system 3869  
receives the sum of the following: 3870

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

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

(3) An amount, which shall be transferred by the uniform 3882  
system, equal to the lesser of the employer's contributions to the 3883  
uniform system or the amount that would have been contributed by 3884

the employer for the service had the member been a member of the  
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 or in which payment was  
made for military service to the date of the transfer.

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

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

(D) A member is ineligible to obtain credit under this  
section for service that is used in the calculation of any  
retirement benefit currently being paid or payable in the future  
under any other retirement program or for service credit that may  
be transferred under section 3307.765 of the Revised Code.

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

(F) 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 of the uniform retirement system in which the

credit was earned. The interest shall be compounded annually. 3917

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

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

**Sec. 3307.763.** (A) If the conditions described in division 3931  
(B) of section 3307.762 of the Revised Code are met, a member of 3932  
the state teachers retirement system who is not receiving a 3933  
pension or benefit from the state teachers retirement system is 3934  
eligible to obtain credit for service as a member of the 3935  
Cincinnati retirement system under this section. 3936

(B) A member of the state teachers retirement system 3937  
participating in the plan described in sections 3307.50 to 3307.79 3938  
of the Revised Code who has contributions on deposit with, but is 3939  
no longer contributing to, the Cincinnati retirement system shall, 3940  
in computing years of service credit, be given credit for service 3941  
credit earned under the Cincinnati retirement system or purchased 3942  
or obtained as military service credit if, for each year of 3943  
service, the Cincinnati retirement system transfers to the state 3944  
teachers retirement system the sum of the following: 3945

(1) The amount contributed by the member, or, in the case of 3946  
military service credit, paid by the member, that is attributable 3947



to the year of service; 3948

(2) An amount equal to the lesser of the employer's 3949  
contributions to the Cincinnati retirement system or the amount 3950  
that would have been contributed by the employer for the service 3951  
had the member been a member of the state teachers retirement 3952  
system at the time the credit was earned; 3953

(3) Interest on the amounts specified in divisions (B)(1) and 3954  
(2) of this section from the last day of the year for which 3955  
service credit was earned or in which payment was made for 3956  
military service credit to the date the transfer is made. 3957

(C) A member of the state teachers retirement system with at 3958  
least ~~eighteen months~~ one and one-half years of contributing 3959  
service credit with the state teachers retirement system who has 3960  
received a refund of the member's contributions to the Cincinnati 3961  
retirement system shall, in computing years of service, be given 3962  
credit for service credit earned under the Cincinnati retirement 3963  
system or purchased or obtained as military service credit if, for 3964  
each year of service, the state teachers retirement system 3965  
receives the sum of the following: 3966

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

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

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

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

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

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

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

(E) On receipt of payment from the member under division 3993  
(C)(1) of this section, the state teachers retirement system shall 3994  
notify the Cincinnati retirement system. On receipt of the notice, 3995  
the Cincinnati retirement system shall transfer the amount 3996  
described in division (C)(2) of this section. 3997

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

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

(H) A member may choose to purchase only part of the credit 4009

the member is eligible to purchase under division (C) of this section in any one payment, subject to rules of the state teachers retirement board.

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

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

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**Sec. 3307.764.** (A) If the conditions described in division (B) of section 3307.762 of the Revised Code are met and a person who is a member or former member of the state teachers retirement system through participation in the plan described in sections 3307.50 to 3307.79 of the Revised Code, but is not a current contributor and who is not receiving a pension or benefit from the state teachers retirement system elects to receive credit under the Cincinnati retirement system for service for which the person contributed to the state teachers retirement system or purchased or obtained as military service credit, the state teachers retirement system shall transfer the amounts specified in division (B) or (C) of this section to the Cincinnati retirement system.

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

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(1) An amount equal to the person's contributions to the

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state teachers retirement system and payments made by the member 4041  
for military service credit; 4042

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

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

(C)(1) If the person has received a refund of accumulated 4053  
contributions to the state teachers retirement system, the state 4054  
teachers retirement system shall, for each year of service credit, 4055  
transfer to the Cincinnati retirement system the sum of the 4056  
following: 4057

(a) Interest on the amount refunded to the former member that 4058  
is attributable to the year of service from the last day of the 4059  
year for which the service credit was earned or in which payment 4060  
was made for military service credit to the date the refund was 4061  
made; 4062

(b) An amount equal to the lesser of the employer's 4063  
contributions to the state teachers retirement system or the 4064  
amount that would have been contributed by the employer for the 4065  
service had the person been a member of the Cincinnati retirement 4066  
system at the time the credit was earned, with interest on that 4067  
amount from the last day of the year for which the service credit 4068  
was earned to the date of the transfer. 4069

(2) The amount transferred under division (C)(1) of this 4070  
section shall not include any amount added to the member's 4071

accumulated contributions under section 3307.563 of the Revised Code and paid under section 3307.56 or 3307.562 of the Revised Code. 4072  
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(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. 4075  
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(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. 4080  
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(E) The transfer of any amount under this section cancels an equivalent amount of service credit. 4086  
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(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. 4088  
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**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. 4094  
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(2) The benefits described in division (A)(1) of this section shall be paid in the form of an annuity, which shall consist of 4100  
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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  
section rules adopted by the state teachers retirement board.~~

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

**Sec. 3309.21.** (A) The school employees 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 school employees retirement system as  
established pursuant to this chapter. The actuary shall complete  
the valuation in accordance with actuarial standards of practice  
promulgated by the actuarial standards board of the American  
academy of actuaries and prepare a report of the valuation. The  
report shall include all of the following:

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(1) A summary of the benefit provisions evaluated;	4133
(2) A summary of the census data and financial information used in the valuation;	4134 4135
(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;	4136 4137 4138 4139 4140
(4) A summary of findings that includes a statement of the actuarial accrued pension liabilities and unfunded actuarial accrued pension liabilities;	4141 4142 4143
(5) A schedule showing the effect of any changes in the benefit provisions, actuarial assumptions, or cost methods since the last annual actuarial valuation;	4144 4145 4146
(6) A statement of whether contributions to the retirement system are expected to be sufficient to satisfy the funding objectives established by the board.	4147 4148 4149
The board shall submit the report to the Ohio retirement study <del>commission</del> <u>council</u> 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.	4150 4151 4152 4153 4154
(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	4155 4156 4157 4158 4159 4160 4161 4162 4163

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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.

(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 contribution as provided by section 3309.49 of the  
Revised Code, and those rates may be adjusted by the board, as  
recommended by the actuary, effective as of the first of any year  
thereafter.

(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:	4195
(1) A summary of the statutory changes that are being evaluated;	4196 4197
(2) A description of or reference to the actuarial assumptions and actuarial cost method used in the report;	4198 4199
(3) A description of the participant group or groups included in the report;	4200 4201
(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;	4202 4203 4204 4205 4206 4207 4208
(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.	4209 4210 4211 4212
Not later than sixty days from the date of introduction of the legislation, the board shall submit a copy of the actuarial analysis to <del>the legislative budget office</del> 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 <del>commission</del> <u>council</u> .	4213 4214 4215 4216 4217 4218 4219
(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 3309.375 and 3309.69 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:	4220 4221 4222 4223 4224 4225

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(1) A description of the statutory authority for the benefits provided;	4226 4227
(2) A summary of the benefits;	4228
(3) A summary of the eligibility requirements for the benefits;	4229 4230
(4) A statement of the number of participants eligible for the benefits;	4231 4232
(5) A description of the accounting, asset valuation, and funding method used to provide the benefits;	4233 4234
(6) A statement of the net assets available for the provision of the benefits as of the last day of the fiscal year;	4235 4236
(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;	4237 4238 4239 4240 4241
(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;	4242 4243 4244 4245
(9) A description of any significant changes that affect the comparability of the report required under this division;	4246 4247
(10) A statement of the amount paid under division <del>(D)</del> (C) of section 3309.69 of the Revised Code.	4248 4249
The board shall submit the report to the Ohio retirement study <del>commission</del> <u>council</u> 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.	4250 4251 4252 4253 4254

**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 retirement system provided such member is not at the same time contributing to the school employees retirement system.

**Sec. 3309.45.** 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, the beneficiary, as determined in section 3309.44 of the Revised Code, may elect to forfeit the accumulated account and to substitute certain other benefits either under division (A) or (B) of this section.

(A)(1) If a deceased member was eligible for a service retirement allowance as provided in section 3309.36, 3309.38, or 3309.381 of the Revised Code, a surviving spouse or other sole

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dependent beneficiary may elect to receive a monthly benefit 4285  
computed as the joint-survivor allowance designated as "plan D" in 4286  
section 3309.46 of the Revised Code, which the member would have 4287  
received had the member retired on the last day of the month of 4288  
death and had the member at that time selected such joint-survivor 4289  
plan. Payment shall begin with the month subsequent to the 4290  
member's death. 4291

(2) Beginning on a date selected by the school employees 4292  
retirement board, which shall be not later than July 1, 2004, a 4293  
surviving spouse or other sole dependent beneficiary may elect, in 4294  
lieu of a monthly payment under division (A)(1) of this section, a 4295  
plan of payment consisting of both of the following: 4296

(a) A lump sum in an amount the surviving spouse or other 4297  
sole dependent beneficiary designates that constitutes a portion 4298  
of the allowance that would be payable under division (A)(1) of 4299  
this section; 4300

(b) The remainder of that allowance in monthly payments. 4301

The total amount paid as a lump sum and a monthly benefit 4302  
shall be the actuarial equivalent of the amount that would have 4303  
been paid had the lump sum not been selected. 4304

The lump sum amount designated by the surviving spouse or 4305  
other sole dependent beneficiary under division (A)(2)(a) of this 4306  
section shall be not less than six times and not more than 4307  
thirty-six times the monthly amount that would be payable to the 4308  
surviving spouse or other sole dependent beneficiary under 4309  
division (A)(1) of this section and shall not result in a monthly 4310  
benefit that is less than fifty per cent of that monthly amount. 4311

(B) If the deceased member had completed at least one and 4312  
one-half years of credit for Ohio service, with at least 4313  
one-quarter year of Ohio contributing service credit within the 4314  
two and one-half years prior to the date of death, or was 4315

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receiving at the time of death a disability benefit as provided in 4316  
 section 3309.40 or 3309.401 of the Revised Code, qualified 4317  
 survivors who elect to receive monthly benefits shall receive the 4318  
 greater of the benefits provided in division (B)(1)(a) or (b) as 4319  
 allocated in accordance with division (B)(5) of this section. 4320

(1)(a) Number			4321
of Qualified		Or	4322
survivors	Annual Benefit as a Per	Monthly Benefit	4323
affecting	Cent of Decedent's Final	shall not be	4324
the benefit	Average Salary	less than	4325
1	25%	\$96	4326
2	40	186	4327
3	50	236	4328
4	55	236	4329
5 or more	60	236	4330

(b) Years of Service	Annual Benefit as a Per Cent of		4331
	Member's Final Average Salary		
20	29%		4332
21	33		4333
22	37		4334
23	41		4335
24	45		4336
25	48		4337
26	51		4338
27	54		4339
28	57		4340
29 or more	60		4341

(2) Benefits shall begin as qualified survivors meet 4342  
 eligibility requirements as follows: 4343

(a) A qualified spouse is the surviving spouse of the 4344  
 deceased member who is age sixty-two, or regardless of age if the 4345  
 deceased member had ten or more years of Ohio service credit, or 4346

regardless of age if caring for a surviving child, or regardless 4347  
of age if adjudged physically or mentally incompetent. 4348

(b) A qualified child is any child of the deceased member who 4349  
has never been married and to whom one of the following applies: 4350  
4351

(i) Is under age eighteen, or under age twenty-two if the 4352  
child is attending an institution of learning or training pursuant 4353  
to a program designed to complete in each school year the 4354  
equivalent of at least two-thirds of the full-time curriculum 4355  
requirements of such institution and as further determined by 4356  
board policy; 4357

(ii) Regardless of age, is adjudged physically or mentally 4358  
incompetent if the incompetence existed prior to the member's 4359  
death and prior to the child attaining age eighteen, or age 4360  
twenty-two if attending an institution described in division 4361  
(B)(2)(b)(i) of this section. 4362

(c) A qualified parent is a dependent parent aged sixty-five 4363  
or older. 4364

(3) "Physically or mentally incompetent" as used in this 4365  
section may be determined by a court of jurisdiction, or by a 4366  
physician appointed by the retirement board. Incapability of 4367  
earning a living because of a physically or mentally disabling 4368  
condition shall meet the qualifications of this division. 4369

(4) Benefits to a qualified survivor shall terminate upon a 4370  
first marriage, abandonment, adoption, or during active military 4371  
service. Benefits to a deceased member's surviving spouse that 4372  
were terminated under a former version of this section that 4373  
required termination due to remarriage and were not resumed prior 4374  
to September 16, 1998, shall resume on the first day of the month 4375  
immediately following receipt by the board of an application on a 4376  
form provided by the board. 4377

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

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

(5)(a) If a benefit is payable under division (B)(1)(a) of this section, benefits to a qualified spouse shall be paid in the amount determined for the first qualifying survivor in division (B)(1)(a) of this section, but shall not be less than one hundred six dollars per month if the deceased member had ten or more years of Ohio service credit. All other qualifying survivors shall share equally in the benefit or remaining portion thereof.

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

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

section 3309.35 of the Revised Code. 4410

(C)(1) Regardless of whether the member is survived by a 4411  
spouse or designated beneficiary, if the school employees 4412  
retirement system receives notice that a deceased member described 4413  
in division (A) or (B) of this section has one or more qualified 4414  
children, all persons who are qualified survivors under ~~Division~~ 4415  
division (B) of this section shall receive monthly benefits as 4416  
provided in division (B) of this section. 4417

If, after determining the monthly benefits to be paid under 4418  
division (B) of this section, the system receives notice that 4419  
there is a qualified survivor who was not considered when the 4420  
determination was made, the system shall, notwithstanding section 4421  
3309.661 of the Revised Code, recalculate the monthly benefits 4422  
with that qualified survivor included, even if the benefits to 4423  
qualified survivors already receiving benefits are reduced as a 4424  
result. The benefits shall be calculated as if the qualified 4425  
survivor who is the subject of the notice became eligible on the 4426  
date the notice was received and shall be paid to qualified 4427  
survivors effective on the first day of the first month following 4428  
the system's receipt of the notice. 4429

If the retirement system did not receive notice that a 4430  
deceased member has one or more qualified children prior to making 4431  
payment under section 3309.44 of the Revised Code to a beneficiary 4432  
as determined by the retirement system, the payment is a full 4433  
discharge and release of the system from any future claims under 4434  
this section or section 3309.44 of the Revised Code. 4435

(2) If benefits under division (C)(1) of this section to all 4436  
persons, or to all persons other than a surviving spouse or other 4437  
sole beneficiary, terminate, there are no children under the age 4438  
of twenty-two years, and the surviving spouse or beneficiary 4439  
qualifies for benefits under division (A) of this section, the 4440  
surviving spouse or beneficiary may elect to receive benefits 4441



under division (A) of this section. Benefits shall be effective on 4442  
the first day of the month following receipt by the board of an 4443  
application for benefits under division (A) of this section. 4444

(D) The final average salary used in the calculation of a 4445  
benefit payable pursuant to division (A) or (B) of this section to 4446  
a survivor or beneficiary of a disability benefit recipient shall 4447  
be adjusted for each year between the disability benefit's 4448  
effective date and the recipient's date of death by the lesser of 4449  
three per cent or the actual average percentage increase in the 4450  
consumer price index prepared by the United States bureau of labor 4451  
statistics (U.S. City Average for Urban Wage Earners and Clerical 4452  
Workers: "All Items 1982-84=100"). 4453

(E) If the survivor benefits due and paid under this section 4454  
are in a total amount less than the member's accumulated account 4455  
that was transferred from the employees' savings fund, the state 4456  
teachers retirement fund, and the public employees retirement fund 4457  
to the survivors' benefit fund, then the difference between the 4458  
total amount of the benefits paid shall be paid to the beneficiary 4459  
under section 3309.44 of the Revised Code. 4460

**Sec. 3309.46.** (A) The retirement allowance calculated under 4461  
section 3309.36, 3309.38, or 3309.381 of the Revised Code shall be 4462  
paid as provided in this section. If the member is eligible to 4463  
elect a plan of payment under this section, the election shall be 4464  
made on the application for retirement. A plan of payment elected 4465  
under this section shall be effective only if it is certified by 4466  
the actuary engaged by the school employees retirement board to be 4467  
the actuarial equivalent of the member's retirement allowance and 4468  
is approved by the retirement board. 4469

(B)(1) Unless the member is eligible to elect another plan of 4470  
payment, a member who retires under section 3309.36, 3309.38, or 4471  
3309.381 of the Revised Code shall receive a retirement allowance 4472

under "plan A," which shall consist of the actuarial equivalent of 4473  
the member's retirement allowance determined under section 4474  
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 4475  
amount payable for life and one-half of such allowance continuing 4476  
after death to the member's surviving spouse for the life of the 4477  
spouse. 4478

A member may elect to receive a retirement allowance under a 4479  
plan of payment other than "plan A" if the member is not married 4480  
or either the member's spouse consents in writing to the member's 4481  
election to a plan of payment other than "plan A" or the board 4482  
waives the requirement that the spouse consent. 4483

An application for retirement shall include an explanation of 4484  
all of the following: 4485

(a) That, if the member is married, unless the spouse 4486  
consents to another plan of payment, the member's retirement 4487  
allowance will be paid under "plan A," which consists of the 4488  
actuarial equivalent of the member's retirement allowance in a 4489  
lesser amount payable for life and one-half of the allowance 4490  
continuing after death to the surviving spouse for the life of the 4491  
spouse; 4492

(b) A description of the alternative plans of payment, 4493  
including all plans described in divisions (B)(2) and (3) of this 4494  
section, available with the consent of the spouse; 4495

(c) That the spouse may consent to another plan of payment 4496  
and the procedure for giving consent; 4497

(d) That consent is irrevocable once notice of consent is 4498  
filed with the board. 4499

Consent shall be valid only if it is in writing, signed by 4500  
the spouse, and witnessed by an employee of the school employees 4501  
retirement system or a notary public. The board may waive the 4502  
requirement of consent if the spouse is incapacitated or cannot be 4503

located or for any other reason specified by the board. Consent or  
waiver is effective only with regard to the spouse who is the  
subject of the consent or waiver.

(2) A member eligible to elect to receive a retirement  
allowance under a plan of payment other than "plan A" shall  
receive the 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:~~

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

(b) "Plan C," which shall consist of the actuarial equivalent  
of the member's retirement allowance determined under section  
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser  
amount payable for life and 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;

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

(d) "Plan E," which shall consist of the actuarial equivalent  
of the member's retirement allowance determined under section  
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser  
amount payable for a certain period from the member's retirement  
date as elected by the member and approved by the retirement  
board, and on the member's death before the expiration of that  
certain period, the member's lesser retirement allowance continued

for the remainder of that period to, and in such order, the 4535  
beneficiaries as the member has nominated by written designation 4536  
and filed with the retirement board. 4537

Monthly benefits shall not be paid to joint beneficiaries, 4538  
but they may receive the present value of any remaining payments 4539  
in a lump sum settlement. If all beneficiaries die before the 4540  
expiration of the certain period, the present value of all such 4541  
payments yet remaining in such period shall be paid to the estate 4542  
of the beneficiary last receiving. 4543

(3)(a) Beginning on a date selected by the board, which shall 4544  
be not later than July 1, 2004, a member may elect, in lieu of a 4545  
plan of payment under division (B)(1) or (2) of this section, a 4546  
plan consisting of both a lump sum in an amount the member 4547  
designates that constitutes a portion of the retirement allowance 4548  
payable under a plan described in division (B)(1) or (2) of this 4549  
section and the remainder of the allowance payable under that plan 4550  
in monthly payments. 4551

The total amount paid as a lump sum and a monthly benefit 4552  
shall be the actuarial equivalent of the amount that would have 4553  
been paid had the lump sum not been selected. 4554

(b) The lump sum amount designated by the member shall be not 4555  
less than six times and not more than thirty-six times the monthly 4556  
amount that would be payable to the member under the plan of 4557  
payment elected under this section had the lump sum not been 4558  
elected and shall not result in a monthly benefit that is less 4559  
than fifty per cent of that amount. 4560

(4) An election under division (B)(2) or (3) of this section 4561  
shall be made at the time the member makes application for 4562  
retirement. 4563

(5) A member eligible to elect to receive a retirement 4564  
allowance under a plan of payment other than "plan A" because the 4565

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member is unmarried who fails to make an election on retirement 4566  
shall receive a retirement allowance under "plan B." 4567

(C) Until the first payment of any retirement allowance is 4568  
made, as provided in sections 3309.36, 3309.38, or 3309.381 of the 4569  
Revised Code, a member may change the member's election of a 4570  
payment plan if the election is made in accordance with and is 4571  
consistent with division (B) of this section. 4572

(D) If the retirement allowances due and paid under the above 4573  
provisions of this section are in a total amount less than (1) the 4574  
accumulated contributions, (2) the deposits for additional credit 4575  
as provided by section 3309.31 of the Revised Code, (3) the 4576  
deposits for additional annuities as provided by section 3309.47 4577  
of the Revised Code, (4) the deposits for repurchase of service 4578  
credit as provided by section 3309.26 of the Revised Code, (5) the 4579  
accumulated contributions provided by section 3309.65 of the 4580  
Revised Code, (6) the deposits for purchase of military service 4581  
credit provided by section 3309.021 or 3309.022 of the Revised 4582  
Code, and (7) the deposits for the purchase of service credit 4583  
provided by section 3309.73 of the Revised Code, standing to the 4584  
credit of the member at the time of retirement, then the 4585  
difference between the total amount of the allowances paid and the 4586  
accumulated contributions and other deposits shall be paid to the 4587  
beneficiary provided under division (D) of section 3309.44 of the 4588  
Revised Code. 4589

(E)(1) The death of a spouse or any other designated 4590  
beneficiary following the member's retirement shall cancel any 4591  
plan of payment to provide continuing lifetime benefits to the 4592  
spouse or designated beneficiary and the retirant shall receive 4593  
the retirant's single lifetime retirement allowance equivalent as 4594  
determined by the board. 4595

(2) On divorce, annulment, or marriage dissolution, a 4596  
retirant receiving a retirement allowance under a plan of payment 4597

that provides for continuation of all or part of the allowance 4598  
after death for the lifetime of the member's surviving spouse may 4599  
elect to cancel the plan and receive the member's single lifetime 4600  
retirement allowance equivalent as determined by the retirement 4601  
board, except that in the case of a member who retires on or after 4602  
July 24, 1990, the election may be made only with the written 4603  
consent of the spouse or pursuant to an order of the court with 4604  
jurisdiction over the termination of the marriage. The election 4605  
shall be made on a form provided by the board and shall be 4606  
effective the month following its receipt by the board. 4607

(3) Following marriage or remarriage, a retirant who is 4608  
receiving a benefit pursuant to "plan B" may elect a new plan of 4609  
payment under division (B)(1), (2)(b), or (2)(c) of this section 4610  
based on the actuarial equivalent of the member's single lifetime 4611  
retirement allowance as determined by the board. The plan shall 4612  
become effective the first day of the month following receipt by 4613  
the board of an application on a form approved by the board. 4614

**Sec. 3309.69.** (A) As used in this section, "ineligible 4615  
individual" means all of the following: 4616

(1) A former member receiving benefits pursuant to section 4617  
3309.34, 3309.35, 3309.36, 3309.38, or 3309.381 of the Revised 4618  
Code for whom eligibility is established more than five years 4619  
after June 13, 1981, and who, at the time of establishing 4620  
eligibility, has accrued less than ten years of service credit, 4621  
exclusive of credit obtained after January 29, 1981, pursuant to 4622  
sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised 4623  
Code; 4624

(2) The spouse of the former member; 4625

(3) The beneficiary of the former member receiving benefits 4626  
pursuant to section 3309.46 of the Revised Code. 4627

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

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

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 school employees retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate provided by sections 3309.49 and 3309.491 of the Revised Code. The board shall not pay or reimburse the cost for health care under this section or section 3309.375 of the Revised Code for any ineligible individual.

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

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

~~(1) The health insuring corporation provides health care services in the geographical area in which the individual lives;~~ 4660  
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~~(2) The eligible individual was receiving health care benefits through a health maintenance organization or a health insuring corporation before retirement;~~ 4662  
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~~(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.~~ 4665  
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~~The health insuring corporation shall accept as an enrollee any eligible individual who requests enrollment.~~ 4672  
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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.~~ 4674  
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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. 4677  
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~~(E)~~(D) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under 4689  
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this section or section 3309.375 of the Revised Code with any 4691  
similar coverage, payment, or benefit made available to the same 4692  
individual by the public employees retirement system, Ohio police 4693  
and fire pension fund, state teachers retirement system, or state 4694  
highway patrol retirement system. 4695

~~(F)~~(E) The board shall make all other necessary rules 4696  
pursuant to the purpose and intent of this section. 4697

**Sec. 5505.12.** (A) The state highway patrol retirement board 4698  
shall have prepared annually by or under the supervision of an 4699  
actuary an actuarial valuation of the pension assets, liabilities, 4700  
and funding requirements of the state highway patrol retirement 4701  
system as established pursuant to this chapter. The actuary shall 4702  
complete the valuation in accordance with actuarial standards of 4703  
practice promulgated by the actuarial standards board of the 4704  
American academy of actuaries and prepare a report of the 4705  
valuation. The report shall include all of the following: 4706

(1) A summary of the benefit provisions evaluated; 4707

(2) A summary of the census data and financial information 4708  
used in the valuation; 4709

(3) A description of the actuarial assumptions, actuarial 4710  
cost method, and asset valuation method used in the valuation, 4711  
including a statement of the assumed rate of payroll growth and 4712  
assumed rate of growth or decline in the number of members 4713  
contributing to the retirement system; 4714

(4) A summary of findings that includes a statement of the 4715  
actuarial accrued pension liabilities and unfunded actuarial 4716  
accrued pension liabilities; 4717

(5) A schedule showing the effect of any changes in the 4718  
benefit provisions, actuarial assumptions, or cost methods since 4719  
the last annual actuarial valuation; 4720

(6) A statement of whether contributions to the retirement system 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 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.

(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 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 4752  
following the last fiscal year of the period the report covers. 4753

(C) The board may at any time request the actuary to make any 4754  
studies or actuarial valuations to determine the adequacy of the 4755  
rates of contributions provided by section 5505.15 of the Revised 4756  
Code. 4757

(D) The board shall have prepared by or under the supervision 4758  
of an actuary an actuarial analysis of any introduced legislation 4759  
expected to have a measurable financial impact on the retirement 4760  
system. The actuarial analysis shall be completed in accordance 4761  
with the actuarial standards of practice promulgated by the 4762  
actuarial standards board of the American academy of actuaries. 4763  
The actuary shall prepare a report of the actuarial analysis, 4764  
which shall include all of the following: 4765

(1) A summary of the statutory changes that are being 4766  
evaluated; 4767

(2) A description of or reference to the actuarial 4768  
assumptions and actuarial cost method used in the report; 4769

(3) A description of the participant group or groups included 4770  
in the report; 4771

(4) A statement of the financial impact of the legislation, 4772  
including the resulting increase, if any, in the employer normal 4773  
cost percentage; the increase, if any, in actuarial accrued 4774  
liabilities; and the per cent of payroll that would be required to 4775  
amortize the increase in actuarial accrued liabilities as a level 4776  
per cent of covered payroll for all active members over a period 4777  
not to exceed thirty years; 4778

(5) A statement of whether the scheduled contributions to the 4779  
system after the proposed change is enacted are expected to be 4780  
sufficient to satisfy the funding objectives established by the 4781  
board. 4782

Not later than sixty days from the date of introduction of 4783  
the legislation, the board shall submit a copy of the actuarial 4784  
analysis to ~~the legislative budget office~~ of the legislative 4785  
service commission, the standing committees of the house of 4786  
representatives and the senate with primary responsibility for 4787  
retirement legislation, and the Ohio retirement study council. 4788

(E) The board shall have prepared annually a report giving a 4789  
full accounting of the revenues and costs relating to the 4790  
provision of benefits under section 5505.28 of the Revised Code. 4791  
The report shall be made as of December 31, 1997, and the 4792  
thirty-first day of December of each year thereafter. The report 4793  
shall include the following: 4794

(1) A description of the statutory authority for the benefits 4795  
provided; 4796

(2) A summary of the benefits; 4797

(3) A summary of the eligibility requirements for the 4798  
benefits; 4799

(4) A statement of the number of participants eligible for 4800  
the benefits; 4801

(5) A description of the accounting, asset valuation, and 4802  
funding method used to provide the benefits; 4803

(6) A statement of the net assets available for the provision 4804  
of the benefits as of the last day of the fiscal year; 4805

(7) A statement of any changes in the net assets available 4806  
for the provision of benefits, including participant and employer 4807  
contributions, net investment income, administrative expenses, and 4808  
benefits provided to participants, as of the last day of the 4809  
fiscal year; 4810

(8) For the last six consecutive fiscal years, a schedule of 4811  
the net assets available for the benefits, the annual cost of 4812

benefits, administrative expenses incurred, and annual employer 4813  
contributions allocated for the provision of benefits; 4814

(9) A description of any significant changes that affect the 4815  
comparability of the report required under this division; 4816

(10) A statement of the amount paid under division ~~(C)~~(B) of 4817  
section 5505.28 of the Revised Code. 4818

The board shall submit the report to the Ohio retirement 4819  
study council and the standing committees of the house of 4820  
representatives and the senate with primary responsibility for 4821  
retirement legislation not later than the thirtieth day of June 4822  
following the year for which the report was made. 4823

**Sec. 5505.28.** (A) The state highway patrol retirement board 4824  
may enter into an agreement with insurance companies, health 4825  
insuring corporations, or government agencies authorized to do 4826  
business in the state for issuance of a policy or contract of 4827  
health, medical, hospital, or surgical benefits, or any 4828  
combination thereof, for those persons receiving pensions and 4829  
subscribing to the plan. Notwithstanding any other provision of 4830  
this chapter, the policy or contract may also include coverage for 4831  
any eligible individual's spouse and dependent children and for 4832  
any of the individual's sponsored dependents as the board 4833  
considers appropriate. 4834

If all or any portion of the policy or contract premium is to 4835  
be paid by any individual receiving a service, disability, or 4836  
survivor pension or benefit, the individual shall, by written 4837  
authorization, instruct the board to deduct from the individual's 4838  
pension or benefit the premium agreed to be paid by the individual 4839  
to the company, corporation, or agency. 4840

The board may contract for coverage on the basis of part or 4841  
all of the cost of the coverage to be paid from appropriate funds 4842

of the state highway patrol retirement system. The cost paid from 4843  
the funds of the system shall be included in the employer's 4844  
contribution rate as provided by section 5505.15 of the Revised 4845  
Code. 4846

~~(B) If the board provides health, medical, hospital, or 4847  
surgical benefits through any means other than a health insuring 4848  
corporation, it shall offer to each individual eligible for the 4849  
benefits the alternative of receiving benefits through enrollment 4850  
in a health insuring corporation, if all of the following apply: 4851~~

~~(1) The health insuring corporation provides health care 4852  
services in the geographical area in which the individual lives; 4853~~

~~(2) The eligible individual was receiving health care 4854  
benefits through a health maintenance organization or a health 4855  
insuring corporation before retirement; 4856~~

~~(3) The rate and coverage provided by the health insuring 4857  
corporation to eligible individuals is comparable to that 4858  
currently provided by the board under division (A) of this 4859  
section. If the rate or coverage provided by the health insuring 4860  
corporation is not comparable to that currently provided by the 4861  
board under division (A) of this section, the board may deduct the 4862  
additional cost from the eligible individual's monthly benefit. 4863~~

~~The health insuring corporation shall accept as an enrollee 4864  
any eligible individual who requests enrollment. 4865~~

~~The board shall permit each eligible individual to change 4866  
from one plan to another at least once a year at a time determined 4867  
by the board. 4868~~

~~(C) The board shall, beginning the month following receipt of 4869  
satisfactory evidence of the payment for coverage, pay monthly to 4870  
each recipient of a pension under the state highway patrol 4871  
retirement system who is eligible for medical insurance coverage 4872  
under part B of "The Social Security Amendments of 1965," 79 Stat. 4873~~

301, 42 U.S.C.A. 1395j, as amended, an amount established by board 4874  
rule not exceeding the basic premium for such coverage. 4875

~~(D)~~(C) The board shall establish by rule requirements for the 4876  
coordination of any coverage, payment, or benefit provided under 4877  
this section with any similar coverage, payment, or benefit made 4878  
available to the same individual by the public employees 4879  
retirement system, Ohio police and fire pension fund, state 4880  
teachers retirement system, or school employees retirement system. 4881

~~(E)~~(D) The board shall make all other necessary rules 4882  
pursuant to the purpose and intent of this section. 4883

**Section 2.** That existing sections 145.01, 145.04, 145.05, 4884  
145.091, 145.19, 145.191, 145.192, 145.20, 145.22, 145.23, 145.27, 4885  
145.35, 145.38, 145.384, 145.40, 145.45, 145.46, 145.56, 145.58, 4886  
145.80, 145.81, 145.811, 145.812, 145.813, 145.82, 145.85, 145.86, 4887  
145.87, 145.88, 145.91, 145.92, 145.95, 145.97, 742.14, 742.37, 4888  
742.372, 742.45, 3105.80, 3307.01, 3307.39, 3307.51, 3307.56, 4889  
3307.561, 3307.563, 3307.58, 3307.60, 3307.761, 3307.763, 4890  
3307.764, 3307.87, 3309.21, 3309.43, 3309.45, 3309.46, 3309.69, 4891  
5505.12, and 5505.28 and sections 742.371 and 742.373 of the 4892  
Revised Code are hereby repealed. 4893

**Section 3.** Section 145.01 of the Revised Code is presented in 4894  
this act as a composite of the section as amended by Sub. H.B. 4895  
158, Am. Sub. H.B. 405, and Am. Sub. S.B. 164 of the 124th General 4896  
Assembly. Section 145.27 of the Revised Code is presented in this 4897  
act as a composite of the section as amended by both Sub. H.B. 535 4898  
and Am. Sub. S.B. 180 of the 123rd General Assembly. Section 4899  
145.56 of the Revised Code is presented in this act as a composite 4900  
of the section as amended by both Sub. H.B. 535 and Am. Sub. S.B. 4901  
180 of the 123rd General Assembly. Section 3307.58 of the Revised 4902  
Code is presented in this act as a composite of the section as 4903  
amended by both Sub. H.B. 535 and Sub. S.B. 270 of the 123rd 4904

**As Reported by the House Retirement and Aging Committee**

General Assembly. The General Assembly, applying the principle 4905  
stated in division (B) of section 1.52 of the Revised Code that 4906  
amendments are to be harmonized if reasonably capable of 4907  
simultaneous operation, finds that the composite is the resulting 4908  
version of the section in effect prior to the effective date of 4909  
the section as presented in this act. 4910