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Raussen, Schlichter, S. Smith, Strahorn, Widener, Willamowski, Wilson
Senators Wachtmann, Blessing**

—

A B I L L

To amend sections 145.384, 145.385, 742.26, 3307.352, 1
and 3309.344 of the Revised Code to allow a 2
retirant re-employed in a position covered by a 3
state retirement system to receive a refund of the 4
retirant's contributions in lieu of a benefit for 5
the period of re-employment. 6

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

Section 1. That sections 145.384, 145.385, 742.26, 3307.352, 7
and 3309.344 of the Revised Code be amended to read as follows: 8

Sec. 145.384. (A) As used in this section, "PERS retirant" 9
means a PERS retirant who is not subject to division (C) of 10
section 145.38 of the Revised Code. For purposes of this section, 11
"PERS retirant" also includes both of the following: 12

(1) A member who retired under section 145.383 of the Revised 13
Code; 14

(2) A retirant whose retirement allowance resumed under section 145.385 of the Revised Code. 15
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(B)(1) An other system retirant or PERS retirant who has made contributions under section 145.38 or 145.383 of the Revised Code or, in the case of a retirant described in division (A)(2) of this section, section 145.47 of the Revised Code may file an application with the public employees retirement system ~~for to~~ receive either a benefit under, as provided in division (B)(2) of this section, or payment of the retirant's contributions made under those sections, as provided in division (H) of this section. 17
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(2) A benefit under this section shall consist of an annuity having a reserve equal to the amount of the retirant's accumulated contributions for the period of employment, other than the contributions excluded pursuant to division (B)(4)(a) or (b) of section 145.38 of the Revised Code, and an ~~equal~~ amount of the employer's contributions determined by the board. The 26
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(a) Unless, as described in division (I) of this section, the application is accompanied by a statement of the spouse's consent to another form of payment or the board waives the requirement of spousal consent, a PERS retirant or other system retirant who is married at the time of application for a benefit under this section shall receive a monthly annuity under which the actuarial equivalent of the retirant's single life annuity is paid in a lesser amount for life and one-half of the lesser amount continues after the retirant's death to the surviving spouse. 32
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(b) A PERS retirant or other system retirant who is not subject to division (B)(2)(a) of this section shall elect either to receive the benefit as a monthly annuity or a lump sum payment discounted to the present value using ~~the current actuarial assumption~~ a rate of interest, except that if the monthly annuity 41
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would be less than twenty five dollars per month, the retirant 46
shall receive a lump sum payment determined by the board. A 47
retirant who elects to receive a monthly annuity shall select one 48
of the following as the plan of payment: 49

~~(1)(i)~~ The retirant's single life annuity; 50

~~(2)(ii)~~ The actuarial equivalent of the retirant's single 51
life annuity in a an equal or lesser amount for life and 52
continuing after death to a surviving beneficiary designated at 53
the time the plan of payment is selected. 54

If a retirant who is eligible to select a plan of payment 55
under division (B)(2)(b) of this section fails to do so, the 56
benefit shall be paid as a monthly annuity under the plan of 57
payment specified in rules adopted by the public employees 58
retirement board. 59

(c) Notwithstanding divisions (B)(2)(a) and (b) of this 60
section, if a monthly annuity would be less than twenty-five 61
dollars per month, the retirant shall receive a lump sum payment. 62

(C)(1) The death of a spouse or other designated beneficiary 63
~~following selection of~~ under a plan of payment ~~under~~ described in 64
division (B)(2) of this section cancels that plan of payment. The 65
PERS retirant or other system retirant shall receive the 66
equivalent of the retirant's single life annuity, as determined by 67
the ~~public employees retirement~~ board, effective the first day of 68
the month following receipt by the board of notice of the death. 69

(2) On divorce, annulment, or marriage dissolution, a PERS 70
retirant or other system retirant receiving a benefit ~~under~~ 71
described in division (B)(2) of this section under which the 72
beneficiary is the spouse may, with the written consent of the 73
spouse or pursuant to an order of the court with jurisdiction over 74
the termination of the marriage, elect to cancel the plan and 75
receive the equivalent of the ~~member's~~ retirant's single life 76

annuity as determined by the ~~retirement~~ board. The election shall 77
be made on a form provided by the board and shall be effective the 78
month following its receipt by the board. 79

(D) Following a marriage or remarriage, a PERS retirant or 80
other system retirant who is receiving a benefit ~~under described~~ 81
in division (B)~~(1)~~(2)(b)(i) of this section may elect a new plan 82
of payment under division (B)(2)(b) of this section based on the 83
actuarial equivalent of the retirant's single life annuity as 84
determined by the board. The plan shall be effective the first day 85
of the month following receipt by the board of an application on a 86
form approved by the board. 87

(E) A benefit payable under division (B)(2) of this section 88
shall commence on the latest of the following: 89

(1) The last day for which compensation for all employment 90
subject to section 145.38, 145.383, or 145.385 of the Revised Code 91
was paid; 92

(2) Attainment by the PERS retirant or other system retirant 93
of age sixty-five; 94

(3) If the PERS retirant or other system retirant was 95
previously employed under section 145.38, 145.383, or 145.385 of 96
the Revised Code and is receiving or previously received a benefit 97
under this section, completion of a period of twelve months since 98
the effective date of the last benefit under this section; 99

(4) A date specified by the retirant. 100

(F)(1) If a PERS retirant or other system retirant dies while 101
employed in employment subject to section 145.38, 145.383, or 102
145.385 of the Revised Code, a lump sum payment calculated in 103
accordance with division (B)(2) of this section shall be paid to 104
the retirant's beneficiary under division (G) of this section. 105

(2) If at the time of death a PERS retirant or other system 106

retirant receiving a monthly annuity under division (B)(2)(b)(i) 107
of this section has received less than the retirant would have 108
received as a lump sum payment, the difference between the amount 109
received and the amount that would have been received as a lump 110
sum payment shall be paid to the retirant's beneficiary under 111
division (G) of this section. 112

(3) If a beneficiary receiving a monthly annuity under 113
division (B)(2) of this section dies and, at the time of the 114
beneficiary's death, the total of the amounts paid to the retirant 115
and beneficiary are less than the amount the retirant would have 116
received as a lump sum payment, the difference between the total 117
of the amounts received by the retirant and beneficiary and the 118
amount that the retirant would have received as a lump sum payment 119
shall be paid to the beneficiary's estate. 120

(G) A PERS retirant or other system retirant employed under 121
section 145.38, 145.383, or 145.385 of the Revised Code may 122
designate one or more persons as beneficiary to receive any 123
benefits payable under division (B)(2)(b) of this section due to 124
death. The designation shall be in writing duly executed on a form 125
provided by the public employees retirement board, signed by the 126
PERS retirant or other system retirant, and filed with the board 127
prior to death. The last designation of a beneficiary revokes all 128
previous designations. The PERS retirant's or other system 129
retirant's marriage, divorce, marriage dissolution, legal 130
separation, withdrawal of account, birth of a child, or adoption 131
of a child revokes all previous designations. If there is no 132
designated beneficiary, the beneficiary is the beneficiary 133
determined under division (D) of section 145.43 of the Revised 134
Code. If any benefit payable under this section due to the death 135
of a PERS retirant or other system retirant is not claimed by a 136
beneficiary within five years after the death, the amount payable 137
shall be transferred to the income fund and thereafter paid to the 138

beneficiary or the estate of the PERS retirant or other system 139
retirant on application to the board. 140

(H)(1) A PERS retirant or other system retirant who applies 141
under division (B)(1) of this section for payment of the 142
retirant's contributions and is unmarried or is married and, 143
unless the board has waived the requirement of spousal consent, 144
includes with the application a statement of the spouse's consent 145
to the payment, shall be paid the contributions made under section 146
145.38 or 145.383 of the Revised Code or, in the case of a 147
retirant described in division (A)(2) of this section, section 148
145.47 of the Revised Code, plus interest as provided in section 149
145.471 of the Revised Code, if the following conditions are met: 150

(a) The retirant has not attained sixty-five years of age and 151
has terminated employment subject to section 145.38, 145.383, or 152
145.385 of the Revised Code for any cause other than death or the 153
receipt of a benefit under this section. 154

(b) Three months have elapsed since the termination of the 155
retirant's employment subject to section 145.38, 145.383, or 156
145.385 of the Revised Code, other than employment exempted from 157
contribution pursuant to section 145.03 of the Revised Code. 158

(c) The retirant has not returned to public service, other 159
than service exempted from contribution pursuant to section 145.03 160
of the Revised Code, during the three-month period. 161

(2) Payment of a retirant's contributions cancels the 162
retirant's right to a benefit under division (B)(2) of this 163
section. 164

(I) A statement of a spouse's consent under division (B)(2) 165
of this section to the form of a benefit or under division (H) of 166
this section to a payment of contributions is valid only if signed 167
by the spouse and witnessed by a notary public. The board may 168
wave the requirement of spousal consent if the spouse is 169

incapacitated or cannot be located, or for any other reason 170
specified by the board. Consent or waiver is effective only with 171
regard to the spouse who is the subject of the consent or waiver. 172

(J) No amount received under this section shall be included 173
in determining an additional benefit under section 145.323 of the 174
Revised Code or any other post-retirement benefit increase. 175

Sec. 145.385. (A) A PERS retirant who made an election under 176
former section 145.381 of the Revised Code under which the annuity 177
portion of the retirant's retirement allowance was suspended and 178
the pension portion forfeited may have the entire retirement 179
allowance resume by giving notice to the public employees 180
retirement system. The notice must be given not later than ninety 181
days after ~~the effective date of this section~~ October 1, 2002. 182

(B) The retirement allowance shall resume on the first day of 183
the month following receipt of notice by the retirement system. 184

(C) The annuity portion of the retirement allowance that has 185
accumulated to the retirant's credit shall be paid as a single 186
payment on the first day of the month following receipt of notice 187
by the retirement system. 188

(D) Contributions made by the retirant and employer during 189
the period of forfeiture and contributions made after the 190
retirement allowance resumes shall be left on deposit with the 191
system and, except in the case of a retirant who elects, under 192
division (H) of section 145.384 of the Revised Code, to receive a 193
payment of the retirant contributions, shall be used in the 194
calculation of a benefit under section 145.384 of the Revised 195
Code. 196

Sec. 742.26. (A) As used in this section: 197

(1) "Actuarial present value" means the calculation under 198

which the probability of occurrence, based on a specified 199
mortality table, and the discount for future monetary growth at a 200
specified interest rate are considered by an actuary to determine 201
the value of an annuity. 202

(2) "Other system retirant" means a former member of the 203
public employees retirement system, state teachers retirement 204
system, school employees retirement system, state highway patrol 205
retirement system, or Cincinnati retirement system who is 206
receiving a disability benefit or an age and service or commuted 207
age and service retirement benefit or allowance from a system of 208
which the person is a former member. 209

(3) "OPFPF retirant" means any person who is receiving a 210
retirement allowance, other than a disability benefit, from the 211
Ohio police and fire pension fund. 212

(B) The mortality table and interest rate used in determining 213
actuarial present value shall be determined by the board of 214
trustees of the fund based on the recommendations of an actuary 215
employed by the board. 216

(C)(1) An OPFPF retirant or other system retirant may be 217
employed as a member of a police or fire department. If so 218
employed, the retirant shall make contributions to the fund in 219
accordance with section 742.31 of the Revised Code, and the 220
employer shall make contributions in accordance with sections 221
742.33 and 742.34 of the Revised Code. 222

(2) An employer that employs an OPFPF retirant or other 223
system retirant shall notify the board of trustees of the fund of 224
the employment not later than the end of the month in which the 225
employment commences. On receipt of notice from an employer that a 226
person who is an other system retirant has been employed, the fund 227
shall notify the retirement system of which the other system 228
retirant was a member of such employment. 229

(D) An OPFPF retirant or other system retirant who has 230
received a retirement allowance or benefit for less than two 231
months when employment subject to this section commences shall 232
forfeit the retirement allowance or benefit for the period that 233
begins on the date the employment commences and ends on the 234
earlier of the date the employment terminates or the date that is 235
two months after the date on which the retirement allowance or 236
benefit commenced. Service and contributions for that period shall 237
not be included in the calculation of any benefits payable under 238
this section, and those contributions shall be refunded on the 239
retirant's death or termination of the employment. 240

(E) On receipt of notice from the public employees retirement 241
system, school employees retirement system, or state teachers 242
retirement system of the re-employment of an OPFPF retirant, the 243
Ohio police and fire pension fund shall not pay, or if paid shall 244
recover, the amount to be forfeited by the OPFPF retirant in 245
accordance with section 145.38, 3307.35, or 3309.341 of the 246
Revised Code. 247

(F)(1)~~(a)~~ On termination of employment under this section, an 248
OPFPF retirant or other system retirant ~~shall elect one of the~~ 249
~~following:~~ 250

~~(i) A monthly may file an application with the board of 251
trustees of the fund to receive either a benefit, as provided in 252
division (F)(2) of this section, or payment of the retirant's 253
contributions made under this section, as provided in division (H) 254
of this section. 255~~

(2) A benefit under this section shall consist of an annuity 256
the actuarial present value of which is equal to two times the sum 257
of all amounts deducted from the salary of the OPFPF retirant or 258
other system retirant and credited to the retirant's individual 259
account in the fund, other than contributions excluded pursuant to 260

division (D) of this section, together with interest credited 261
thereon at the rate determined by the board, ~~provided the annuity~~ 262
~~equals or exceeds twenty five dollars per month.~~ 263

~~(ii) A~~ (a) Unless, as described in division (I) of this 264
section, the application is accompanied by a statement of the 265
spouse's consent to another form of payment or the board of 266
trustees waives the requirement of spousal consent, a retirant who 267
is married at the time of application under this division shall 268
receive a monthly annuity under which the actuarial equivalent of 269
the retirant's single life annuity is paid in a lesser amount for 270
life and one-half of the lesser amount continues after the 271
retirant's death to the surviving spouse. 272

(b) A retirant who is not subject to division (F)(2)(a) of 273
this section shall elect to receive either a monthly annuity or a 274
lump-sum payment equal to two times the sum of all amounts 275
deducted from the salary of the OPFPPF retirant or other system 276
retirant and credited to the retirant's individual account in the 277
fund, other than contributions excluded pursuant to division (D) 278
of this section, together with interest credited thereon at the 279
rate determined by the board. If the retirant fails to elect a 280
plan of payment, the annuity shall be paid as a monthly annuity 281
under the plan of payment specified in rules adopted by the board 282
of trustees of the fund. 283

A retirant who elects to receive a monthly annuity shall 284
select one of the following as the plan of payment: 285

(i) The retirant's single life annuity; 286

(ii) The actuarial equivalent of the retirant's single life 287
annuity in an equal or lesser amount for life and continuing after 288
death to a surviving beneficiary designated at the time the plan 289
of payment is selected. 290

(c) Notwithstanding divisions (F)(2)(a) and (b) of this 291

section, if a monthly annuity would be less than twenty-five 292
dollars per month, the retirant shall receive a lump sum payment. 293

~~(b)~~(3) Interest shall be credited to accounts only at the 294
time of calculation of a benefit payable under division (F)~~(1)~~(2) 295
of this section. 296

~~(2)~~(4) A benefit payable under this division shall commence 297
on the first day of the month immediately after the latest of the 298
following: 299

(a) The last day for which compensation for employment 300
subject to this section was paid; 301

(b) Attainment by the OPFPF retirant or other system retirant 302
of age sixty; 303

(c) If the OPFPF retirant or other system retirant was 304
previously employed under this section and is receiving or 305
previously received a benefit under this division, completion of a 306
period of twelve months since the last benefit paid under this 307
section commenced. 308

~~(3)~~(5) No amount received under this division shall be 309
included in determining an additional benefit under section 310
742.3711, 742.3716, or 742.3717 of the Revised Code or any other 311
post-retirement benefit increase. 312

(G)(1) If an OPFPF retirant or other system retirant dies 313
while employed in employment subject to this section, a lump-sum 314
payment calculated in accordance with division (F)~~(1)~~(a)~~(ii)~~(2) of 315
this section shall be paid to the retirant's surviving spouse, or 316
if there is no surviving spouse, to the retirant's estate. 317

(2) If at the time of death an OPFPF retirant or other system 318
retirant receiving a monthly annuity under division 319
(F)~~(1)~~(a)~~(i)~~(2) of this section has received less than would have 320
been received as a lump-sum payment under division 321

(2) of this section, the difference between the amount received 322
and the amount that would have been received as a lump-sum payment 323
shall be paid to the retirant's surviving spouse, or if there is 324
no surviving spouse, to the retirant's estate. 325

(3) If a beneficiary receiving a monthly annuity under 326
division (F)(2) of this section dies and, at the time of the 327
beneficiary's death, the total of the amounts paid to the retirant 328
and beneficiary are less than the amount the retirant would have 329
received as a lump sum payment, the difference between the total 330
of the amounts received by the retirant and beneficiary and the 331
amount that the retirant would have received as a lump sum payment 332
shall be paid to the beneficiary's estate. 333

(H)(1) An OPFPF retirant or other system retirant who applies 334
under division (F)(1) of this section for payment of the 335
retirant's contributions and is unmarried or is married and, 336
unless the board of trustees has waived the requirement of spousal 337
consent, includes with the application a statement of the spouse's 338
consent to the payment shall be paid the contributions made under 339
division (C) of this section, plus interest, if the following 340
conditions are met: 341

(a) The retirant has not attained sixty years of age and has 342
terminated employment subject to this section for any cause other 343
than death or the receipt of a benefit under division (F) of this 344
section. 345

(b) Three months have elapsed since the termination of 346
employment subject to this section. 347

(c) The retirant has not returned to service subject to this 348
chapter or Chapter 145., 3307., or 3309. of the Revised Code, 349
other than service exempted from contribution to the public 350
employees retirement system pursuant to section 145.03 of the 351
Revised Code, during the three-month period. 352

(2) Payment of a retirant's contributions cancels the 353
retirant's right to a benefit under division (F) of this section. 354

(I) A statement of a spouse's consent under division (F) of 355
this section to the form of a benefit or under division (H) of 356
this section to a payment of contributions is valid only if signed 357
by the spouse and witnessed by a notary public. The board of 358
trustees may waive the requirement of spousal consent if the 359
spouse is incapacitated or cannot be located, or for any other 360
reason specified by the board. Consent or waiver is effective only 361
with regard to the spouse who is the subject of the consent or 362
waiver. 363

(J) An other system retirant subject to this section is not a 364
member of the Ohio police and fire pension fund, does not have any 365
of the rights, privileges, or obligations of membership, except as 366
specified in this section, and is not eligible to receive health, 367
medical, hospital, or surgical benefits under section 742.45 of 368
the Revised Code for employment subject to this section. 369

~~(I)~~(K) If any payment is made by the Ohio police and fire 370
pension fund to an OPFPF retirant or other system retirant to 371
which the retirant is not entitled, the retirant shall repay it to 372
the fund. If the retirant fails to make the repayment, the fund 373
shall withhold the amount due from any allowances or other amounts 374
due the OPFPF retirant or other system retirant. 375

~~(J)~~(L) An OPFPF retirant who is employed under this section 376
is not eligible to receive any benefits under section 742.37 of 377
the Revised Code for the employment under this section. 378

~~(K)~~(M) This section does not affect the receipt of benefits 379
by or eligibility for benefits of any person who on August 20, 380
1976, was receiving a disability benefit or service retirement 381
pension or allowance from a state or municipal retirement system 382
in Ohio and was a member of any other state or municipal 383

retirement system of this state. 384

~~(L)~~(N) The board of trustees of the fund may adopt rules to 385
carry out this section. 386

Sec. 3307.352. For purposes of this section, "superannuate" 387
includes a member who retired under section 3307.351 of the 388
Revised Code. 389

(A) ~~A~~ Except as provided in division (B)(3) of this section, 390
a superannuate or other system retirant who has made contributions 391
under section 3307.35 or 3307.351 of the Revised Code may file an 392
application with the state teachers retirement system for a 393
benefit ~~under this section. The benefit shall consist~~ consisting 394
of a single life annuity ~~having.~~ The annuity shall have a reserve 395
equal to the amount of the superannuate's or retirant's 396
accumulated contributions, as defined in section 3307.50 of the 397
Revised Code, for the period of employment, other than the 398
contributions excluded pursuant to division (F) of ~~the~~ section 399
3307.35 of the Revised Code, and an ~~equal~~ amount determined by the 400
state teachers retirement board from the employers' trust created 401
by section 3307.14 of the Revised Code, plus interest credited to 402
the date of retirement at ~~the then current actuarial~~ a rate of 403
interest determined by the board. The superannuate or other system 404
retirant shall elect either to receive the benefit as a monthly 405
annuity for life or a lump sum payment discounted to the present 406
value using ~~the current actuarial assumption~~ a rate of interest 407
determined by the board, except that if the monthly annuity would 408
be less than twenty-five dollars per month the superannuate or 409
retirant shall receive a lump sum payment. 410

~~(B)~~ A benefit payable under this ~~section~~ division shall 411
commence on the latest of the following: 412

(1) The last day for which compensation for all employment as 413
a teacher was paid; 414

(2) Attainment by the superannuate or other system retirant 415
of age sixty-five; 416

(3) If the superannuate or other system retirant was 417
previously employed under section 3307.35 or 3307.351 of the 418
Revised Code and previously received or is receiving a benefit 419
under this ~~section~~ division, completion of a period of twelve 420
months since the effective date of the last benefit under this 421
~~section~~ division. 422

(B)(1) A superannuate or other system retirant under age 423
sixty-five who has made contributions under section 3307.35 or 424
3307.351 of the Revised Code may file an application with the 425
state teachers retirement system for a return of those 426
contributions if both of the following conditions are met: 427

(a) The superannuate or retirant has terminated, for any 428
reason other than death, the employment for which the 429
contributions were made. 430

(b) If the superannuate or retirant received a return of 431
contributions under this division for a previous period of 432
employment under section 3307.35 or 3307.351 of the Revised Code, 433
twelve months have passed since the date the retirement system 434
returned the contributions. 435

(2) A return of contributions under this division shall 436
consist of the sum of the following: 437

(a) The contributions the superannuate or other system 438
retirant made under section 3307.35 or 3307.351 of the Revised 439
Code; 440

(b) Interest at a rate determined by the state teachers 441
retirement board credited to the date that the superannuate or 442
retirant terminated the employment for which the contributions are 443
made. 444

(3) Payment of a return of contributions under this division 445
cancel the superannuate or retirant's right to a benefit under 446
division (A) of this section for the service for which the 447
contributions were made. 448

(C)(1) If a superannuate or other system retirant ~~dies while~~ 449
~~employed in employment subject to~~ who made contributions under 450
section 3307.35 or 3307.351 of the Revised Code dies before 451
receiving a benefit under division (A) of this section or a return 452
of contributions under division (B) of this section, a lump sum 453
~~payment calculated in accordance with division (A) of this section~~ 454
shall be paid to the beneficiary designated under division (D) of 455
section 3307.562 of the Revised Code. The lump sum shall be 456
calculated in accordance with division (A) of this section, except 457
that the interest shall be credited as follows: 458

(a) If the superannuate or retirant was under age sixty-five 459
at the time of death, the interest shall be credited through the 460
month of death. 461

(b) If the superannuate or retirant was age sixty-five or 462
older at the time of death, the interest shall be credited through 463
the later of the month in which the superannuate or retirant 464
terminated the employment for which the contributions are made or 465
the month the superannuate or retirant attained age sixty-five. 466

(2) If at the time of death a superannuate or other system 467
retirant receiving a monthly annuity under division (A) of this 468
section has received less than the superannuate or retirant would 469
have received as a lump sum payment, the difference between the 470
amount received and the amount that would have been received as a 471
lump sum payment shall be paid to the superannuate's or retirant's 472
beneficiary designated under division (D) of section 3307.562 of 473
the Revised Code. 474

(D) No amount received under this section shall be included 475

in determining an additional benefit under section 3307.67 of the Revised Code or any other post-retirement benefit increase.

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Sec. 3309.344. For purposes of this section, "SERS retirant" includes a member who retired under section 3309.343 of the Revised Code.

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(A) ~~An~~ Except as provided in division (B)(3) of this section, an SERS retirant or other system retirant who has made contributions under section 3309.341 or 3309.343 of the Revised Code may file an application with the school employees retirement system for a benefit ~~under this section. The benefit shall consist~~ consisting of a single life annuity ~~having~~. The annuity shall have a reserve equal to the amount of the retirant's accumulated contributions for the period of employment, other than the contributions excluded pursuant to division (C) of section 3309.341 of the Revised Code, and an ~~equal~~ amount of the employer's contributions determined by the board, plus interest credited to the date of retirement at ~~the~~ a rate ~~provided in~~ determined ~~division (I)(2) of section 3309.01 of the Revised Code~~ determined by the board. The SERS retirant or other system retirant shall elect either to receive the benefit as a monthly annuity for life or a lump sum payment discounted to the present value using ~~the current actuarial assumption~~ a rate of interest determined by the board, except that if the monthly annuity would be less than twenty-five dollars per month, the retirant shall receive a lump sum payment.

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~~(B)~~ A benefit payable under this ~~section~~ division shall commence on the first day of the month after the latest of the following:

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(1) The last day for which compensation for all employment subject to sections 3309.341 and 3309.343 of the Revised Code was paid;

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(2) Attainment by the SERS retirant or other system retirant 507
of age sixty-five; 508

(3) If the SERS retirant or other system retirant was 509
previously employed under section 3309.341 or 3309.343 of the 510
Revised Code and is receiving or previously received a benefit 511
under this ~~section~~ division, completion of a period of twelve 512
months since the effective date of that benefit. 513

(B)(1) An SERS or other system retirant under age sixty-five 514
who has made contributions under section 3309.341 or 3309.343 of 515
the Revised Code may file an application with the school employees 516
retirement system for a return of those contributions if both of 517
the following conditions are met: 518

(a) The retirant has terminated, for any reason other than 519
death, the employment for which the contributions were made. 520

(b) If the retirant received a return of contributions under 521
this division for a previous period of employment under section 522
3309.341 or 3309.343 of the Revised Code, twelve months have 523
passed since the date the retirement system returned the 524
contributions. 525

(2) A return of contributions under this division shall 526
consist of all of the contributions the SERS or other system 527
retirant made under section 3309.341 or 3309.343 of the Revised 528
Code. 529

(3) Payment of a return of contributions under this division 530
cancels the SERS or other system retirant's right to a benefit 531
under division (A) of this section for the service for which the 532
contributions were made. 533

(C)(1) If an SERS retirant or other system retirant ~~dies~~ 534
~~while employed in employment subject to~~ who made contributions 535
under section 3309.341 or 3309.343 of the Revised Code dies before 536

receiving a benefit under division (A) of this section or a return 537
of contributions under division (B) of this section, a lump sum 538
payment calculated in accordance with division (A) of this section 539
shall be paid to the beneficiary under division (D) of this 540
section. The lump sum shall be calculated in accordance with 541
division (A) of this section. 542

(2) If at the time of death an SERS retirant or other system 543
retirant receiving a monthly annuity under division (A) of this 544
section has received less than the retirant would have received as 545
a lump sum payment, the difference between the amount received and 546
the amount that would have been received as a lump sum payment 547
shall be paid to the retirant's beneficiary under division (D) of 548
this section. 549

(D) An SERS retirant or other system retirant employed under 550
section 3309.341 or 3309.343 of the Revised Code may designate one 551
or more persons as beneficiary to receive any benefits payable 552
under this section due to death. The designation shall be in 553
writing duly executed on a form provided by the school employees 554
retirement board, signed by the SERS retirant or other system 555
retirant, and filed with the board prior to death. The last 556
designation of a beneficiary revokes all previous designations. 557
The SERS retirant's or other system retirant's marriage, divorce, 558
marriage dissolution, legal separation, withdrawal of account, 559
birth of the retirant's child, or adoption of a child revokes all 560
previous designations. If there is no designated beneficiary, the 561
beneficiary is the beneficiary designated under division (D) of 562
section 3309.44 of the ~~revised code~~ Revised Code. If any benefit 563
payable under this section due to the death of an SERS retirant or 564
other system retirant is not claimed by a beneficiary within five 565
years after the death, the amount payable shall be transferred to 566
the guarantee fund and thereafter paid to the beneficiary or the 567
estate of the SERS retirant or other system retirant on 568

application to the board. 569

(E) No amount received under this section shall be included 570
in determining an additional benefit under section 3309.374 of the 571
Revised Code or any other post-retirement benefit increases. 572

Section 2. That existing sections 145.384, 145.385, 742.26, 573
3307.352, and 3309.344 of the Revised Code are hereby repealed. 574