

As Passed by the Senate

**125th General Assembly
Regular Session
2003-2004**

Sub. H. B. No. 98

**Representatives Willamowski, Hughes, Gibbs, Allen, Otterman, J. Stewart,
Schneider, Schmidt, Reidelbach, Buehrer, Cates, Clancy, Core, Distel,
Domenick, Fessler, Flowers, Hagan, Harwood, Hollister, Key, Latta,
McGregor, Niehaus, Price, Seitz
Senators Wachtmann, Blessing, Spada**

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A B I L L

To amend sections 145.323, 145.46, 145.92, 742.3711, 1
742.3716, 742.3717, 3105.80, 3105.82, 3307.60, 2
3307.67, 3307.87, 3309.374, 3309.46, 3309.92, 3
5505.162, and 5505.174 of the Revised Code to make 4
changes to the optional benefit plans for 5
retirants and the cost-of-living increase in the 6
state retirement systems. 7

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

Section 1. That sections 145.323, 145.46, 145.92, 742.3711, 8
742.3716, 742.3717, 3105.80, 3105.82, 3307.60, 3307.67, 3307.87, 9
3309.374, 3309.46, 3309.92, 5505.162, and 5505.174 of the Revised 10
Code be amended to read as follows: 11

Sec. 145.323. (A) The public employees retirement board shall 12
annually increase each allowance, pension, or benefit payable 13
under this chapter by three per cent, except that no allowance, 14
pension, or benefit shall exceed the limit established by section 15
415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 16

U.S.C.A. 415, as amended. 17

The first increase is payable to all persons becoming 18
eligible after June 30, 1971, upon such persons receiving an 19
allowance for twelve months. The increased amount is payable for 20
the ensuing twelve-month period or until the next increase is 21
granted under this section, whichever is later. Subsequent 22
increases shall be determined from the date of the first increase 23
paid to the former member in the case of an allowance being paid a 24
beneficiary under an option, or from the date of the first 25
increase to the survivor first receiving an allowance or benefit 26
in the case of an allowance or benefit being paid to the 27
subsequent survivors of the former member. 28

The date of the first increase under this section becomes the 29
anniversary date for any future increases. 30

The allowance or benefit used in the first calculation of an 31
increase under this section shall remain as the base for all 32
future increases, unless a new base is established. 33

(B) If payment of a portion of a benefit is made to an 34
alternate payee under section 145.571 of the Revised Code, 35
increases under this section granted while the order is in effect 36
shall be apportioned between the alternate payee and the benefit 37
recipient in the same proportion that the amount being paid to the 38
alternate payee bears to the amount paid to the benefit recipient. 39

If payment of a portion of a benefit is made to one or more 40
beneficiaries under "plan F" under division (B)(3)(e) of section 41
145.46 of the Revised Code, each increase under this section 42
granted while the plan of payment is in effect shall be divided 43
among the designated beneficiaries in accordance with the portion 44
each beneficiary has been allocated. 45

(C) The board shall make all rules necessary to carry out 46

this section.

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Sec. 145.46. (A) A retirement allowance calculated under 48
section 145.33, 145.331, or 145.34 of the Revised Code shall be 49
paid as provided in this section. If the member is eligible to 50
elect a plan of payment under this section, the election shall be 51
made on a form provided by the public employees retirement board. 52
A plan of payment elected under this section shall be effective 53
only if approved by the board, which shall approve it only if it 54
is certified by an actuary engaged by the board to be the 55
actuarial equivalent of the retirement allowance calculated under 56
section 145.33, 145.331, or 145.34 of the Revised Code. 57

(B)(1) ~~Unless the member is eligible to elect another plan of~~ 58
~~payment~~ (a) Except as provided in divisions (B)(1)(b) and (c) of 59
this section, a member who retires under section 145.32, 145.331, 60
or 145.34 of the Revised Code shall receive a retirement allowance 61
under "plan A," which shall consist of the actuarial equivalent of 62
the member's retirement allowance determined under section 145.33, 63
145.331, or 145.34 of the Revised Code in a lesser amount payable 64
for life and one-half of such allowance continuing after death to 65
the member's surviving spouse for the life of the spouse. 66

(b) A member may ~~elect to receive the member's~~ a retirement 67
allowance under a plan of payment other than "plan A" if either of 68
the following is the case: 69

(i) The member is not married or either the member's spouse 70
consents in writing to the member's election of a plan of payment 71
other than "plan A" or the board waives the requirement that the 72
spouse consent. ~~And~~ 73

(ii) A plan of payment providing for payment in a specified 74
portion of the allowance continuing after the member's death to a 75
former spouse is required by a court order issued under section 76
3105.171 or 3105.65 of the Revised Code or the laws of another 77

state regarding division of marital property prior to the 78
effective date of the member's retirement. 79

(c) If a member is subject to division (B)(1)(b)(ii) of this 80
section and the board has received a copy of the order described 81
in that division, the board shall accept the member's election of 82
a plan of payment under this section only if the member complies 83
with both of the following: 84

(i) The member elects a plan of payment that is in accordance 85
with the order described in division (B)(1)(b)(ii) of this 86
section. 87

(ii) If the member is married, the member elects "plan F" and 88
designates the member's current spouse as a beneficiary under that 89
plan unless that spouse consents in writing to not being 90
designated a beneficiary under any plan of payment or the board 91
waives the requirement that the current spouse consent. 92

(2) An application for retirement shall include an 93
explanation of all of the following: 94

(a) That, if the member is married, unless the spouse 95
consents to another plan of payment or there is a court order 96
dividing marital property issued under section 3105.171 or 3105.65 97
of the Revised Code or the laws of another state regarding the 98
division of marital property that provides for payment in a 99
specified amount, the member's retirement allowance will be paid 100
under "plan A," which consists of the actuarial equivalent of the 101
member's retirement allowance in a lesser amount payable for life 102
and one-half of the allowance continuing after death to the 103
surviving spouse for the life of the spouse; 104

(b) A description of the alternative plans of payment, 105
including all plans described in divisions (B)(2) and (3) of this 106
section, available with the consent of the spouse; 107

(c) That the spouse may consent to another plan of payment 108
and the procedure for giving consent; 109

(d) That consent is irrevocable once notice of consent is 110
filed with the board. 111

Consent shall be valid only if it is signed, in writing, and 112
witnessed by a notary public. The board may waive the requirement 113
of consent if the spouse is incapacitated or cannot be located or 114
for any other reason specified by the board. Consent or waiver is 115
effective only with regard to the spouse who is the subject of the 116
consent or waiver. 117

~~(2)~~(3) A member eligible to elect to receive the member's 118
retirement allowance under a plan of payment other than "plan A" 119
shall receive the member's retirement allowance under the plan 120
described in division (B)~~(3)~~(4) of this section or one of the 121
following plans: 122

(a) "Plan B," which shall consist of an allowance determined 123
under section 145.33, 145.331, or 145.34 of the Revised Code; 124

(b) "Plan C," which shall consist of the actuarial equivalent 125
of the member's retirement allowance determined under section 126
145.33, 145.331, or 145.34 of the Revised Code in a lesser amount 127
payable for life and one-half or some other portion of the 128
allowance continuing after death to the member's sole surviving 129
beneficiary designated at the time of the member's retirement, 130
provided that the amount payable to the beneficiary does not 131
exceed the amount payable to the member; 132

(c) "Plan D," which shall consist of the actuarial equivalent 133
of the member's retirement allowance determined under section 134
145.33, 145.331, or 145.34 of the Revised Code in a lesser amount 135
payable for life and continuing after death to a surviving 136
beneficiary designated at the time of the member's retirement; 137

(d) "Plan E," which shall consist of the actuarial equivalent 138
of the member's retirement allowance determined under section 139
145.33, 145.331, or 145.34 of the Revised Code in a lesser amount 140
payable for a certain period from the member's retirement date as 141
elected by the member and approved by the retirement board, and on 142
the member's death before the expiration of that certain period 143
the member's lesser retirement allowance payable for the remainder 144
of that period to the member's surviving designated beneficiary 145
nominated by written designation filed with the retirement board. 146

Should the nominated beneficiary designated in writing die 147
prior to the expiration of the guarantee period, then for the 148
purpose of completing payment for the remainder of the guarantee 149
period, the present value of such payments shall be paid to the 150
estate of the beneficiary last receiving. 151

(e) "Plan F," which shall consist of the actuarial equivalent 152
of the member's retirement allowance determined under section 153
145.33, 145.331, or 145.34 of the Revised Code in a lesser amount 154
payable to the retirant for life and some portion of the lesser 155
amount continuing after death to two, three, or four surviving 156
beneficiaries designated at the time of the member's retirement. 157
The portion of the lesser allowance that continues after the 158
member's death shall be allocated among the beneficiaries at the 159
time of the member's retirement. If the member elects this plan as 160
required by a court order issued under section 3105.171 or 3105.65 161
of the Revised Code or the laws of another state regarding the 162
division of marital property and compliance with the court order 163
requires the allocation of a portion less than ten per cent to any 164
beneficiary, the member shall allocate a portion less than ten per 165
cent to that beneficiary in accordance with that order. In all 166
other circumstances, no portion allocated under this plan of 167
payment shall be less than ten per cent. The total of the portions 168
allocated shall not exceed one hundred per cent of the member's 169

lesser allowance.

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~~(3)~~(4)(a) Beginning on a date selected by the retirement board, which shall be not later than July 1, 2004, a member may elect to receive a retirement allowance under a plan of payment consisting of both a lump sum in an amount the member designates that constitutes a portion of the member's retirement allowance under a plan described in division (B) of this section and the remainder as a monthly allowance under that plan.

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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.

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(b) The lump sum designated by a member shall be not less than six times and not more than thirty-six times the monthly amount that would be payable to the member under the plan of payment elected under division (B)~~(3)~~(4)(a) of this section had the lump sum not been elected and shall not result in a monthly allowance that is less than fifty per cent of that monthly amount.

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~~(4)~~(5) An election under division (B)~~(2)~~(3) or ~~(3)~~(4) of this section shall be made at the time the member makes application for retirement.

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~~(5)~~(6) A member eligible to elect to receive the member's retirement allowance under a plan of payment other than "plan A" because the member is unmarried who fails to make an election on retirement shall receive the member's retirement allowance under "plan B."

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

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paid and the accumulated contributions and other deposits shall be 201
paid to the beneficiary provided under division (D) of section 202
145.43 of the Revised Code. 203

(D)(1) The death of a spouse or any designated beneficiary 204
following retirement shall cancel ~~any the portion of the~~ plan of 205
payment ~~to provide~~ providing continuing lifetime benefits to the 206
deceased spouse or deceased designated beneficiary ~~and return the~~. 207
The retirant ~~to~~ shall receive the actuarial equivalent of the 208
retirant's single lifetime benefit ~~equivalent~~, as determined by 209
the board, ~~to~~ based on the number of remaining beneficiaries, with 210
no change in the amount payable to any remaining beneficiary. The 211
change shall be effective the month following receipt by the board 212
of notice of the death. 213

(2) On divorce, annulment, or marriage dissolution, a 214
retirant receiving a retirement allowance under a plan that 215
provides for continuation of all or part of the allowance after 216
death for the lifetime of the retirant's surviving spouse may, 217
with the written consent of the spouse or pursuant to an order of 218
the court with jurisdiction over the termination of the marriage, 219
elect to cancel the portion of the plan and providing continuing 220
lifetime benefits to that spouse. The retirant shall receive the 221
~~member's~~ actuarial equivalent of the retirant's single lifetime 222
benefit ~~equivalent~~ as determined by the retirement board based on 223
the number of remaining beneficiaries, with no change in amount 224
payable to any remaining beneficiary. The election shall be made 225
on a form provided by the board and shall be effective the month 226
following its receipt by the board. 227

(E) Following a marriage or remarriage, ~~a~~ both of the 228
following apply: 229

(1) A retirant who is receiving the retirant's retirement 230
allowance under "plan B" may elect a new plan of payment under 231

division (B)(1), ~~(2)(3)(b)~~, or ~~(2)(3)(c)~~ of this section based on 232
the actuarial equivalent of the retirant's single lifetime benefit 233
as determined by the board. ~~The~~ 234

(2) A retirant who is receiving a benefit pursuant to a plan 235
of payment providing for payment to a former spouse pursuant to a 236
court order described in division (B)(1)(b)(ii) of this section 237
may elect a new plan of payment under "plan F" based on the 238
actuarial equivalent of the retirant's single lifetime retirement 239
allowance as determined by the board if the new plan of payment 240
elected does not reduce the payment to the former spouse. 241

The plan shall become effective the first day of the month 242
following receipt by the board of an application on a form 243
approved by the board. 244

(F) Any person who, prior to July 24, 1990, selected an 245
optional plan of payment at retirement that provided for a return 246
to the single life benefit after the designated beneficiary's 247
death shall have the retirant's benefit adjusted to the optional 248
plan equivalent without such provision. 249

(G) A retirant's receipt of the first month's retirement 250
allowance constitutes the retirant's final acceptance of the plan 251
of payment and may be changed only as provided in this chapter. 252

Sec. 145.92. If a member participating in a PERS defined 253
contribution plan is married at the time benefits under the plan 254
are to commence, unless the spouse consents to another plan of 255
payment or the spouse's consent is waived, the member's retirement 256
allowance under the plan shall be paid in a lesser amount payable 257
for life and one-half of the allowance continuing after death to 258
the surviving spouse for the life of the spouse. 259

Consent is valid only if it is evidenced by a written 260
document signed by the member and the signature is witnessed by a 261

notary public. A 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 rules adopted by the public employees retirement board.

A plan shall waive the requirement of consent if a plan of payment that provides for payment in a specified portion of the retirement allowance continuing after the member's death to a former spouse is required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or laws of another state regarding division of marital property prior to the effective date of the member's retirement. If a court order requires this plan of payment, the member shall be required to annuitize the member's accumulated amounts in accordance with the order. If the member is married, the plan of payment selected by the member also shall provide for payment to the member's current spouse, unless the current spouse consents in writing to not being designated a beneficiary under the plan of payment or the current spouse's consent is waived by reason other than the court order.

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

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

the actuarial equivalent of the member's retirement allowance and 293
is approved by the board. 294

(1) Option 1. The member's lesser retirement allowance shall 295
be paid for life to the sole beneficiary designated at the time of 296
the member's retirement. 297

(2) Option 2. One-half or some other portion of the member's 298
lesser retirement allowance shall be paid for life to the sole 299
beneficiary designated at the time of the member's retirement. 300

(3) Option 3. Upon the member's death before the expiration 301
of a certain period from the retirement date and elected by the 302
member and approved by the retirement board, the member's lesser 303
retirement allowance shall be continued for the remainder of that 304
period to the beneficiary the member has nominated by written 305
designation and filed with the retirement board. 306

Should the nominated beneficiary designated in writing become 307
deceased prior to the expiration of the guarantee period, then for 308
the purpose of completing payment for the remainder of the 309
guarantee period, the present value of such payments shall be paid 310
to the estate of the beneficiary last receiving. 311

(4) Option 4. The member's lesser retirement allowance or a 312
portion of the lesser retirement allowance shall be paid for life 313
to two, three, or four surviving beneficiaries designated at the 314
time of the member's retirement, in such portions as specified at 315
retirement. If the member elects this plan as required by a court 316
order issued under section 3105.171 or 3105.65 of the Revised Code 317
or the laws of another state regarding the division of marital 318
property and compliance with the court order requires the 319
allocation of a portion less than ten per cent to any beneficiary, 320
the member shall allocate a portion less than ten per cent to that 321
beneficiary in accordance with that order. In all other 322
circumstances, no portion allocated under this plan of payment 323

shall be less than ten per cent. The total of the portions 324
allocated shall not exceed one hundred per cent of the member's 325
lesser allowance. 326

(B)(1) The death of a spouse nominated as beneficiary or the 327
death of any other nominated beneficiary following a member's 328
retirement or election under section 742.44 of the Revised Code to 329
participate in the deferred retirement option plan shall cancel 330
~~any the portion of the optional plan of payment to provide~~ 331
~~providing~~ continuing lifetime benefits to ~~such the deceased~~ 332
nominated beneficiary ~~and return the.~~ The member of the fund ~~to~~ 333
shall receive the actuarial equivalent of the member's single 334
lifetime benefit ~~equivalent~~, as determined by the board, ~~to~~ based 335
on the number of remaining beneficiaries, with no change in the 336
amount payable to any remaining beneficiary. The change shall be 337
effective the month following receipt by the board of notice of 338
the death. 339

(2) On divorce, annulment, or marriage dissolution, a member 340
receiving a retirement allowance under a plan that provides for 341
continuation of all or part of the allowance after death for the 342
lifetime of the member's surviving spouse may, with the written 343
consent of the spouse or pursuant to an order of the court with 344
jurisdiction over the termination of the marriage, elect to cancel 345
the portion of the plan and providing continuing lifetime benefits 346
to that spouse. The member shall receive the actuarial equivalent 347
of the member's single lifetime benefit equivalent as determined 348
by the board based on the number of remaining beneficiaries, with 349
no change in amount payable to any remaining beneficiary. The 350
election shall be made on a form provided by the board and shall 351
be effective the month following its receipt by the board. 352

(C) Following marriage or remarriage, ~~a~~ both of the following 353
apply: 354

(1) A member of the fund receiving a pension under section 355
742.37 or 742.39 of the Revised Code may elect not later than one 356
year after the date of marriage or remarriage a new optional plan 357
of payment based on the actuarial equivalent of the member's 358
single lifetime benefit as determined by the board. The 359

(2) If a member is receiving a benefit pursuant to a plan of 360
payment providing for payment to a former spouse pursuant to a 361
court order described in division (D)(1)(c) of this section and 362
the board has received a copy of the order described in that 363
division, the member may elect a new plan of payment under "option 364
4" based on the actuarial equivalent of the retirant's single 365
lifetime retirement allowance as determined by the board if the 366
new plan of payment elected does not reduce the payment to the 367
former spouse. 368

The plan and the member's lesser retirement allowance shall 369
become effective on the date the election is made on a form 370
approved by the board. 371

(D)(1) Unless one of the following occurs, an application for 372
retirement by a married person shall be considered an election of 373
a benefit under option 2 as provided for in division (A)(2) of 374
this section under which one-half of the lesser retirement 375
allowance payable during the life of the retirant will be paid 376
after death to the retirant's spouse for life as sole beneficiary: 377

(a) The retirant selects an optional plan under division (A) 378
of this section providing for payment after death to the 379
retirant's spouse for life as sole beneficiary of more than 380
one-half of the lesser retirement allowance payable during the 381
life of the retirant; 382

(b) The retirant submits to the retirement board a written 383
statement signed by the spouse attesting that the spouse consents 384
to the retirant's election to receive a single lifetime retirement 385

allowance or a payment under an optional benefit plan under which 386
after the death of the retirant the surviving spouse will receive 387
less than one-half of the lesser retirement allowance payable 388
during the life of the retirant; 389

(c) A plan of payment providing for payment in a specified 390
amount continuing after the retirant's death to a former spouse is 391
required by a court order issued prior to the effective date of 392
the retirant's retirement under section 3105.171 or 3105.65 of the 393
Revised Code or the laws of another state regarding division of 394
marital property. 395

(d) If a retirant is subject to division (D)(1)(c) of this 396
section and the board has received a copy of the order described 397
in that division, the board shall accept the retirant's election 398
of a plan of payment under this section only if the retirant 399
complies with both of the following: 400

(i) The retirant elects a plan of payment that is in 401
accordance with the order described in division (D)(1)(c) of this 402
section. 403

(ii) If the retirant is married, the retirant elects "option 404
4" and designates the retirant's current spouse as a beneficiary 405
under that plan unless that spouse consents in writing to not 406
being designated a beneficiary under any plan of payment or the 407
board waives the requirement that the current spouse consent. 408

(2) An application for retirement shall include an 409
explanation of all of the following: 410

(a) That, if the member is married, unless the spouse 411
consents to another plan of payment or there is a court order 412
dividing marital property issued under section 3105.171 or 3105.65 413
of the Revised Code or the laws of another state regarding the 414
division of marital property that provides for payment in a 415
specified amount, the member's retirement allowance will be paid 416

under "option 2" and consist of the actuarial equivalent of the 417
member's retirement allowance in a lesser amount payable for life 418
and one-half of the lesser allowance continuing after death to the 419
surviving spouse for the life of the spouse; 420

(b) A description of the alternative plans of payment 421
available with the consent of the spouse; 422

(c) That the spouse may consent to another plan of payment 423
and the procedure for giving consent; 424

(d) That consent is irrevocable once notice of consent is 425
filed with the board. 426

Consent shall be valid only if it is signed, in writing, and 427
witnessed by an employee of the board or a notary public. 428

(3) If the retirant does not select an optional plan as 429
described in division (D)(1)(a) of this section and the board does 430
not receive the written statement provided for in division 431
(D)(1)(b) of this section, it shall determine and pay the 432
retirement allowance in accordance with division (A)(2) of this 433
section, except that the board may provide by rule for waiver by 434
the board of the statement and payment of the allowance other than 435
in accordance with division (A)(2) of this section if the retirant 436
is unable to obtain the statement due to absence or incapacity of 437
the spouse or other cause specified by the board. 438

(E) A member of the fund who has elected an optional plan 439
under this section or section 742.3715 of the Revised Code may, 440
with the consent of the designated beneficiary, cancel the 441
optional plan and receive the retirement allowance payable 442
throughout life the member would have received had the member not 443
elected the optional plan, if the member makes a request to cancel 444
the optional plan not later than one year after the later of 445
September 9, 1988, or the date on which the member first receives 446
a payment under this section or section 742.3715 of the Revised 447

Code. Cancellation of the optional plan shall be effective the 448
month after acceptance of the request by the trustees of the fund. 449
No payment or adjustment shall be made in the retirement allowance 450
payable throughout the member's life to compensate for the lesser 451
allowance the member received under the optional plan. 452

The request to cancel the optional plan shall be made on a 453
form provided by the fund and shall be valid only if the completed 454
form includes a signed statement of the designated beneficiary's 455
understanding of and consent to the cancellation. The signature 456
shall be verified by the trustees of the fund prior to their 457
acceptance of the cancellation. 458

(F) Any option elected and payments made under this section 459
shall be in addition to any benefit payable under divisions (D), 460
(E), and (F) of section 742.37 of the Revised Code. 461

(G) A person is eligible to receive a benefit increase under 462
this division if the person is receiving a retirement allowance or 463
benefit under an optional plan elected under this section or 464
section 742.3715 of the Revised Code based on an award made prior 465
to July 24, 1986. A person is not eligible to receive an increase 466
under this division if the person is receiving a pension or 467
benefit in accordance with rules in force on April 1, 1947, that 468
govern the granting of pensions and benefits and that provide an 469
increase in the original pension or benefit from time to time 470
pursuant to changes in the salaries of active members. 471

The board shall annually increase all benefits payable under 472
this section or section 742.3715 of the Revised Code to eligible 473
persons by the actuarial equivalent of three hundred sixty 474
dollars, except that no benefit shall exceed the limit established 475
by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 476
2085, 26 U.S.C.A. 415, as amended. 477

The first increase is payable to all eligible persons on July 478

1, 1988. The increase is payable for the ensuing twelve-month 479
period or until the next increase is granted under this section, 480
whichever is later. 481

The date of the first increase payable under this section 482
shall be the anniversary date for future increases. 483

If payment of a portion of a benefit is made to an alternate 484
payee under section 742.462 of the Revised Code, increases under 485
this division granted while the order is in effect shall be 486
apportioned between the alternate payee and the benefit recipient 487
in the same proportion that the amount being paid to the alternate 488
payee bears to the amount paid to the benefit recipient. 489

If payment of a portion of a retirement allowance is made to 490
one or more beneficiaries under "option 4" under division (A)(4) 491
of section 742.3711 of the Revised Code, each increase under this 492
division granted while the plan of payment is in effect shall be 493
divided among the designated beneficiaries in accordance with the 494
portion each beneficiary has been allocated. 495

Sec. 742.3716. (A)(1) As used in this section: 496

(a) "Eligible person" means a person who meets all of the 497
following conditions: 498

(i) Has been receiving a pension or benefit under this 499
chapter for one year or more based on an award made on or after 500
July 24, 1986; 501

(ii) Has not made the election provided for in division (B) 502
of this section; 503

(iii) Is not the spouse or survivor of a person who has made 504
the election provided for in division (B) of this section; 505

(iv) Is receiving a benefit in accordance with division (A), 506
(B), or (C) of section 742.37, division (C)(2), (3), (4), or (5) 507

of former section 742.37, section 742.3711, or section 742.39 of
the Revised Code.

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(b) "Recalculated average annual salary" means the highest
average annual compensation of a member of the Ohio police and
fire pension fund during any three years of contributions,
including amounts included in terminal pay attributable to such
three years, determined by dividing the member's total earnings as
an employee during such years by three.

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(2) In the case of a member participating in the deferred
retirement option plan established under section 742.43 of the
Revised Code or a member described in division (B) of section
742.444 of the Revised Code, the period of one year or more
described in division (A)(1)(a)(i) of this section begins on the
effective date of the member's election under section 742.44 of
the Revised Code.

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(B)(1) Notwithstanding section 742.37 or 742.39 of the
Revised Code, a member of the fund who is not receiving a pension
or benefit under this chapter and who on January 1, 1989, has
completed fifteen or more years of active service in a police or
fire department may elect to have any future benefit or pension
paid to the member or the member's spouse or survivors under this
chapter calculated on the basis of the member's recalculated
average annual salary rather than the member's average annual
salary. The election shall be made by the member prior to or at
the time of making an election under section 742.3711 of the
Revised Code. This division does not apply to a member of the fund
who elected to participate in the deferred retirement option plan
established under section 742.43 of the Revised Code unless the
member's participation has terminated pursuant to division (C) of
section 742.444 or to section 742.445 of the Revised Code.

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(2) If the member eligible to make the election under

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division (B)(1) of this section dies prior to making the election 539
and at the time of death is eligible to retire and receive a 540
pension or benefit under division (C)(1) or (3) of section 742.37 541
of the Revised Code, the person entitled to receive a benefit 542
under section 742.3714 of the Revised Code may make the election 543
provided for in division (B)(1) of this section. 544

(3) The election under division (B)(1) or (2) of this section 545
shall be made on forms provided by the trustees of the fund. Once 546
received by the fund, the election shall be irrevocable and shall 547
bind the member and any other person who receives a pension or 548
benefit based on the member's service. No person who receives a 549
pension or benefit calculated in accordance with division (B) of 550
this section is eligible to receive a cost-of-living allowance 551
under this section. If the person making the election receives a 552
benefit under section 742.3714 of the Revised Code, that person is 553
not eligible to receive a cost-of-living allowance under section 554
742.3711 of the Revised Code. 555

(C)(1) The board of trustees of the Ohio police and fire 556
pension fund shall annually increase all benefits payable to 557
eligible persons by three per cent, except that no benefit shall 558
exceed the limit established by section 415 of the "Internal 559
Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as 560
amended. 561

The first increase is payable to all eligible persons who on 562
July 1, 1988, have been receiving a pension or benefit for twelve 563
months or longer. The increase is payable for the ensuing 564
twelve-month period or until the next increase is granted under 565
this section, whichever is later. 566

The date of the first increase paid under this section shall 567
be the anniversary date for future increases. The pension or 568
benefit used in the first calculation of an increase under this 569

section shall remain as the base for all future increases paid 570
under this section, unless a new base is established by law. In 571
the case of a member who has elected to participate in the 572
deferred retirement option plan established under section 742.43 573
of the Revised Code or a member described in division (B) of 574
section 742.444 of the Revised Code, the pension amount used in 575
the first calculation of an increase under this section shall be 576
the amount calculated under section 742.442 of the Revised Code 577
unless the member's participation has terminated pursuant to 578
division (C) of section 742.444 or to section 742.445 of the 579
Revised Code. 580

(2) Increases paid in years subsequent to the year of the 581
first increase paid under this section shall be paid to all 582
eligible persons who, on the date that the increase is authorized 583
by the board, have been receiving a pension or benefit for twelve 584
months. 585

(E) If payment of a portion of a benefit is made to an 586
alternate payee under section 742.462 of the Revised Code, 587
increases under this section granted while the order is in effect 588
shall be apportioned between the alternate payee and the benefit 589
recipient in the same proportion that the amount being paid to the 590
alternate payee bears to the amount paid to the benefit recipient. 591

If payment of a portion of a retirement allowance is made to 592
one or more beneficiaries under "option 4" under division (A)(4) 593
of section 742.3711 of the Revised Code, each increase under this 594
section granted while the plan of payment is in effect shall be 595
divided among the designated beneficiaries in accordance with the 596
portion each beneficiary has been allocated. 597

Sec. 742.3717. (A)(1) Except as provided in division (A)(2) 598
of this section, as used in this section, "eligible person" means 599
a person who meets both of the following conditions: 600

(a) The person is receiving an annual pension or benefit 601
under division (A), (B), or (C) of section 742.37 or division 602
(C)(2), (3), (4), or (5) of former section 742.37 of the Revised 603
Code based on an award made prior to July 24, 1986. 604

(b) The person has not elected under section 742.3711 of the 605
Revised Code to receive a retirement allowance under an optional 606
benefit plan. 607

(2) A person is not an eligible person if the person is 608
receiving a pension or benefit in accordance with rules in force 609
on April 1, 1947, that govern the granting of pensions and 610
benefits and that provide an increase in the original pension or 611
benefit from time to time pursuant to changes in the salaries of 612
active members. 613

(B)(1) The board of trustees of the Ohio police and fire 614
pension fund shall annually increase all benefits payable to 615
eligible persons by three hundred sixty dollars, except that no 616
benefit shall exceed the limit established by section 415 of the 617
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, 618
as amended. 619

(2) The first increase is payable to all eligible persons on 620
July 1, 1988. The increase is payable for the ensuing twelve-month 621
period or until the next increase is granted under this section, 622
whichever is later. 623

The date of the first increase payable under this section 624
shall be the anniversary date for future increases. 625

(3) If payment of a portion of a benefit is made to an 626
alternate payee under section 742.462 of the Revised Code, 627
increases under this section granted while the order is in effect 628
shall be apportioned between the alternate payee and the eligible 629
person in the same proportion that the amount being paid to the 630
alternate payee bears to the amount paid to the eligible person. 631

If payment of a portion of a retirement allowance is made to one or more beneficiaries under "option 4" under division (A)(4) of section 742.3711 of the Revised Code, each increase under this section granted while the plan of payment is in effect shall be divided among the designated beneficiaries in accordance with the portion each beneficiary has been allocated.

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

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

(B) "Benefit" means a periodic payment under a pension, annuity, allowance, or other type of benefit, other than a survivor benefit, that has been or may be granted to a participant under sections 742.01 to 742.61 or Chapter 145., 3307., 3309., or 5505. of the Revised Code or any payment that is to be made under a contract a participant has entered into for the purposes of an alternative retirement plan. "Benefit" also includes all amounts received or to be received under a plan of payment elected under division (B)~~(3)~~(4) of section 145.46, division (B) of section 3307.60, or division (B)~~(3)~~(4) of section 3309.46 of the Revised Code.

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

those sections or chapters on withdrawal of a participant's 663
contributions. "Lump sum payment" includes a lump sum payment 664
under section 145.384, 742.26, 3307.352, or 3309.344 of the 665
Revised Code. 666

(D) "Participant" means a member, contributor, retirant, or 667
disability benefit recipient who is or will be entitled to a 668
benefit or lump sum payment under sections 742.01 to 742.61 or 669
Chapter 145., 3307., 3309., or 5505. of the Revised Code or an 670
employee who elects to participate in an alternative retirement 671
plan under Chapter 3305. of the Revised Code. 672

(E) "Personal history record" has the same meaning as in 673
sections 145.27, 742.41, 3305.20, 3307.20, 3309.22, and 5505.04 of 674
the Revised Code. 675

(F) "Public retirement program" means the public employees 676
retirement system, Ohio police and fire pension fund, school 677
employees retirement system, state teachers retirement system, 678
state highway patrol retirement system, or an entity providing an 679
alternative retirement plan under Chapter 3305. of the Revised 680
Code. 681

Sec. 3105.82. An order described in section 3105.81 of the 682
Revised Code shall meet all of the following requirements: 683

(A) Be on the form created under section 3105.90 of the 684
Revised Code; 685

(B) Set forth the name and address of the public retirement 686
program subject to the order or, if the court determines that the 687
participant has contributions on deposit with more than one public 688
retirement program, the name and address of each public retirement 689
program that is potentially subject to the order; 690

(C) Set forth the names, social security numbers, and current 691
addresses of the participant and alternate payee; 692

(D) Specify the amount to be paid to the alternate payee as 693
one of the following: 694

(1) As both a monthly dollar amount should the participant 695
elect a benefit and as a one-time payment should the participant 696
elect a lump sum payment; 697

(2) As a percentage of a fraction determined as follows of a 698
monthly benefit or lump sum payment: 699

(a) The numerator of the fraction shall be the number of 700
years during which the participant was both a contributing member 701
of a public retirement program and married to the alternate payee. 702

(b) The denominator, which shall be determined by the public 703
retirement program at the time the participant elects to take the 704
benefit or payment, shall be the participant's total years of 705
service credit or, in the case of a participant in a retirement 706
plan established under section 145.81, 3307.81, or 3309.81 or 707
Chapter 3305. of the Revised Code, years of participation in the 708
plan. 709

(E) If the participant is eligible for more than one benefit 710
or lump sum payment, specify in accordance with division (D) of 711
this section the amount, if any, to be paid to the alternate payee 712
from each benefit or lump sum payment. 713

(F) Require an individual who is a participant or alternate 714
payee to notify the public retirement program in writing of a 715
change in the individual's mailing address; 716

(G) Notify the alternate payee of the following: 717

(1) The payee's right to payment under the order is 718
conditional on the participant's right to a benefit payment or 719
lump sum payment; 720

(2) The possible reduction under section 145.571, 742.462, 721
3307.371, 3309.671, or 5505.261 of the Revised Code of the amount 722

paid to the alternate payee; 723

(3) The possible termination of the payee's rights as 724
described in section 3105.86 of the Revised Code. 725

(H) Apply to payments made by the public retirement program 726
after retention of an order under section 145.571, 742.462, 727
3305.21, 3307.371, 3309.671, or 5505.261 of the Revised Code. 728

Sec. 3307.60. (A) Upon application for retirement as provided 729
in section 3307.58 or 3307.59 of the Revised Code, the retirant 730
may elect a plan of payment under this division or, on and after 731
the date specified in division (B) of this section, a plan of 732
payment under that division. Under this division, the retirant may 733
elect to receive a single lifetime benefit, or may elect to 734
receive the actuarial equivalent of the retirant's benefit in a 735
lesser amount, payable for life, and continuing after death to a 736
beneficiary under one of the following optional plans: 737

(1) Option 1. The retirant's lesser benefit shall be paid for 738
life to the sole beneficiary named at retirement. 739

(2) Option 2. Some other portion of the retirant's benefit 740
shall be paid for life to the sole beneficiary named at 741
retirement. The beneficiary's monthly amount shall not exceed the 742
monthly amount payable to the retirant during the retirant's 743
lifetime. 744

(3) Option 3. The retirant's lesser benefit established as 745
provided under option 1 or option 2 shall be paid for life to the 746
sole beneficiary named at retirement, except that in the event of 747
the death of the sole beneficiary or termination of a marital 748
relationship between the retirant and the sole beneficiary the 749
retirant may elect to return to a single lifetime benefit 750
equivalent as determined by the state teachers retirement board, 751
if, in the case of termination of a marital relationship, the 752

election is made with the written consent of the beneficiary or 753
pursuant to an order of the court with jurisdiction over 754
termination of the marital relationship. 755

(4) Option 4. The retirant's lesser benefit or a portion of 756
the retirant's lesser benefit shall be paid for life to two, 757
three, or four surviving beneficiaries named at retirement. The 758
portion of the allowance that continues after the member's death 759
shall be allocated among the beneficiaries at the time of the 760
member's retirement. If the retirant elects this plan as required 761
by a court order issued under section 3105.171 or 3105.65 of the 762
Revised Code or the laws of another state regarding the division 763
of marital property and compliance with the court order requires 764
the allocation of a portion less than ten per cent to any person, 765
the retirant shall allocate a portion less than ten per cent to 766
that beneficiary in accordance with that order. In all other 767
circumstances, no portion allocated under this plan of payment 768
shall be less than ten per cent. The total of the portions 769
allocated shall not exceed one hundred per cent of the retirant's 770
lesser allowance. 771

(5) Option 5. Upon the retirant's death before the expiration 772
of a certain period from the retirement date and elected by the 773
retirant, and approved by the board, the retirant's benefit shall 774
be continued for the remainder of such period to the beneficiary. 775
Monthly benefits shall not be paid to joint beneficiaries, but 776
they may receive the present value of any remaining payments in a 777
lump sum settlement. If all beneficiaries die before the 778
expiration of the certain period, the present value of all 779
payments yet remaining in such period shall be paid to the estate 780
of the beneficiary last receiving. 781

~~(5)~~(6) Option ~~5~~6. A plan of payment established by the state 782
teachers retirement board combining any of the features of options 783
1, 2, and ~~4~~5. 784

(B) Beginning on a date selected by the state teachers 785
retirement board, which shall be not later than July 1, 2004, a 786
retirant may elect, in lieu of a plan of payment under division 787
(A) of this section, a plan consisting of both of the following: 788

(1) A lump sum in an amount the member designates that 789
constitutes a portion of the member's single lifetime benefit; 790

(2) Either of the following: 791

(a) The remainder of the retirant's single lifetime benefit; 792

(b) The actuarial equivalent of the remainder of the 793
retirant's benefit in a lesser amount, payable for life, and 794
continuing after death to a beneficiary under one of the options 795
described in divisions (A)(1) to ~~(5)~~(6) of this section. 796

In the event of the death of ~~the sole~~ a beneficiary or 797
termination of a marital relationship between the retirant and ~~the~~ 798
~~sole~~ a beneficiary, the retirant may elect to cancel the portion 799
of the plan of payment providing continuing lifetime benefits to 800
that beneficiary. The retirant shall receive the actuarial 801
equivalent of the remainder of the retirant's single lifetime 802
benefit ~~except that, in~~ based on the number of remaining 803
beneficiaries, with no change in the amount payable to any 804
remaining beneficiary. In the case of termination of a marital 805
relationship, the election may be made only with the written 806
consent of the beneficiary or pursuant to an order of the court 807
with jurisdiction over termination of the marital relationship. 808

The amount designated by the member under division (B)(1) of 809
this section shall be not less than six times and not more than 810
thirty-six times the monthly amount that would be payable to the 811
member as a single lifetime benefit and shall not result in a 812
monthly allowance that is less than fifty per cent of that amount. 813

(C) Until the first payment is made to a former member under 814

section 3307.58 or 3307.59 of the Revised Code, the former member
may change the selection of a plan of payment.

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

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

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

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

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

(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.

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

(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.

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

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(G) Following marriage or remarriage, a both of the following
apply:

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(1) 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~~

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(2) A retirant who is receiving a benefit pursuant to a plan
of payment providing for payment to a former spouse pursuant to a
court order described in division (H)(1)(b) of this section may
elect a new plan of payment under "option 4" based on the
actuarial equivalent of the retirant's single lifetime retirement
allowance as determined by the board if the new plan of payment

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elected does not reduce the payment to the former spouse. 876

The plan shall become effective the first of the month 877
following an application on a form approved by the board. 878

(H)(1) ~~Unless one of the following occurs~~ Except as otherwise 879
provided in this division and division (H)(2) of this section, an 880
application for service retirement made pursuant to section 881
3307.58 or 3307.59 of the Revised Code by a married person shall 882
be considered an election of a benefit under option 2 as provided 883
for in division (A)(2) of this section under which one-half of the 884
lesser benefit payable during the life of the retirant will be 885
paid after death to the retirant's spouse for life as sole 886
beneficiary. The exceptions are as follows: 887

(a) The retirant selects an optional plan under division (A) 888
of this section providing for payment after death to the 889
retirant's spouse for life as sole beneficiary of more than 890
one-half of the lesser benefit payable during the life of the 891
retirant. 892

(b) A plan of payment providing for payment in a specified 893
amount continuing after the retirant's death to a former spouse is 894
required by a court order issued prior to the effective date of 895
retirement under section 3105.171 or 3105.65 of the Revised Code 896
or the laws of another state regarding division of marital 897
property. 898

(c) The retirant submits to the retirement board a written 899
statement signed by the spouse attesting that the spouse consents 900
to the retirant's election to receive a single lifetime annuity or 901
a payment under an optional benefit plan under which after the 902
death of the retirant the surviving spouse will receive less than 903
one-half of the lesser benefit payable during the life of the 904
retirant. 905

(2) If a retirant is subject to division (H)(1)(b) of this 906

section and the board has received a copy of the order described 907
in that division, the board shall accept the retirant's election 908
of a plan of payment under this section only if the retirant 909
complies with both of the following: 910

(i) The retirant elects a plan of payment that is in 911
accordance with the order described in division (H)(1)(b) of this 912
section. 913

(ii) If the retirant is married, the retirant elects "option 914
4" and designates the retirant's current spouse as a beneficiary 915
under that plan unless that spouse consents in writing to not 916
being designated a beneficiary under any plan of payment or the 917
board waives the requirement that the current spouse consent. 918

(3) An application for retirement shall include an 919
explanation of all of the following: 920

(a) That, if the member is married, unless the spouse 921
consents to another plan of payment or there is a court order 922
dividing marital property issued under section 3105.171 or 3105.65 923
of the Revised Code or the laws of another state regarding the 924
division of marital property that provides for payment in a 925
specified amount, the member's retirement allowance will be paid 926
under "option 2" as provided for in division (A)(2) of this 927
section and consist of the actuarial equivalent of the member's 928
retirement allowance in a lesser amount payable for life and 929
one-half of the lesser allowance continuing after death to the 930
surviving spouse for the life of the spouse; 931

(b) A description of the alternative plans of payment 932
available with the consent of the spouse; 933

(c) That the spouse may consent to another plan of payment 934
and the procedure for giving consent; 935

(d) That consent is irrevocable once notice of consent is 936
filed with the board. 937

Consent shall be valid only if it is signed, in writing, and 938
witnessed by a notary public. 939

~~(3)~~(4) If the retirant does not select an optional plan of 940
payment as described in division (H)(1)(a) of this section, no 941
court has ordered a plan of payment described in division 942
(H)(1)(b) of this section, and the board does not receive the 943
written statement provided for in division (H)(1)~~(b)~~(c) of this 944
section, ~~it~~ the board shall determine and pay the retirement 945
allowance in accordance with this division, except that the board 946
may provide by rule for waiver by the board of the statement and 947
payment of the benefits other than in accordance with this 948
division or payment under section 3307.56 of the Revised Code if 949
the retirant is unable to obtain the statement due to absence or 950
incapacity of the spouse or other cause specified by the board. 951

(I) For the purpose of determining actuarial equivalence 952
under this section, on the advice of an actuary employed by the 953
board, the board shall adopt mortality tables that may take into 954
consideration the membership experience of the state teachers 955
retirement system and may also include the membership experience 956
of the public employees retirement system and the school employees 957
retirement system. 958

Sec. 3307.67. (A) The state teachers retirement board shall 959
annually increase each allowance or benefit payable under sections 960
3307.50 to 3307.79 of the Revised Code by three per cent, except 961
that no allowance or benefit shall exceed the limit established by 962
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 963
2085, 26 U.S.C.A. 415, as amended. 964

The first increase is payable to all persons becoming 965
eligible after June 30, 1971, upon such persons receiving an 966
allowance or benefit for twelve months. The increased amount is 967
payable for the ensuing twelve-month period or until the next 968

increase is granted under this section, whichever is later. 969
Subsequent increases shall be determined from the date of the 970
first increase paid to the former member in the case of an 971
allowance being paid a beneficiary under an option, or from the 972
date of the first increase to the survivor first receiving an 973
allowance or benefit in the case of an allowance or benefit being 974
paid to the subsequent survivors of the former member. 975

The date of the first increase under this section becomes the 976
anniversary date for any future increases. 977

The allowance or benefit used in the first calculation of an 978
increase under this section shall remain as the base for all 979
future increases, unless a new base is established. 980

(B) If payment of a portion of a benefit is made to an 981
alternate payee under section 3307.371 of the Revised Code, 982
increases under this section granted while the order is in effect 983
shall be apportioned between the alternate payee and the benefit 984
recipient in the same proportion that the amount being paid to the 985
alternate payee bears to the amount paid to the benefit recipient. 986

If payment of a portion of a benefit is made to one or more 987
beneficiaries under "option 4" under division (A)(4) of section 988
3307.60 of the Revised Code, each increase under this section 989
granted while the plan of payment is in effect shall be divided 990
among the designated beneficiaries in accordance with the portion 991
each beneficiary has been allocated. 992

(C) The board shall make all rules necessary to carry out 993
this section. 994

Sec. 3307.87. (A)(1) If a member participating in a plan 995
established under section 3307.81 of the Revised Code is married 996
at the time any benefits under the plan commence, benefits shall 997
be paid in accordance with division (A)(2) of this section, unless 998

the spouse has consented under division (C) of this section to a 999
different form of payment or the spouse's consent is waived under 1000
that division. 1001

(2) The benefits described in division (A)(1) of this section 1002
shall be paid in the form of an annuity, which shall consist of 1003
the actuarial equivalent of the member's benefits, in an amount 1004
that is payable for the life of the member and one-half of the 1005
amount continuing after the member's death to the spouse for the 1006
life of the spouse. 1007

(B) If a member participating in a plan established under 1008
section 3307.81 of the Revised Code is married at the time of the 1009
member's death, any benefits that are payable to the member shall 1010
be paid to the member's spouse, unless the spouse has consented 1011
under division (C) of this section to the designation of a 1012
different beneficiary or the spouse's consent is waived under that 1013
division. 1014

(C) Consent is valid only if it is evidenced by a signed 1015
statement that is witnessed by a notary public. Each plan may 1016
waive the requirement of consent if the spouse is incapacitated or 1017
cannot be located or for any other reason specified by the plan or 1018
in rules adopted by the state teachers retirement board. A plan 1019
shall waive the requirement of consent if a plan of payment that 1020
provides for payment in a specified amount continuing after the 1021
member's death to a former spouse is required by a court order 1022
issued prior to the effective date of the member's retirement 1023
under section 3105.171 or 3105.65 of the Revised Code or laws of 1024
another state regarding division of marital property. 1025

Consent or waiver is effective only with regard to the spouse 1026
who is the subject of the consent or waiver. 1027

Sec. 3309.374. (A) The school employees retirement board 1028
shall annually increase each allowance, pension, or benefit 1029

payable under this chapter by three per cent, except that no 1030
allowance, pension, or benefit shall exceed the limit established 1031
by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 1032
2085, 26 U.S.C.A. 415, as amended. 1033

The first increase is payable to all persons becoming 1034
eligible after June 30, 1971, upon such persons receiving an 1035
allowance, pension, or benefit for twelve months. 1036

The increased amount is payable for the ensuing twelve-month 1037
period or until the next increase is granted under this section, 1038
whichever is later. Subsequent increases shall be determined from 1039
the date of the first increase paid to the former member in the 1040
case of an allowance being paid a beneficiary under an option, or 1041
from the date of the first increase to the survivor first 1042
receiving an allowance or benefit in the case of an allowance or 1043
benefit being paid to the subsequent survivors of the former 1044
member. 1045

The date of the first increase under this section becomes the 1046
anniversary date for any future increases. 1047

The allowance or benefit used in the first calculation of an 1048
increase under this section shall remain as the base for all 1049
future increases, unless a new base is established. Any increase 1050
resulting from payment of a recalculated benefit under Section 3 1051
of Substitute Senate Bill No. 270 of the 123rd general assembly 1052
shall be included in the calculation of future increases under 1053
this section. 1054

(B) If payment of a portion of a benefit is made to an 1055
alternate payee under section 3309.671 of the Revised Code, 1056
increases under this section granted while the order is in effect 1057
shall be apportioned between the alternate payee and the retirant 1058
or disability benefit recipient in the same proportion that the 1059
amount being paid to the alternate payee bears to the amount paid 1060

to the retirant or disability benefit recipient. 1061

If payment of a portion of a benefit is made to one or more 1062
beneficiaries under "plan F" under division (B)(3)(e) of section 1063
3309.46 of the Revised Code, each increase under this section 1064
granted while the plan of payment is in effect shall be divided 1065
among the designated beneficiaries in accordance with the portion 1066
each beneficiary has been allocated. 1067

(C) The board shall make all rules necessary to carry out 1068
this section. 1069

Sec. 3309.46. (A) The retirement allowance calculated under 1070
section 3309.36, 3309.38, or 3309.381 of the Revised Code shall be 1071
paid as provided in this section. If the member is eligible to 1072
elect a plan of payment under this section, the election shall be 1073
made on the application for retirement. A plan of payment elected 1074
under this section shall be effective only if it is certified by 1075
the actuary engaged by the school employees retirement board to be 1076
the actuarial equivalent of the member's retirement allowance and 1077
is approved by the retirement board. 1078

~~(B)(1) Unless the member is eligible to elect another plan of~~ 1079
~~payment~~ (a) Except as provided in divisions (B)(1)(b) and (c) of 1080
this section, a member who retires under section 3309.36, 3309.38, 1081
or 3309.381 of the Revised Code shall receive a retirement 1082
allowance under "plan A," which shall consist of the actuarial 1083
equivalent of the member's retirement allowance determined under 1084
section 3309.36, 3309.38, or 3309.381 of the Revised Code in a 1085
lesser amount payable for life and one-half of such allowance 1086
continuing after death to the member's surviving spouse for the 1087
life of the spouse. 1088

(b) A member may ~~elect to~~ receive a retirement allowance 1089
under a plan of payment other than "plan A" if ~~the~~ either of the 1090
following is the case: 1091

(i) The member is not married or either the member's spouse consents in writing to the member's election to a plan of payment other than "plan A" or the board waives the requirement that the spouse consent; 1092
1093
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1095

(ii) A plan of payment providing for payment in a specified amount continuing after the member's death to a former spouse is required by a court order issued prior to the effective date of the member's retirement under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property. 1096
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1101

(c) If a member is subject to division (B)(1)(b)(ii) of this section and the board has received a copy of the order described in that division, the board shall accept the member's election of a plan of payment under this section only if the member complies with both of the following: 1102
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(i) The member elects a plan of payment that is in accordance with the order described in division (B)(1)(b)(ii) of this section. 1107
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(ii) If the member is married, the member elects "plan F" and designates the member's current spouse as a beneficiary under that plan unless that spouse consents in writing to not being designated a beneficiary under any plan of payment or the board waives the requirement that the current spouse consent. 1110
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(2) An application for retirement shall include an explanation of all of the following: 1115
1116

(a) That, if the member is married, unless the spouse consents to another plan of payment or there is a court order dividing marital property issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that provides for payment in a specified amount, the member's retirement allowance will be paid 1117
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1121
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under "plan A," which consists of the actuarial equivalent of the 1123
member's retirement allowance in a lesser amount payable for life 1124
and one-half of the allowance continuing after death to the 1125
surviving spouse for the life of the spouse; 1126

(b) A description of the alternative plans of payment, 1127
including all plans described in divisions (B)~~(2)~~(3) and ~~(3)~~(4) of 1128
this section, available with the consent of the spouse; 1129

(c) That the spouse may consent to another plan of payment 1130
and the procedure for giving consent; 1131

(d) That consent is irrevocable once notice of consent is 1132
filed with the board. 1133

Consent shall be valid only if it is in writing, signed by 1134
the spouse, and witnessed by an employee of the school employees 1135
retirement system or a notary public. The board may waive the 1136
requirement of consent if the spouse is incapacitated or cannot be 1137
located or for any other reason specified by the board. Consent or 1138
waiver is effective only with regard to the spouse who is the 1139
subject of the consent or waiver. 1140

~~(2)~~(3) A member eligible to elect to receive a retirement 1141
allowance under a plan of payment other than "plan A" shall 1142
receive the retirement allowance under the plan described in 1143
division (B)~~(3)~~(4) of this section or one of the following plans: 1144

(a) "Plan B," which shall consist of an allowance determined 1145
under section 3309.36, 3309.38, or 3309.381 of the Revised Code; 1146

(b) "Plan C," which shall consist of the actuarial equivalent 1147
of the member's retirement allowance determined under section 1148
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 1149
amount payable for life and one-half or some other portion of the 1150
allowance continuing after death to the member's sole surviving 1151
beneficiary designated at the time of the member's retirement, 1152
provided that the amount payable to the beneficiary does not 1153

exceed the amount payable to the member; 1154

(c) "Plan D," which shall consist of the actuarial equivalent 1155
of the member's retirement allowance determined under section 1156
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 1157
amount payable for life and continuing after death to a surviving 1158
designated beneficiary designated at the time of the member's 1159
retirement; 1160

(d) "Plan E," which shall consist of the actuarial equivalent 1161
of the member's retirement allowance determined under section 1162
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 1163
amount payable for a certain period from the member's retirement 1164
date as elected by the member and approved by the retirement 1165
board, and on the member's death before the expiration of that 1166
certain period, the member's lesser retirement allowance continued 1167
for the remainder of that period to, and in such order, the 1168
beneficiaries as the member has nominated by written designation 1169
and filed with the retirement board. 1170

Monthly benefits shall not be paid to joint beneficiaries, 1171
but they may receive the present value of any remaining payments 1172
in a lump sum settlement. If all beneficiaries die before the 1173
expiration of the certain period, the present value of all such 1174
payments yet remaining in such period shall be paid to the estate 1175
of the beneficiary last receiving. 1176

(e) "Plan F," which shall consist of the actuarial equivalent 1177
of the member's retirement allowance determined under section 1178
3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser 1179
amount payable to the member for life and some portion of the 1180
lesser amount continuing after death to two, three, or four 1181
surviving beneficiaries designated at the time of the member's 1182
retirement. The portion of the lesser amount that continues after 1183
the member's death shall be allocated among the beneficiaries at 1184

the time of the member's retirement. If the member elects this 1185
plan as required by a court order issued under section 3105.171 or 1186
3105.65 of the Revised Code or the laws of another state regarding 1187
the division of marital property and compliance with the court 1188
order requires the allocation of a portion less than ten per cent 1189
to any person, the member shall allocate a portion less than ten 1190
per cent to that beneficiary in accordance with that order. In all 1191
other circumstances, no portion allocated under this plan of 1192
payment shall be less than ten per cent. The total of the portions 1193
allocated shall not exceed one hundred per cent of the member's 1194
lesser allowance. 1195

~~(3)~~(4)(a) Beginning on a date selected by the board, which 1196
shall be not later than July 1, 2004, a member may elect, in lieu 1197
of a plan of payment under division (B)(1) or ~~(2)~~(3) of this 1198
section, a plan consisting of both a lump sum in an amount the 1199
member designates that constitutes a portion of the retirement 1200
allowance payable under a plan described in division (B)(1) or 1201
~~(2)~~(3) of this section and the remainder of the allowance payable 1202
under that plan in monthly payments. 1203

The total amount paid as a lump sum and a monthly benefit 1204
shall be the actuarial equivalent of the amount that would have 1205
been paid had the lump sum not been selected. 1206

(b) The lump sum amount designated by the member shall be not 1207
less than six times and not more than thirty-six times the monthly 1208
amount that would be payable to the member under the plan of 1209
payment elected under this section had the lump sum not been 1210
elected and shall not result in a monthly benefit that is less 1211
than fifty per cent of that amount. 1212

~~(4)~~(5) An election under division (B)~~(2)~~(3) or ~~(3)~~(4) of this 1213
section shall be made at the time the member makes application for 1214
retirement. 1215

~~(5)~~(6) A member eligible to elect to receive a retirement allowance under a plan of payment other than "plan A" because the member is unmarried who fails to make an election on retirement shall receive a retirement allowance under "plan B."

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

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

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

~~equivalent~~ as determined by the board based on the number of 1248
remaining beneficiaries, with no change in the amount payable to 1249
any remaining beneficiary. 1250

(2) On divorce, annulment, or marriage dissolution, a 1251
retirant receiving a retirement allowance under a plan of payment 1252
that provides for continuation of all or part of the allowance 1253
after death for the lifetime of the ~~member's~~ retirant's surviving 1254
spouse may elect to cancel the portion of the plan and providing 1255
continuing lifetime benefits to that spouse. The retirant shall 1256
receive the ~~member's~~ actuarial equivalent of the retirant's single 1257
lifetime retirement allowance ~~equivalent~~ as determined by the 1258
retirement board, ~~except that in~~ based on the number of remaining 1259
beneficiaries, with no change in the amount payable to any 1260
remaining beneficiary. In the case of a member who retires on or 1261
after July 24, 1990, the election may be made only with the 1262
written consent of the spouse or pursuant to an order of the court 1263
with jurisdiction over the termination of the marriage. The 1264
election shall be made on a form provided by the board and shall 1265
be effective the month following its receipt by the board. 1266

(3) Following marriage or remarriage, ~~a~~ both of the following 1267
apply: 1268

(a) A retirant who is receiving a benefit pursuant to "plan 1269
B" may elect a new plan of payment under division (B)(1), 1270
~~(2)(3)(b)~~, or ~~(2)(3)(c)~~ of this section based on the actuarial 1271
equivalent of the ~~member's~~ retirant's single lifetime retirement 1272
allowance as determined by the board. ~~The~~ 1273

(b) A retirant who is receiving a benefit pursuant to a plan 1274
of payment providing for payment to a former spouse pursuant to a 1275
court order described in division (B)(1)(b)(ii) of this section 1276
may elect a new plan of payment under division (B)(3)(e) of this 1277
section based on the actuarial equivalent of the retirant's single 1278
lifetime retirement allowance as determined by the board if the 1279

new plan of payment elected does not reduce the payment to the 1280
former spouse. 1281

The plan shall become effective the first day of the month 1282
following receipt by the board of an application on a form 1283
approved by the board. 1284

Sec. 3309.92. If a member participating in a plan established 1285
under section 3309.81 of the Revised Code is married at the time 1286
benefits under the plan are to commence, before making any payment 1287
the school employees retirement system, or the entity 1288
administering the plan pursuant to a contract with the school 1289
employees retirement board, shall obtain the consent of the 1290
member's spouse to the form of payment selected by the member, 1291
unless the spouse's consent is waived under this section. 1292

A plan established under section 3309.81 of the Revised Code 1293
shall include requirements for consent under this section that are 1294
the same as the requirements specified in section 417(a)(2) of the 1295
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1296
417(a)(2), as amended. A plan may waive consent if the spouse 1297
cannot be located or for any other reason specified in the 1298
regulations adopted under that section. 1299

A plan shall waive the requirement of consent if a plan of 1300
payment that provides for payment in a specified portion of the 1301
retirement allowance continuing after the member's death to a 1302
former spouse is required by a court order issued under section 1303
3105.171 or 3105.65 of the Revised Code or laws of another state 1304
regarding division of marital property prior to the effective date 1305
of the member's retirement. If a court order requires this plan of 1306
payment, the member shall be required to annuitize the member's 1307
accumulated amounts in accordance with the order. If the member is 1308
married, the plan of payment selected by the member also shall 1309
provide for payment to the member's current spouse, unless the 1310

current spouse consents in writing to not being designated a 1311
beneficiary under the plan of payment or the current spouse's 1312
consent is waived by reason other than the court order. 1313

Consent or waiver is effective only with regard to the spouse 1314
who is the subject of the consent or waiver. 1315

Sec. 5505.162. (A) On application for retirement as provided 1316
in section 5505.16 of the Revised Code, a member of the state 1317
highway patrol retirement system may elect, on a form provided by 1318
the state highway patrol retirement board, to receive the pension 1319
that the member is eligible to receive on retirement under that 1320
section in one of the following forms: 1321

(1) A single lifetime pension; 1322

(2) The actuarial equivalent of the single lifetime pension 1323
that the member may elect under division (A)(1) of this section in 1324
a lesser annual amount payable for the member's life and 1325
continuing after the member's death to a surviving designated 1326
beneficiary under one of the following optional plans, provided 1327
the annual amount payable to the designated beneficiary shall not 1328
exceed the annual amount payable to such retiring member, the 1329
amount is certified by the actuary employed by the system to be 1330
the actuarial equivalent of the member's pension, and the amount 1331
is approved by the board: 1332

(a) Option 1. The member's lesser pension shall be paid for 1333
life to the member's sole beneficiary designated at the time of 1334
retirement. 1335

(b) Option 2. One-half or some other portion of the member's 1336
lesser pension shall be paid for life to the member's sole 1337
beneficiary designated at the time of retirement. 1338

(c) Option 3. Upon death before the expiration of a certain 1339
period from the member's retirement date as elected by the member 1340

and approved by the board, the member's lesser pension shall be
continued for the remainder of such period to the beneficiaries,
and in such order, as designated by the member in writing and
filed with the board. No monthly payments shall be paid to joint
beneficiaries, but they may jointly receive the present value of
any remaining payments in a lump sum settlement. If all designated
beneficiaries die before the expiration of such period, the
present value of all the payments yet remaining in the period
shall be paid to the estate of the beneficiary last receiving such
payments.

(d) Option 4. The member's lesser pension or portion of the
lesser pension shall be paid for life to two, three, or four
surviving beneficiaries designated at the time of the member's
retirement, in such portions as specified at retirement. If the
member elects this plan as required by a court order issued under
section 3105.171 or 3105.65 of the Revised Code or the laws of
another state regarding the division of marital property and
compliance with the court order requires the allocation of a
portion less than ten per cent to any person, the member shall
allocate a portion less than ten per cent to that person in
accordance with that order. In all other circumstances, no portion
allocated under this plan of payment shall be less than ten per
cent. The total of the portions allocated shall not exceed one
hundred per cent of the member's lesser pension.

(3) If the member has attained age fifty-one with at least
twenty-five years' total service or fifty-two with at least twenty
years' total service, a pension consisting of both a partial
benefit lump sum in an amount the member designates that
constitutes a portion of the single lifetime pension the member
may elect under division (A)(1) of this section and the actuarial
equivalent of the remainder of the single lifetime pension payable
for the member's life, provided an actuary employed by the system

certifies the actuarial equivalent and the board approves the 1373
partial benefit lump sum payment and the amount to be paid as the 1374
actuarial equivalent. 1375

The amount designated by a member shall be not less than six 1376
times the monthly amount that would be payable to the member as a 1377
single lifetime pension under division (A)(1) of this section and 1378
not more than sixty times that amount. 1379

A member who has attained the age of fifty-one with 1380
twenty-five years of service who elects a partial benefit lump sum 1381
may designate an amount that does not exceed an amount equal to 1382
one month's pension for each month of service beyond twenty-five 1383
years. A member who has attained the age of fifty-two with twenty 1384
years of service who elects a partial benefit lump sum may 1385
designate an amount that does not exceed an amount equal to one 1386
month's pension for each month of service beyond twenty years. 1387

(4) If a plan of payment providing for payment in a specified 1388
portion of the pension continuing after the member's death to a 1389
former spouse is required by a court order issued under section 1390
3105.171 or 3105.65 of the Revised Code or the laws of another 1391
state regarding division of marital property prior to the 1392
effective date of the member's retirement and the board has 1393
received a copy of the order, the board shall accept the member's 1394
election of a plan of payment under this section only if the 1395
member elects a plan of payment that is in accordance with the 1396
order. 1397

(B)(1) The death of a spouse designated as beneficiary or the 1398
death of any other designated beneficiary following retirement 1399
shall cancel ~~any~~ the portion of the optional plan of payment 1400
selected under division (A)(2) of this section ~~to provide~~ 1401
providing continuing lifetime benefits to ~~such~~ the deceased 1402
designated beneficiary ~~and return the.~~ The member to the shall 1403

receive the actuarial equivalent of the member's single lifetime 1404
pension, as determined by the board,~~to~~ based on the number of 1405
remaining beneficiaries, with no change in the amount payable to 1406
any remaining beneficiary. The change shall be effective the month 1407
following receipt by the board of notice of the death. 1408

(2) On divorce, annulment, or marriage dissolution, a member 1409
receiving a pension under a plan that provides for continuation of 1410
all or part of the pension after death for the lifetime of the 1411
member's surviving spouse may, with the written consent of the 1412
spouse or pursuant to an order of the court with jurisdiction over 1413
the termination of the marriage, elect to cancel the portion of 1414
the plan and providing continuing lifetime benefits to that 1415
spouse. The member shall receive the actuarial equivalent of the 1416
member's single lifetime pension as determined by the board based 1417
on the number of remaining beneficiaries, with no change in amount 1418
payable to any remaining beneficiary. The election shall be made 1419
on a form provided by the board and shall be effective the month 1420
following its receipt by the board. 1421

(C) Following marriage or remarriage, a both of the following 1422
apply: 1423

(1) A member may elect a new optional plan of payment under 1424
division (A)(2) of this section based on the actuarial equivalent 1425
of the member's single lifetime pension as determined by the 1426
board. ~~The~~ 1427

(2) A member who is receiving a pension pursuant to a plan of 1428
payment providing for payment to a former spouse pursuant to a 1429
court order described in division (A)(4) of this section may elect 1430
a new plan of payment under "option 4" based on the actuarial 1431
equivalent of the retirant's single lifetime pension as determined 1432
by the board if the new plan of payment elected does not reduce 1433
the payment to the former spouse. 1434

The plan shall become effective the first day of the month 1435
following receipt by the board of an application on a form 1436
approved by the board. 1437

(D) A member who has elected an optional plan under division 1438
(A)(2) of this section may, with the written consent of the 1439
designated beneficiary, cancel the optional plan and receive the 1440
single lifetime pension that the member would have received had 1441
the member elected the single lifetime pension under division 1442
(A)(1) of this section, if the member makes a request to cancel 1443
the optional plan not later than one year after the date on which 1444
the member first receives a payment under the plan. Cancellation 1445
of the optional plan shall be effective the month after acceptance 1446
of the request by the board. No payment or adjustment shall be 1447
made in the single lifetime pension to compensate for the lesser 1448
pension the member received under the optional plan. 1449

The request to cancel the optional plan shall be made on a 1450
form provided by the board and shall be valid only if the 1451
completed form includes a signed statement of the designated 1452
beneficiary's understanding of and consent to the cancellation. 1453
The designated beneficiary's signature shall be verified by the 1454
board prior to its acceptance of the cancellation. 1455

(E) Any option elected and payments made under division 1456
(A)(2) of this section shall be in addition to any pension payable 1457
to the member's surviving spouse, children, or parents under 1458
section 5505.17 of the Revised Code. 1459

Sec. 5505.174. (A) The following persons are eligible to 1460
receive an increase under this section: 1461

(1) Persons fifty-three years old or older who have been 1462
receiving pensions pursuant to division (B) of section 5505.16, 1463
division (A)(1) of section 5505.17, or division (B) of section 1464

5505.18 of the Revised Code for not less than twelve months; 1465

(2) Persons who have been receiving pensions pursuant to 1466
division (B) of section 5505.18 of the Revised Code for not less 1467
than sixty months regardless of age; 1468

(3) Persons who have been receiving pensions pursuant to 1469
section 5505.162 or division (A)(3), (4), (5), (6), or (7) of 1470
section 5505.17 of the Revised Code for not less than twelve 1471
months regardless of age. 1472

(B) The state highway patrol retirement board shall annually 1473
increase each benefit payable under this chapter by three per 1474
cent, except that no benefit shall exceed the limit established by 1475
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 1476
2085, 26 U.S.C.A. 415, as amended. 1477

The first increase is payable to all persons becoming 1478
eligible on or after November 18, 1981. The increase is payable 1479
for each ensuing twelve-month period or until the next increase is 1480
granted under this section, whichever is later. 1481

The date of the first increase paid under this section shall 1482
be the anniversary date for future increases. The pension used in 1483
the first calculation of an increase under this section shall 1484
remain as the base for all future increases paid under this 1485
section, unless a new base is established. 1486

Increases paid in years subsequent to the year of the first 1487
increase paid under this section shall be paid to all persons who, 1488
on the date that the increase is authorized by the board, are 1489
eligible as provided in this section. 1490

(C) If payment of a portion of a benefit is made to an 1491
alternate payee under section 5505.261 of the Revised Code, 1492
increases under this section granted while the order is in effect 1493
shall be apportioned between the alternate payee and the eligible 1494

person in the same proportion that the amount being paid to the 1495
alternate payee bears to the amount paid to the eligible person. 1496

If payment of a portion of a benefit is made to one or more 1497
beneficiaries under "option 4" under division (A)(4) of section 1498
5505.162 of the Revised Code, each increase under this section 1499
granted while the plan of payment is in effect shall be divided 1500
among the designated beneficiaries in accordance with the portion 1501
each beneficiary has been allocated. 1502

(D) The board shall adopt, and may amend or rescind, any rule 1503
necessary to carry out this section. 1504

Section 2. That existing sections 145.323, 145.46, 145.92, 1505
742.3711, 742.3716, 742.3717, 3105.80, 3105.82, 3307.60, 3307.67, 1506
3307.87, 3309.374, 3309.46, 3309.92, 5505.162, and 5505.174 of the 1507
Revised Code are hereby repealed. 1508

Section 3. Sections 1 and 2 of this act take effect eighteen 1509
months after the effective date of this act. 1510