

As Introduced

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A B I L L

To amend sections 145.30, 145.301, 3307.58, 3307.751,
and 3309.021 of the Revised Code to permit a
member of the Public Employees Retirement System
to purchase military service credit for inactive
duty in the Ohio National Guard or reserves.

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

Section 1. That sections 145.30, 145.301, 3307.58, 3307.751,
and 3309.021 of the Revised Code be amended to read as follows:

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Sec. 145.30. (A) As used in this section ~~and section 145.301~~
~~of the Revised Code:~~ 8
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(1) "Armed forces" of the United States includes the
following: 10
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(a) Army, navy, air force, marine corps, coast guard,
auxiliary corps as established by congress, red cross nurse
serving with the army, navy, air force, or hospital service of the
United States, army nurse corps, navy nurse corps, full-time
service with the American red cross in a combat zone, and such
other service as may be designated by congress as included
therein; 12
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(b) Personnel of the Ohio national guard and the reserve components of any of the armed forces enumerated in division (A)(1) of this section who are called to active duty pursuant to an executive order issued by the president of the United States or an act of congress;	19 20 21 22 23
(c) Persons on whom United States merchant marine veteran status has been conferred for service aboard oceangoing merchant ships in service to the United States during World War II.	24 25 26
(2) "State retirement system" means any of the following: the Ohio police and fire pension fund, public employees retirement system, school employees retirement system, state highway patrol retirement system, or the state teachers retirement system.	27 28 29 30
(B) Upon reemployment in the public service and completion of one year of service credit as covered by a state retirement system or the Cincinnati retirement system, within two years after service in the armed forces that is terminated in a manner other than as described in section 4304 of Title 38 of the United States Code, "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 38 U.S.C.A. 4304, and presentation of documentation of the service and subject to rules adopted by the retirement board, any member of the public employees retirement system who was a member with not less than one year of payroll deductions before entering active duty with the armed forces and maintained membership in the public employees retirement system as provided by section 145.41 of the Revised Code, and who was or is out of active service as a public employee by reason of having become a member of the armed forces of the United States on active duty or service shall have such service, not in excess of ten years, considered as the equivalent of prior service. Service in the armed forces as established by documentation of the service, not in excess of ten years, shall also be considered prior service for a person who was a public employee and who has acquired	31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

service credit for five years prior to, and within the one year preceding, the date of entering on active duty in the armed forces of the United States if such person was reemployed in the public service within one year after service in the armed forces that is terminated in a manner other than as described in section 4304 of Title 38 of the United States Code, "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 38 U.S.C.A. 4304, and established total service credit as defined in section 145.01 of the Revised Code of twenty years exclusive of credit for service in the uniformed services, as defined in section 145.302 of the Revised Code. This division shall not serve to cancel any military service credit earned or granted prior to November 1, 1965. 51
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(C) A member of the public employees retirement system is ineligible to receive service credit under this section for any year of military service credit used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except social security, or used to obtain service credit pursuant to section 145.301 or 145.302 of the Revised Code. At the time such credit is requested, the member shall certify on a form supplied by the retirement board that the member does and will conform to this requirement. This division does not cancel any military service credit earned prior to March 15, 1979. 64
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Sec. 145.301. (A) As used in this section: 75

(1) "Armed forces of the United States" includes both of the following: 76

(a) Army, navy, air force, marine corps, coast guard, 78
auxiliary corps as established by congress, red cross nurse 79
serving with the army, navy, air force, or hospital service of the 80
United States, army nurse corps, navy nurse corps, full-time 81

<u>service with the American red cross in a combat zone, and such other service as may be designated by congress as included therein;</u>	82
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<u>(b) Persons on whom United States merchant marine veteran status has been conferred for service aboard oceangoing merchant ships in service to the United States during World War II.</u>	85
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<u>(2) "Prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States, reserves, or Ohio national guard who was captured, separated, and incarcerated by an enemy of the United States.</u>	88
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<u>(3) "Reserves" means personnel of the reserve components of any of the armed forces of the United States enumerated in division (A)(1)(a) of this section.</u>	92
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<u>(B) A member may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service incurred by reason of having been on active duty as a member of the armed forces of the United States, as defined in section 145.30 of the Revised Code or active or inactive duty as a member of the reserves or Ohio national guard. The credit may be purchased at any time prior to receipt of a retirement allowance. The number of years purchased shall not exceed five. The member may choose to purchase only part of such credit in any one payment, subject to public employees retirement board rules.</u>	95
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<u>(B) For the purposes of this division, "prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States who was captured, separated, and incarcerated by an enemy of the United States.</u>	105
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<u>(C) A member may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service such member was a prisoner of war. The number of years purchased under this division shall not exceed five. Service</u>	109
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credit may be purchased under this division for the same years of service used to purchase service credit under division (A)(B) of this section. The member may choose to purchase only part of such credit in any one payment, subject to board rules.	113 114 115 116
(C)(D) The total number of years purchased under this section shall not exceed the member's total accumulated number of years of Ohio service.	117 118 119
(D)(E) For each year of service purchased under division (A)(B) or (B)(C) of this section, the member shall pay to the public employees retirement system for credit to the member's accumulated account an amount specified by the retirement board that shall be not less than <u>the following:</u>	120 121 122 123 124
<u>(1) If the service credit is for active duty in the armed forces of the United States, reserves, or Ohio national guard or for service as a prisoner of war,</u> fifty per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board;	125 126 127 128 129
<u>(2) If the service credit is for inactive duty in the reserves or Ohio national guard,</u> seventy-five per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board.	130 131 132 133
(E)(F) A member is ineligible to purchase service credit under this section for any year of military service that was:	134 135
(1) Used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except social security, or for retired pay for nonregular service under Chapter 1223 of Section 1662 of Title XVI of the "National Defense Authorization Act for Fiscal Year 1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739;	136 137 138 139 140 141 142
(2) Used to obtain service credit pursuant to section 145.30	143

or 145.302 of the Revised Code.	144
At the time the credit is purchased, the member shall certify on a form furnished by the retirement board that the member does and will conform to this requirement.	145 146 147
(F)(G) A member who, on March 17, 2000, is purchasing service credit under this section by making installment payments to the system or by a payroll deduction plan authorized under section 145.294 of the Revised Code may elect, on a form provided by the board, to have a portion of the cost of the service credit recalculated under division (D)(E) of this section as amended by House Bill 186 of the 123rd general assembly. The recalculation shall apply only to the amount still owed by the member as of the date the election is filed with the board.	148 149 150 151 152 153 154 155 156
For each member who makes an election, the board shall do all of the following:	157 158
(1) Determine the amount of the total cost of the service credit still owed by the member as of the date the election is filed with the board and the number of years or portion of a year of service credit attributable to that amount;	159 160 161 162
(2) Recalculate under division (D)(E) of this section the cost of the service credit described in division (F)(G)(1) of this section;	163 164 165
(3) Notify the member of the recalculated amount.	166
If the recalculated amount is less than the amount still owed by the member as of the date the election is filed, the recalculated amount shall be the amount owed by the member.	167 168 169
(G)(H) Credit purchased under this section may be combined pursuant to section 145.37 with credit for military service purchased under sections 3307.751 and 3309.021, except that not more than an aggregate total of five years of credit purchased	170 171 172 173

under division ~~(A)(B)~~ of this section, division (A) of section 174
3307.751, and division (A) of section 3309.021, and not more than 175
an aggregate total of five years of credit purchased under 176
division ~~(B)(C)~~ of this section, division (B) of section 3307.751, 177
and division (B) of section 3309.021 shall be used in determining 178
retirement eligibility or calculating benefits under section 179
145.37 of the Revised Code. 180

Sec. 3307.58. Any member participating in the plan described 181
in sections 3307.50 to 3307.79 of the Revised Code who has five 182
years of service credit and has attained age sixty, or who has 183
twenty-five years of service credit and has attained age 184
fifty-five, or who has thirty years of service credit shall be 185
granted service retirement after filing with the state teachers 186
retirement board a completed application on a form approved by the 187
board. 188

(A) Service retirement shall be effective on the first day of 189
the month next following the later of: 190

(1) The last day for which compensation was paid; or 191

(2) The attainment of minimum age or service credit 192
eligibility for benefits provided under this section. 193

Except as provided in division (E) of this section, the 194
service retirement benefit shall be the greater of the benefits 195
provided in divisions (B) and (D) of this section. 196

(B) Subject to any adjustment made under division (C) of this 197
section, the annual single lifetime benefit of a member shall be 198
the greater of the amounts determined by the member's Ohio service 199
credit multiplied by one of the following: 200

(1) Eighty-six dollars; 201

(2)(a) The sum of the following amounts: 202

(i) For each of the first thirty years of Ohio service 203

credit, two and two-tenths per cent of the member's final average 204
salary or, subject to the limitation described in division 205
(B)(2)(b) of this section, two and five-tenths per cent of the 206
member's final average salary if the member has thirty-five or 207
more years of service credit under section 3307.53, 3307.57, 208
3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.77, or 209
3307.771 of the Revised Code, division (A)(2) or (B) of former 210
section 3307.513 of the Revised Code, former section 3307.514 of 211
the Revised Code, section 3307.72 of the Revised Code earned after 212
July 1, 1978, or any combination of service credit under those 213
sections; 214

 (ii) For each year or fraction of a year of Ohio service 215
credit in excess of thirty years, two and two-tenths per cent of 216
the member's final average salary or, subject to the limitation 217
described in division (B)(2)(b) of this section, if the member has 218
more than thirty years service credit under section 3307.53, 219
3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.77, 220
or 3307.771 of the Revised Code, division (A)(2) or (B) of former 221
section 3307.513 of the Revised Code, former section 3307.514 of 222
the Revised Code, section 3307.72 of the Revised Code earned after 223
July 1, 1978, or any combination of service credit under those 224
sections, the per cent of final average salary shown in the 225
following schedule for each corresponding year or fraction of a 226
year of service credit under those sections that is in excess of 227
thirty years: 228

Year of Service Credit	Per Cent for that Year	Year of Service Credit	Per Cent for that Year	
30.01 - 31.00	2.5%	35.01 - 36.00	3.0%	229
31.01 - 32.00	2.6	36.01 - 37.00	3.1	230
32.01 - 33.00	2.7	37.01 - 38.00	3.2	231

33.01 - 34.00	2.8	38.01 - 39.00	3.3	236
34.01 - 35.00	2.9			237

For purposes of this schedule, years of service credit shall be 238
rounded to the nearest one-hundredth of a year. 239

(b) For purposes of division (B)(2)(a) of this section, a 240
percentage of final average salary in excess of two and two-tenths 241
per cent shall be applied to service credit under section 3307.57 242
of the Revised Code only if the service credit was established 243
under section 145.30, ~~145.301~~, 145.302, 145.47, 145.483, 3309.02, 244
3309.021, 3309.022, or 3309.47 of the Revised Code ~~or,~~ restored 245
under section 145.31 or 3309.26 of the Revised Code, purchased 246
under division (B) of section 145.301 of the Revised Code for 247
service in the active duty of the armed forces of the United 248
States, reserves, or Ohio national guard, or purchased under 249
division (C) of section 145.301 of the Revised Code. 250

(C) The annual single lifetime benefit of a member determined 251
under division (B) of this section shall be adjusted by the 252
greater per cent shown in the following schedule opposite the 253
member's attained age or Ohio service credit. 254

Attained Age	or	Years of Ohio Service	Per Cent	255
		Credit	of Base	256
58		25	75%	258
59		26	80	259
60		27	85	260
61			88	261
		28	90	262
62			91	263
63			94	264
		29	95	265
64			97	266
65		30 or more	100	267

Members shall vest the right to a benefit in accordance with the following schedule, based on the member's attained age by September 1, 1976:	268 269 270	
Attained Age	Per Cent of Base	271 272 273
66	102%	274
67	104	275
68	106	276
69	108	277
70 or more	110	278
The annual single lifetime benefit determined under division (B) of this section shall not exceed the lesser of one hundred percent of the final average salary or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.	279 280 281 282 283	
(D) The annual single lifetime benefit of a member shall not exceed the lesser of the sum of the following amounts or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended:	284 285 286 287	
(1) An annuity with a reserve equal to the member's accumulated contributions;	288 289	
(2) A pension equal to the amount in division (D)(1) of this section;	290 291	
(3) An additional pension of forty dollars annually multiplied by the number of years of prior and military service credit, except years of credit purchased under section 3307.751 or 3307.752 of the Revised Code;	292 293 294 295	
(4) An additional basic annual pension of one hundred eighty dollars, provided the member had ten or more years of Ohio service credit as of October 1, 1956, except that the additional basic	296 297 298	

annual pension shall not exceed the sum of the annual benefits provided by divisions (D)(1), (2), and (3) of this section.	299 300
(E) Benefits determined under this section shall be paid as provided in section 3307.60 of the Revised Code.	301 302
Sec. 3307.751. (A) A member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service incurred by reason of having been on active duty as a member of the armed forces of the United States, as defined in section 3307.75 of the Revised Code. The credit may be purchased at any time prior to the effective date of a benefit. The number of years purchased under this division shall not exceed five.	303 304 305 306 307 308 309 310 311
(B) For the purposes of this division, "prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States who was captured, separated, and incarcerated by an enemy of the United States.	312 313 314 315
A member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service such member was a prisoner of war. The number of years purchased under this division shall not exceed five. Service credit may be purchased under this division for the same years of service used to purchase service credit under division (A) of this section.	316 317 318 319 320 321 322 323
(C) The total number of years purchased under this section shall not exceed the member's total accumulated number of years of Ohio service.	324 325 326
(D)(1) Except as otherwise provided in division (D)(2) of this section, for each year of service purchased under division	327 328

(A) or (B) of this section, the member shall pay to the state teachers retirement system for credit to the member's accumulated account an amount determined by the member rate of contribution in effect at the time the military service began multiplied by the member's annual compensation for full-time employment during the first year of service in Ohio following termination of military service. If, however, a limit on maximum salary or maximum contribution was in effect at the time the military service began, the limit shall be applied to the salary received during the first year of service in Ohio to calculate the amount of payment. To this amount shall be added an amount equal to compound interest at a rate established by the state teachers retirement board from the date active military service terminated to date of payment.	329 330 331 332 333 334 335 336 337 338 339 340 341
(2) For each year of service purchased under division (A) or (B) of this section for military service that commenced on or after July 1, 1989, and, without regard to when the military service commenced, for each year of service purchased under division (A) or (B) of this section by a member who first established membership in the retirement system on or after July 1, 1989, the member shall pay to the retirement system for credit to the member's individual account an amount specified by the state teachers retirement board that shall be not less than fifty per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board.	342 343 344 345 346 347 348 349 350 351 352 353
(3) A member may choose to purchase only part of the credit the member is eligible to purchase under this section in any one payment, subject to board rules.	354 355 356
(E) A member of the state teachers retirement system is ineligible to purchase service credit under this section for any year of military service that was:	357 358 359

(1) Used in the calculation of any retirement benefit currently being paid to such member or payable in the future under any other retirement program, except for retired pay for non-regular service under Chapter 1223 of Section 1662 of Title XVI of the "National Defense Authorization Act for Fiscal Year 1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739, or social security;	360 361 362 363 364 365 366
(2) Used to obtain service credit pursuant to section 3307.75 or 3307.752 of the Revised Code.	367 368
At the time the credit is purchased, the member shall certify on a form furnished by the board that the member does and will conform to this requirement.	369 370 371
(F) <u>Credit</u> <u>(1) Subject to division (F)(2) of this section,</u> <u>credit</u> purchased under this section may be combined pursuant to section 3307.57 of the Revised Code with credit for military service purchased under <u>sections 145.301 and section</u> 3309.021 of the Revised Code, <u>except that not, division (B) of section 145.301 of the Revised Code for active duty in the armed forces of the United States, reserves, or Ohio national guard, and division (C)</u> <u>of section 145.301 of the Revised Code.</u>	372 373 374 375 376 377 378 379
(2) <u>Not</u> more than a total of five years of credit purchased under division (A) of this section, division <u>(A)(B)</u> of section 145.301 <u>for active duty in the armed forces of the United States, reserves, or Ohio national guard</u> , and division (A) of section 3309.021 and not more than a total of five years of credit purchased under division (B) of this section, division <u>(B)(C)</u> of section 145.301, and division (B) of section 3309.021 of the Revised Code shall be used in determining retirement eligibility or calculating benefits under section 3307.57 of the Revised Code.	380 381 382 383 384 385 386 387 388
Sec. 3309.021. (A) A member may purchase service credit that	389

shall be considered as the equivalent of Ohio service for each 390
year of service incurred by reason of having been on active duty 391
as a member of the armed forces of the United States, as defined 392
in section 3309.02 of the Revised Code. All or part of the credit 393
may be purchased at any time prior to receipt of a retirement 394
allowance. The number of years purchased under this division shall 395
not exceed five. 396

(B) For the purposes of this division, "prisoner of war" 397
means any regularly appointed, enrolled, enlisted, or inducted 398
member of the armed forces of the United States who was captured, 399
separated, and incarcerated by an enemy of the United States. 400

A member may purchase service credit that shall be considered 401
as the equivalent of Ohio service for each year of service such 402
member was a prisoner of war. The number of years purchased under 403
this division shall not exceed five. Service credit may be 404
purchased under this division for the same years of service used 405
to purchase service credit under division (A) of this section. The 406
member may choose to purchase only part of such credit in any one 407
payment, subject to board rules. 408

(C) The total number of years purchased under this section 409
shall not exceed the member's total accumulated number of years of 410
Ohio service. 411

(D) For each year of service purchased under division (A) or 412
(B) of this section, the member shall pay to the school employees 413
retirement system for credit to the member's accumulated account 414
an amount determined by the member rate of contribution in effect 415
at the time the military service began multiplied by the annual 416
compensation for full-time employment during the first year of 417
service covered by the school employees retirement system, public 418
employees retirement system, or state teachers retirement system 419
following termination of military service. If, however, a limit on 420
maximum salary or maximum contribution was in effect at the time 421

the military service began, the limit shall be applied to the salary received during the first year of service in Ohio to calculate the amount of payment. To this amount shall be added an amount equal to compound interest at a rate established by the school employees retirement board from the date of the member's first service covered by the school employees retirement system, public employees retirement system, or state teachers retirement system following termination of the military service to date of payment.	422 423 424 425 426 427 428 429 430
(E) A member of the school employees retirement system is ineligible to purchase service credit under this section for any year of military service that was:	431 432 433
(1) Used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except for retired pay for nonregular service under Chapter 1223 of Section 1662 of Title XVI of the "National Defense Authorization Act for Fiscal Year 1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739, or social security;	434 435 436 437 438 439 440
(2) Used to obtain service credit pursuant to section 3309.02 or 3309.022 of the Revised Code.	441 442
At the time such credit is purchased, the member shall certify on a form furnished by the retirement board that the member does and will conform to this requirement.	443 444 445
(F) <u>Credit</u> <u>(1) Subject to division (F)(2) of this section,</u> <u>credit</u> purchased under this section may be combined pursuant to section 3309.35 of the Revised Code with credit for military service purchased under <u>sections 145.301 and section 3307.751 of the Revised Code, except that not, division (B) of section 145.301 of the Revised Code for active duty in the armed forces of the United States, reserves, or Ohio national guard, and division (C)</u>	446 447 448 449 450 451 452

<u>of section 145.301 of the Revised Code.</u>	453
<u>(2) Not</u> more than an aggregate total of five years of credit purchased under division (A) of this section, division (A)(B) of section 145.301 <u>for active duty in the armed forces of the United States, reserves, or Ohio national guard</u> , and division (A) of section 3307.751 of the Revised Code, and not more than an aggregate total of five years of credit purchased under division (B) of this section, division (B)(C) of section 145.301, and division (B) of section 3307.751 of the Revised Code shall be used in determining retirement eligibility or calculating benefits under section 3309.35 of the Revised Code.	454 455 456 457 458 459 460 461 462 463
Section 2. That existing sections 145.30, 145.301, 3307.58, 3307.751, and 3309.021 of the Revised Code are hereby repealed.	464 465