

As Introduced

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H. B. No. 628

Representative Bacon

Cosponsors: Representatives McGregor, J., Harwood, Stewart, D.

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A B I L L

To amend sections 742.21, 742.27, and 742.45 and to 1
enact section 742.215 of the Revised Code 2
regarding the Ohio Police and Fire Pension Fund. 3

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

Section 1. That sections 742.21, 742.27, and 742.45 be 4
amended and section 742.215 of the Revised Code be enacted to read 5
as follows: 6

Sec. 742.21. (A) As used in this section and sections 742.211 7
to 742.214 of the Revised Code: 8

(1) "Full-time service" has the meaning established by rule 9
of the board of trustees of the Ohio police and fire pension fund. 10

(2) "Military service credit" means credit for service in the 11
armed forces of the United States purchased or obtained from the 12
fund, the Cincinnati retirement system, or a non-uniform 13
retirement system. 14

(3) "Non-uniform retirement system" or "non-uniform system" 15
means the public employees retirement system, school employees 16
retirement system, or state teachers retirement system. 17

(B) Unless section 742.212 of the Revised Code applies and 18

except as provided in divisions (G) and (I) of this section, in 19
computing the pension and benefits payable under section 742.37 or 20
742.39 of the Revised Code, the Ohio police and fire pension fund 21
shall give a member of the fund who is in the active service of a 22
police or fire department, is not receiving a pension or benefit 23
payment from the fund, and is not a participant in the deferred 24
retirement option plan established under section 742.43 of the 25
Revised Code full credit for service credit earned for full-time 26
service as a member of the Cincinnati retirement system or 27
purchased or obtained as military service credit if, for each year 28
of service credit, the fund receives the sum of the following: 29

(1) An amount, which shall be paid by the member, equal to 30
the amount withdrawn by the member from the retirement system that 31
is attributable to the year of service credit, with interest at a 32
rate established by the board on that amount from the date of 33
withdrawal to the date of payment; 34

(2) Interest, which shall be paid either by the member or the 35
Cincinnati retirement system, on the amount withdrawn by the 36
member from the Cincinnati retirement system that is attributable 37
to the year of service from the last day of the year for which the 38
service credit was earned or in which payment was made for 39
military service credit to the date the withdrawal was made; 40

(3) An amount, which shall be paid by either the member or 41
the Cincinnati retirement system, equal to the lesser of the 42
amount contributed by the employer to the Cincinnati retirement 43
system for the year of service or the amount that would have been 44
contributed by the employer for the year of service had the member 45
been employed by the member's current employer as a member of a 46
police or fire department at the time the credit was earned, with 47
interest on that amount from the last day of the year for which 48
the service credit was earned or in which payment was made for 49
military service credit to the date the payment is made; 50

(4) If the member became a member of the fund on or after 51
September 16, 1998, the amount, which shall be paid by the member, 52
determined pursuant to division (I) of this section. 53

Interest shall be determined in accordance with division (H) 54
of this section. 55

(C)(1) Except as provided in divisions (G) and (I) of this 56
section, in computing the pension and benefits payable under 57
section 742.37 or 742.39 of the Revised Code, the fund shall give 58
a member of the fund who is in the active service of a police or 59
fire department, is not receiving a pension or benefit payment 60
from the fund, has withdrawn the member's contributions from a 61
non-uniform retirement system, and is not a participant in the 62
deferred retirement option plan established under section 742.43 63
of the Revised Code full credit for service credit earned for 64
full-time service as a member of the non-uniform system or 65
purchased or obtained as military service credit if, for each year 66
of service, the fund receives the sum of the following: 67

(a) An amount, which shall be paid by the member, equal to 68
the amount withdrawn by the member from the non-uniform system 69
that is attributable to that year of service credit, with interest 70
at a rate established by the board on that amount from the date of 71
withdrawal to the date of payment; 72

(b) If the member is seeking credit for service under the 73
public employees retirement system or state teachers retirement 74
system, an amount, which shall be paid by the member, equal to the 75
amount of any employer contributions and interest on employee 76
contributions the member received under section 145.40 or 3307.563 77
of the Revised Code; 78

(c) Interest, which shall be transferred by the non-uniform 79
system, on the amount withdrawn by the member from the non-uniform 80
system that is attributable to the year of service from the last 81

day of the year for which the service credit was earned or in 82
which payment was made for military service credit to the date the 83
withdrawal was made; 84

(d) An amount, which shall be transferred by the non-uniform 85
system, equal to the lesser of the amount contributed by the 86
employer to the non-uniform system for the year of service or the 87
amount that would have been contributed by the employer for the 88
year of service had the member been employed by the member's 89
current employer as a member of a police or fire department at the 90
time the credit was earned, with interest on that amount from the 91
last day of the year for which the service credit was earned or in 92
which payment was made for military service credit to the date the 93
transfer is made; 94

(e) If the member became a member of the fund on or after 95
September 16, 1998, the amount, which shall be paid by the member, 96
determined pursuant to division (I) of this section. 97

(2) On receipt of payment from the member, the fund shall 98
notify the non-uniform system, and on receipt of the notice, the 99
non-uniform system shall make the transfer. Interest shall be 100
determined in accordance with division (H) of this section. 101

(3) The amount transferred under division (C)(1) of this 102
section by the public employees retirement system or state 103
teachers retirement system shall not include any amount of 104
employer contributions and interest on employee contributions the 105
member received under section 145.40 or 3307.563 of the Revised 106
Code. 107

(D) Except as provided in divisions (G) and (I) of this 108
section, in computing the pension and benefits payable under 109
section 742.37 or 742.39 of the Revised Code, the fund shall give 110
a member of the fund who is in the active service of a police or 111
fire department, is not receiving a pension or benefit from the 112

fund, has contributions on deposit with a non-uniform retirement 113
system, and is not a participant in the deferred retirement option 114
plan established under section 742.43 of the Revised Code full 115
credit for service credit earned for full-time service as a member 116
of the non-uniform system or service credit purchased or obtained 117
as military service credit if both of the following occur: 118

(1) The non-uniform system transfers to the fund, for each 119
year of service, the sum of the following: 120

(a) The amount, contributed by the member or, in the case of 121
military service credit, paid by the member, that is attributable 122
to that service; 123

(b) An amount equal to the lesser of the amount contributed 124
by the employer to the non-uniform system for the year of service 125
or the amount that would have been contributed by the employer for 126
the year of service had the member been employed by the member's 127
current employer as a member of a police or fire department at the 128
time the credit was earned; 129

(c) Interest on the amounts specified in divisions (D)(1)(a) 130
and (b) of this section from the last day of the year for which 131
the service credit in the non-uniform system was earned or in 132
which military service credit was purchased or obtained to the 133
date the transfer is made. 134

(2) If the member became a member of the fund on or after 135
September 16, 1998, the member pays the amount determined pursuant 136
to division (I) of this section. 137

On receipt of a request from the member, the appropriate 138
non-uniform system shall make the transfer specified in division 139
(D)(1) of this section. Interest shall be determined in accordance 140
with division (H) of this section. 141

(E) Subject to board rules, a member of the fund may choose 142
to purchase in any one payment only part of the credit the member 143

is eligible to purchase under division (B) or (C)(1) of this 144
section. 145

(F) At the request of the fund, the non-uniform retirement 146
system or Cincinnati retirement system shall certify to the fund a 147
copy of the records of the service and contributions of a member 148
of the fund who seeks service credit under this section. 149

(G) A member of the fund is ineligible to receive credit 150
under this section for service that is used in the calculation of 151
any retirement benefit currently being paid or payable in the 152
future to the member under any other retirement program, service 153
rendered concurrently with any other period for which service 154
credit has already been granted, or for service credit that may be 155
transferred under section 742.214 of the Revised Code. 156

(H) Interest charged under this section shall be calculated 157
separately for each year of service credit. Unless otherwise 158
specified in this section, it shall be calculated at the lesser of 159
the actuarial assumption rate for that year of the fund or of the 160
system in which the credit was earned. The interest shall be 161
compounded annually. 162

The board may, by rule, establish procedures for the receipt 163
of service credit under this section. 164

(I) The amount to be paid pursuant to division (B)(4), 165
(C)(1)(e), or (D)(2) of this section or division (B)(2) or 166
(C)(2)(b) of section 742.212 of the Revised Code is the sum of the 167
following: 168

(1) An amount equal to the difference between the amount the 169
member paid as employee contributions for the service and the 170
amount the member would have paid had the member been employed by 171
the member's current employer as a member of a police or fire 172
department; 173

(2) An amount equal to the difference between the amount paid 174

or transferred under division (B)(3), (C)(1)(d), or (D)(1)(b) of 175
this section or division (B)(2) or (C)(2)(b) of section 742.212 of 176
the Revised Code and the amount that would have been contributed 177
by the employer for the service had the member been employed by 178
the member's current employer as a member of a police or fire 179
department; 180

(3) Interest, determined in accordance with division (H) of 181
this section, on the amounts specified in divisions (I)(1) and (2) 182
of this section. 183

At the request of a member, in lieu of requiring payment of 184
all or part of the amount determined under this division the fund 185
may grant the member an amount of service credit under division 186
(B), (C), or (D) of this section or division (B) or (C) of section 187
742.212 of the Revised Code that is less than the amount for which 188
the member is eligible. The service credit granted shall be the 189
same percentage of the service credit for which the member is 190
eligible that the amount the fund receives under division (B), 191
(C), or (D) of this section or division (B) or (C) of section 192
742.212 of the Revised Code is of the total amount it would 193
receive under those divisions if the full amount determined under 194
this division was paid. 195

~~(J)(1) Except as provided in division (J)(2) of this section 196
and notwithstanding any contrary provision of this section, the 197
board shall, in computing a pension or benefit under section 198
742.37 or 742.39 of the Revised Code, give a member of the fund 199
who is not receiving a pension or disability benefit from the fund 200
full credit for service credit purchased under this section for 201
service that was less than full time service if the member 202
provides evidence satisfactory to the board that, after receiving 203
written notice from the fund indicating that the member would be 204
permitted to purchase service credit for service that was less 205
than full time, the member changed or ceased the member's 206~~

~~employment with the understanding that the credit identified in 207
the notice would be used in computing a pension or benefit. If the 208
board has canceled service credit purchased under this section for 209
service that was less than full time service and the member meets 210
the requirements of division (J)(1) of this section, the board 211
shall restore the service credit on repayment to the fund of the 212
amount refunded to the member at the time of cancellation. 213~~

~~(2) If a member of the fund who is not receiving a pension or 214
disability benefit from the fund purchased credit under this 215
section for service that was less than full time service and does 216
not meet the requirements of division (J)(1) of this section, the 217
board shall refund to the member any amounts paid to purchase the 218
credit, with interest at a rate determined by the board from the 219
date the member purchased the credit to the date of the refund. 220~~

~~(K) A member of the fund who has purchased service credit 221
under this section, or the member's estate, is entitled to a 222
refund of the amount or portion of the amount paid to purchase the 223
credit if the purchased credit or portion of credit does not 224
increase a pension or benefit payable under section 742.37 or 225
742.39 or calculated under section 742.442 of the Revised Code. 226
The refund cancels an equivalent amount of service credit. 227~~

~~(L)(K) If a member or former member of the fund who is not a 228
current contributor and has not received a refund of accumulated 229
contributions elects to receive credit under section 145.295, 230
3307.761, or 3309.73 of the Revised Code for service for which the 231
member contributed to the fund or purchased as military service 232
credit, the fund shall transfer to the non-uniform retirement 233
system the amount specified in division (B) of section 145.295 of 234
the Revised Code, division (C) of section 3307.761 of the Revised 235
Code, or division (B) of section 3309.73 of the Revised Code. 236~~

~~(M)(L) The board shall adopt rules establishing a payroll 237
deduction plan for the purchase of service credit under this 238~~

section. The rules shall meet the requirements described in 239
section 742.56 of the Revised Code. 240

Sec. 742.215. (A) Except as provided in division (B) of this 241
section, and notwithstanding any contrary provision of this 242
chapter, the board of trustees of the Ohio police and fire pension 243
fund shall, in computing a pension or benefit under section 742.37 244
or 742.39 of the Revised Code, give a member of the fund who is 245
not receiving a pension or disability benefit from the fund full 246
credit for service credit purchased or obtained under this chapter 247
for service that was less than full-time service if the member 248
provides evidence satisfactory to the board that, after receiving 249
written notice from the fund indicating that the member would be 250
permitted to purchase or obtain credit for service that was less 251
than full time, the member changed or ceased the member's 252
employment with the understanding that the credit identified in 253
the notice would be used in computing a pension or benefit. If the 254
board has canceled service credit purchased or obtained under this 255
chapter for service that was less than full time and the member 256
meets the requirements of this division, the board shall restore 257
the credit on repayment to the fund of the amount refunded to the 258
member at the time of cancellation. 259

(B) If a member who is not receiving a pension or disability 260
benefit from the fund purchased or obtained service credit under 261
this chapter for service that was less than full-time service and 262
does not meet the requirements of division (A) of this section, 263
the board shall refund to the member any amounts paid to purchase 264
the credit with interest at a rate determined by the board from 265
the date the member purchased the credit to the date of the 266
refund. 267

Sec. 742.27. (A) As used in this section, "lay off" means to 268
cease to employ a person pursuant to sections 124.321 to 124.328 269

of the Revised Code or pursuant to any similar provisions that	270
apply to the person under any of the following:	271
(1) A collective bargaining agreement entered into under	272
Chapter 4117. of the Revised Code;	273
(2) Any ordinance, resolution, contract, agreement, policy,	274
or procedure governing employment.	275
(B) A member of the Ohio police and fire pension fund who,	276
during employment as a member of a police or fire department, is	277
removed from active pay status by being laid off by the member's	278
employer, shall, in computing years of active service under	279
division (C) of section 742.37 or section 742.39 of the Revised	280
Code, be given full credit for time for which contributions were	281
not made during the period the member was laid off, if all of the	282
following conditions are met:	283
(1) During the time the member was laid off, the member was	284
not entitled to receive disability benefits from the fund.	285
(2) During the time the member was laid off, the member did	286
not render any service that is used in the calculation of any	287
public or private retirement benefit, except any federal social	288
security retirement benefit, currently being paid or payable in	289
the future to the member.	290
(3) The fund receives the amount determined under division	291
(C) of this section from the member, the member's employer, or the	292
member and the employer.	293
(4) At the time the fund receives the amount described in	294
division (B)(3) of this section, the member is not a participant	295
in the deferred retirement option plan established under section	296
742.43 of the Revised Code.	297
The total amount of service purchased by any member under	298
this section shall not exceed two years. A member may choose to	299

purchase only part of such credit in any one payment, subject to 300
board rules. 301

(C) The amount paid for the credit purchased under this 302
section shall be an amount equal to the additional liability to 303
the fund resulting from the purchase of the credit, as determined 304
by an actuary employed by the board of trustees of the fund. 305

(D) The board shall have final authority to determine and fix 306
the amount of the payment for credit purchased under this section. 307
The employer may pay all or part of the payment. 308

(E) A member of the fund who has purchased service credit 309
under this section, or the member's estate, is entitled to a 310
refund of the amount or portion of amount paid to purchase the 311
credit if the purchased credit or portion of credit does not 312
increase a pension or benefit payable under section 742.37 or 313
742.39 of the Revised Code or calculated under section 742.442 of 314
the Revised Code. The refund cancels an equivalent amount of 315
service credit. 316

(F) The board shall adopt rules for the implementation of 317
this section. 318

Sec. 742.45. (A) The board of trustees of the Ohio police and 319
fire pension fund may enter into an agreement with insurance 320
companies, health insuring corporations, or government agencies 321
authorized to do business in the state for issuance of a policy or 322
contract of health, medical, hospital, or surgical benefits, or 323
any combination thereof, for those individuals receiving service 324
or disability pensions or survivor benefits subscribing to the 325
plan. Notwithstanding any other provision of this chapter, the 326
policy or contract may also include coverage for any eligible 327
individual's spouse and dependent children and for any of the 328
eligible individual's sponsored dependents as the board considers 329
appropriate. 330

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

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

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

(B) ~~The~~ Except as otherwise provided in this division, the board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of service, disability, or survivor benefits under the Ohio police and fire pension fund who is eligible for medical insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, an amount ~~equal to the basic premiums specified by the board or determined pursuant to a formula established by the board that is not less than ninety-six dollars and forty cents for such coverage, except that the board shall not pay an amount that exceeds the amount paid by the recipient for the coverage.~~

The board shall pay not more than one monthly premium under this division to an eligible benefit recipient even if the recipient is receiving more than one monthly benefit from the

fund. The board shall not pay a monthly premium under this 363
division to an eligible benefit recipient who is receiving 364
reimbursement for the premium from any other source. 365

(C) The board shall establish by rule requirements for the 366
coordination of any coverage, payment, or benefit provided under 367
this section with any similar coverage, payment, or benefit made 368
available to the same individual by the public employees 369
retirement system, state teachers retirement system, school 370
employees retirement system, or state highway patrol retirement 371
system. 372

(D) The board shall make all other necessary rules pursuant 373
to the purpose and intent of this section. 374

Section 2. That existing sections 742.21, 742.27, and 742.45 375
of the Revised Code are hereby repealed. 376