

As Passed by the Senate

**129th General Assembly
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Sub. S. B. No. 340

Senators Niehaus, Kearney

Cosponsors: Senators Bacon, Coley, Hite, Jones, Lehner, Schiavoni, Seitz

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A B I L L

To amend sections 171.04, 742.01, 742.04, 742.10, 1
742.14, 742.16, 742.30, 742.301, 742.31, 742.32, 2
742.33, 742.34, 742.35, 742.37, 742.3711, 3
742.3716, 742.38, 742.39, 742.44, 742.442, 4
742.443, 742.444, 742.45, 742.63, and 742.64; to 5
enact sections 742.012, 742.013, and 742.161; and 6
to repeal section 742.011 of the Revised Code to 7
revise the law governing the Ohio Police and Fire 8
Pension Fund. 9

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

Section 1. That sections 171.04, 742.01, 742.04, 742.10, 10
742.14, 742.16, 742.30, 742.301, 742.31, 742.32, 742.33, 742.34, 11
742.35, 742.37, 742.3711, 742.3716, 742.38, 742.39, 742.44, 12
742.442, 742.443, 742.444, 742.45, 742.63, and 742.64 be amended 13
and sections 742.012, 742.013, and 742.161 of the Revised Code be 14
enacted to read as follows: 15

Sec. 171.04. The Ohio retirement study council shall: 16

(A) Make an impartial review from time to time of all laws 17
governing the administration and financing of the pension and 18
retirement funds under Chapters 145., 146., 742., 3307., 3309., 19

and 5505. of the Revised Code and recommend to the general 20
assembly any changes it may find desirable with respect to the 21
allowances and benefits, sound financing of the cost of benefits, 22
the prudent investment of funds, and the improvement of the 23
language, structure, and organization of the laws; 24

(B) Make an annual report to the governor and to the general 25
assembly covering its evaluation and recommendations with respect 26
to the operations of the state retirement systems and their funds; 27

(C) Study all changes in the retirement laws proposed to the 28
general assembly and report to the general assembly on their 29
probable costs, actuarial implications, and desirability as a 30
matter of public policy; 31

(D) Review semiannually the policies, objectives, and 32
criteria adopted under sections 145.11, 742.11, 3307.15, 3309.15, 33
and 5505.06 of the Revised Code for the operation of the 34
investment programs of the state retirement systems, including a 35
review of asset allocation targets and ranges, risk factors, asset 36
class benchmarks, time horizons, total return objectives, relative 37
volatility, and performance evaluation guidelines. The council 38
shall, not later than thirty days after completing a review, 39
submit to the governor and the general assembly a report 40
summarizing its findings. 41

(E) Have prepared by an independent actuary, at least once 42
every ten years, an actuarial review of the ~~annual~~ actuarial 43
valuations and quinquennial actuarial investigations prepared 44
under sections 145.22, 742.14, 3307.20, 3309.21, and 5505.12 of 45
the Revised Code, including a review of the actuarial assumptions 46
and methods, the data underlying the valuations and 47
investigations, and the adequacy of each system's employee and 48
employer contribution rates to amortize its unfunded actuarial 49
pension liability, if any, and to support the payment of benefits 50
authorized by Chapter 145., 742., 3307., 3309., or 5505. of the 51

Revised Code. The council shall submit to the governor and the 52
general assembly a report summarizing the review. 53

(F) Have conducted by an independent auditor at least once 54
every ten years a fiduciary performance audit of each of the state 55
retirement systems. 56

All costs associated with an audit conducted pursuant to 57
division (F) of this section shall be paid by the retirement 58
system audited. 59

(G) Provide each member of the council with copies of all 60
proposed rules submitted to the council pursuant to sections 61
145.09, 742.10, 3307.04, 3309.04, and 5505.04 of the Revised Code 62
and submit any recommendations to the joint committee on agency 63
rule review. 64

Sec. 742.01. As used in this chapter: 65

(A)(1) "Police department" means the police department of a 66
municipal corporation. 67

(2) "Member of a police department" means any of the 68
following: 69

(a) Any person who receives an original appointment as a 70
full-time regular police officer in a police department from a 71
duly established civil service eligible list or pursuant to 72
section 124.411 of the Revised Code, or who is described in 73
section 742.511 of the Revised Code, or who transfers from the 74
public employees retirement system to the Ohio police and fire 75
pension fund pursuant to section 742.513 of the Revised Code, or 76
who is appointed pursuant to section 737.15 or 737.16 of the 77
Revised Code as a full-time regular police officer and is paid 78
solely out of public funds of the employing municipal corporation; 79

(b) Any person who, on October 1, 1965, was contributing four 80
per cent of the person's annual salary to a police relief and 81

pension fund established under former section 741.32 of the Revised Code;

(c) Any person who commences employment on or after September 16, 1998, as a full-time police officer with a police department in a position in which the person is required to satisfactorily complete a peace officer training course in compliance with section 109.77 of the Revised Code.

(B)(1) "Fire department" means a fire department of the state or an instrumentality of the state or of a municipal corporation, township, joint fire district, or other political subdivision.

(2) "Member of a fire department" means all of the following:

(a) Any person who commences employment after November 8, 1990, as a full-time firefighter with a fire department, in a position in which the person is required to satisfactorily complete or have satisfactorily completed a firefighter training course approved under former section 3303.07 or section 4765.55 or conducted under section 3737.33 of the Revised Code;

(b) Any person who has elected under section 742.515 of the Revised Code to be transferred from the public employees retirement system to the Ohio police and fire pension fund;

(c) Any full-time firefighter who, on November 8, 1990, is a member of the Ohio police and fire pension fund.

(C) "Employee" means any person who is a member of a police department or a member of a fire department.

(D) "Employer" means the government entity by which an employee is employed and paid.

(E) "Member of the fund" means any person, except an other system retirant as defined in section 742.26 of the Revised Code, who is contributing a percentage of the person's annual salary to the Ohio police and fire pension fund or who is receiving a

disability benefit or pension from the fund as a result of service 112
in a police or fire department. A person, other than an other 113
system retirant, who is contributing a percentage of the person's 114
annual salary to the fund and is dismissed, resigns, or is granted 115
a leave of absence from a police or fire department shall be 116
considered a "member of the fund" for a period of twelve months 117
after the first day of the dismissal, resignation, or leave of 118
absence, provided the sum deducted from the person's salary and 119
credited to the person's account in the fund remains on deposit in 120
the fund. 121

A member of the Ohio national guard, the Ohio military 122
reserve, the Ohio naval militia, or a reserve component of the 123
armed forces of the United States who is absent from employment 124
due to active military duty because of an executive order issued 125
by the president of the United States or an act of congress shall 126
be considered a member of the fund for the duration of the active 127
military duty. 128

(F) "Year," for the purpose of determining benefits, means 129
any twelve consecutive calendar months of active service as a 130
member of the fund, or, in the case of a member whose salary is 131
paid weekly or biweekly, fifty-two consecutive weeks of active 132
service as a member. 133

(G) "Average annual salary" means the highest average annual 134
salary of a member of the fund during any ~~three~~ of the number of 135
years of contributions specified in section 742.37 or 742.39 of 136
the Revised Code, as appropriate, and determined by dividing the 137
member's total salary as an employee during ~~the~~ those years by 138
~~three~~ that number. 139

For the purpose of determining average annual salary for 140
members who, as of July 1, 2013, have fifteen or more years of 141
service credit, "salary" has the same meaning as in division 142
(L)(2) of this section, except that it does not include any 143

amounts that exceed the salary benchmark, determined as follows: 144

(1) Divide by three the total of the member's salaries for 145
the contiguous three-year period immediately preceding the 146
contiguous three-year period immediately prior to the member's 147
effective date of retirement under section 742.37 or effective 148
date of participation in a deferred option retirement plan under 149
section 742.44 of the Revised Code; 150

(2) Multiply the amount determined under division (G)(1) of 151
this section by one hundred ten per cent; 152

(3) Multiply the amount determined under division (G)(2) of 153
this section by one hundred ten per cent; 154

(4) Multiply the amount determined under division (G)(3) of 155
this section by one hundred ten per cent; 156

(5) The amount determined under division (G)(4) of this 157
section is the salary benchmark. 158

(H) "Normal service pension benefit" means the pension 159
benefit payable to a member of the fund under division (C)(1) of 160
section 742.37 of the Revised Code upon ~~attaining age forty eight~~ 161
attainment of the applicable age listed in that section. 162

(I) "Retirement allowance" means the total pension benefit or 163
disability benefit to which a member of the fund may be entitled 164
under division (C) of section 742.37 or section 742.39 of the 165
Revised Code. 166

(J) "Fiduciary" means a person who does any of the following: 167

(1) Exercises any discretionary authority or control with 168
respect to the management of the system, or with respect to the 169
management or disposition of its assets; 170

(2) Renders investment advice for a fee, direct or indirect, 171
with respect to money or property of the system; 172

(3) Has any discretionary authority or responsibility in the 173

administration of the system. 174

(K) ~~"Terminal pay"~~ Except as provided in rules authorized by 175
section 742.013 of the Revised Code, "terminal pay" means the 176
following payments made by an employer to an employee ~~on~~ 177
~~termination of employment~~ regardless of whether the payments are 178
made before or after termination: 179

(1) Payments for accrued but unused leave, including sick 180
leave, vacation, personal leave, and compensatory time; 181

(2) Payments deferred more than one year compensating the 182
employee for holidays worked or for longevity; 183

(3) Payments for overtime worked that are not included ~~either~~ 184
in the payroll for the period in which the overtime is worked or 185
~~for the next subsequent payroll~~ for any period ending not later 186
than sixty days after the overtime is worked; 187

(4) Other payments that are not compensation for services 188
rendered in the last pay period in which services were rendered 189
and are designated as terminal pay by rule of the board of 190
trustees of the Ohio police and fire pension fund. The board shall 191
not designate as terminal pay payments deferred one year or less 192
compensating an employee for holidays worked or for longevity. 193

(L)(1) Except as otherwise provided in this division or in 194
rules authorized by section 742.013 of the Revised Code, "salary" 195
means all compensation, wages, and other earnings paid to an 196
employee by reason of employment, but without regard to whether 197
compensation, wages, or other earnings are treated as deferred 198
income for federal income tax purposes. "Salary" includes payments 199
for overtime that are ~~made not later than the payroll following~~ 200
~~the payroll period in which the~~ included in the payroll for the 201
period in which the overtime is worked or the payroll for any 202
period not later than sixty days after the overtime is worked. 203

(2) "Salary" does not include any of the following: 204

(a) Compensation for services outside the scope of an employee's regular employment;	205 206
(b) Reimbursement of expenses;	207
(c) Terminal pay;	208
(d) Payments for accrued but unused sick leave or personal leave, or vacation pay covering periods for which salary, compensation, or benefits are paid;	209 210 211
(e) Payments made under division (B), (C), or (E) of section 5923.05 of the Revised Code, Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly, Section 3 of Amended Substitute Senate Bill No. 164 of the 124th general assembly, or Amended Substitute House Bill No. 405 of the 124th general assembly;	212 213 214 215 216 217
(f) Payments made to or on behalf of an employee that are in excess of the annual compensation that may be taken into account by the fund under division (a)(17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a)(17), as amended.	218 219 220 221 222
(3) The board shall determine by rule whether any compensation, wages, or earnings not enumerated in this division is salary, and its decision shall be final.	223 224 225
(M) "Actuary" means an individual who satisfies all of the following requirements:	226 227
(1) Is a member of the American academy of actuaries;	228
(2) Is an associate or fellow of the society of actuaries;	229
(3) Has a minimum of five years' experience in providing actuarial services to public retirement plans.	230 231
<u>Sec. 742.012. Contributions made to the Ohio police and fire pension fund for salary that exceeds the salary benchmark</u>	232 233

calculated under division (G) of section 742.01 of the Revised Code shall be refunded in accordance with rules adopted by the trustees of the board under section 742.10 of the Revised Code. 234
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Sec. 742.013. The board may, by rule adopted under section 742.10 of the Revised Code, establish definitions of "terminal pay" and "salary" that differ from those in divisions (K) and (L) of section 742.01 of the Revised Code. In establishing the definitions, the board may use elements of the compensation provisions of the United States Internal Revenue Code and the Internal Revenue Code form W-2, as those provisions are interpreted by the internal revenue service of the United States department of treasury. 237
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Sec. 742.04. As used in this section, "county" means the county of residence of an individual who signs a nominating petition. 246
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Election of the employee members, firefighter retirant member, and police retirant member of the board of trustees of the Ohio police and fire pension fund shall be under the supervision and direction of the board in accordance with rules adopted under section 742.045 of the Revised Code. 249
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Nominating petitions for candidates for an employee member of the board elected by police officers shall be signed by at least one hundred police officers, with at least twenty signers from each of at least five counties of the state, and certified in accordance with rules adopted under section 742.045 of the Revised Code. 254
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Nominating petitions for candidates for an employee member of the board elected by firefighters shall be signed by at least one hundred firefighters, with at least twenty signers from each of at least five counties of the state, and certified in accordance with 260
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rules adopted under section 742.045 of the Revised Code. 264

Nominating petitions for candidates for an employee member of 265
the board shall be filed in the office of the board not later than 266
four p.m. on the first Monday in April preceding the date of the 267
expiration of the term of the employee member of the board whose 268
successor is to be elected. 269

The board shall cause ballots to be prepared for the election 270
of employee members of the board which shall contain the names of 271
all candidates for whom certified nominating petitions have been 272
filed with the board. 273

A police officer or firefighter is eligible to vote in an 274
election if the police officer or firefighter is a member of the 275
fund on the ~~thirty-first Monday in March~~ day of January preceding 276
the date of the expiration of the term of the employee member of 277
the board whose successor is to be elected. The board shall 278
determine whether a member of the fund is eligible to vote at an 279
election and its decision shall be final. 280

On or before the first Monday in May preceding the date of 281
the expiration of the term of the employee member of the board 282
whose successor is to be elected, the board shall cause ballots to 283
be sent to each member of the fund who is eligible to vote at such 284
election to the address of such member as shown on the records of 285
the board. 286

Ballots shall be returned to the board not later than the 287
third Tuesday in May following the date that the ballots were 288
mailed to the members of the fund eligible to vote at such 289
election. 290

On certification of the election results in accordance with 291
rules adopted under section 742.045 of the Revised Code, the 292
person receiving the highest number of votes shall be elected as 293
an employee member of the board for a term of four years beginning 294

on the first Monday in June following such election. 295

Nominating petitions for candidates for the police retirant 296
member of the board shall be signed by at least fifty police 297
retirants, with at least ten signers from at least five counties 298
of the state, and certified in accordance with rules adopted under 299
section 742.045 of the Revised Code. 300

Nominating petitions for candidates for the firefighter 301
retirant member of the board shall be signed by at least fifty 302
firefighter retirants, with at least ten signers from at least 303
five counties of the state, and certified in accordance with rules 304
adopted under section 742.045 of the Revised Code. 305

Nominating petitions for candidates for the retirant members 306
of the board shall be filed in the office of the board not later 307
than four p.m. on the first Monday in April preceding the date of 308
the expiration of the term of the retirant member of the board 309
whose successor is to be elected. 310

The board shall cause ballots to be prepared for the election 311
of these board members which shall contain the names of all 312
candidates for whom certified nominating petitions have been filed 313
with the board. 314

A retirant is eligible to vote in an election if the retirant 315
is a police retirant or firefighter retirant on the thirty-first 316
~~Monday in April~~ day of January preceding the date of the 317
expiration of the term of the retirant member of the board whose 318
successor is to be elected. The board shall determine whether a 319
police retirant or firefighter retirant is eligible to vote at an 320
election and its decision shall be final. 321

On or before the first Monday in May preceding the date of 322
the expiration of the term of a retirant member of the board whose 323
successor is to be elected, the board shall cause ballots to be 324
sent to each person who is eligible to vote in the election to the 325

address of the person as shown on the records of the board. 326

Ballots shall be returned to the board not later than the 327
third Tuesday in May following the date that the ballots were 328
mailed to the persons eligible to vote in the election. 329

On certification of the election results in accordance with 330
rules adopted under section 742.045 of the Revised Code, the 331
person receiving the highest number of votes shall be elected as 332
the police retirant member or the firefighter retirant member of 333
the board for a term of four years beginning on the first Monday 334
in June following the election. 335

Sec. 742.10. The board of trustees of the Ohio police and 336
fire pension fund may sue and be sued, plead and be impleaded, 337
contract and be contracted with, employ and fix the compensation 338
of employees, and adopt rules for the proper administration and 339
management of the fund. 340

Effective ninety days after ~~the effective date of this~~ 341
~~amendment~~ September 15, 2004, the board of trustees may not employ 342
a state retirement system investment officer, as defined in 343
section 1707.01 of the Revised Code, who does not hold a valid 344
state retirement system investment officer license issued by the 345
division of securities in the department of commerce. 346

If the Ohio retirement study council establishes a uniform 347
format for any report the board is required to submit to the 348
council, the board shall submit the report in that format. 349

The attorney general shall prescribe procedures for the 350
adoption of rules authorized under this chapter, consistent with 351
the provisions of section 111.15 of the Revised Code under which 352
all rules shall be filed in order to be effective. Such procedures 353
shall establish methods by which notice of proposed rules is given 354
to interested parties and rules adopted by the board published and 355

otherwise made available. When it files a rule with the joint 356
committee on agency rule review pursuant to section 111.15 of the 357
Revised Code, the board shall submit to the Ohio retirement study 358
council a copy of the full text of the rule, and if applicable, a 359
copy of the rule summary and fiscal analysis required by division 360
(B) of section 127.18 of the Revised Code. 361

~~All rules adopted pursuant to this chapter, prior to August 362
20, 1976, shall be published and made available to interested 363
parties by January 1, 1977. 364~~

Sec. 742.14. (A) The board of trustees of the Ohio police and 365
fire pension fund shall have prepared ~~annually~~ triennially by or 366
under the supervision of an actuary an actuarial valuation of the 367
pension assets, liabilities, and funding requirements of the Ohio 368
police and fire pension fund as established pursuant to sections 369
742.01 to 742.61 of the Revised Code. The actuary shall complete 370
the valuation in accordance with actuarial standards of practice 371
promulgated by the actuarial standards board of the American 372
academy of actuaries and prepare a report of the valuation. The 373
report shall include all of the following: 374

(1) A summary of the benefit provisions evaluated; 375

(2) A summary of the census data and financial information 376
used in the valuation; 377

(3) A description of the actuarial assumptions, actuarial 378
cost method, and asset valuation method used in the valuation, 379
including a statement of the assumed rate of payroll growth and 380
assumed rate of growth or decline in the number of members of the 381
fund contributing to the pension fund; 382

(4) A summary of findings that includes a statement of the 383
actuarial accrued pension liabilities and unfunded actuarial 384
accrued pension liabilities; 385

(5) A schedule showing the effect of any changes in the 386
benefit provisions, actuarial assumptions, or cost methods since 387
the last annual actuarial valuation; 388

(6) A statement of whether employee and employer 389
contributions to the pension fund are expected to be sufficient to 390
satisfy the funding objectives established by the board. 391

~~The board shall submit the first triennial report shall be~~ 392
~~made not later than November 1, 2013,~~ to the Ohio retirement study 393
council and the standing committees of the house of 394
representatives and the senate with primary responsibility for 395
retirement legislation ~~not later than the first day of November~~ 396
~~following the year for which the valuation was made and thereafter~~ 397
~~triennially, not later than the first day of November.~~ 398

~~(B) The board shall annually thereafter have prepared by an~~ 399
~~actuary a report showing the adequacy of the rate of the police~~ 400
~~officer employers' contribution provided for by section 742.33 of~~ 401
~~the Revised Code, and the adequacy of the rate of the firefighter~~ 402
~~employers' contribution provided for by section 742.34 of the~~ 403
~~Revised Code.~~ 404

~~(C)~~ At such times as the board determines, and at least once 405
in each quinquennial period, the board shall have prepared by or 406
under the supervision of an actuary an actuarial investigation of 407
the mortality, service, and other experience of the members of the 408
fund and of other system retirants, as defined in section 742.26 409
of the Revised Code, who are members of a police department or a 410
fire department to update the actuarial assumptions used in the 411
actuarial valuation required by division (A) of this section. The 412
actuary shall prepare a report of the actuarial investigation. The 413
report shall be prepared and any recommended changes in actuarial 414
assumptions shall be made in accordance with the actuarial 415
standards of practice promulgated by the actuarial standards board 416
of the American academy of actuaries. The report shall include all 417

of the following:	418
(1) A summary of relevant decrement and economic assumption experience observed over the period of the investigation;	419 420
(2) Recommended changes in actuarial assumptions to be used in subsequent actuarial valuations required by division (A) of this section;	421 422 423
(3) A measurement of the financial effect of the recommended changes in actuarial assumptions;	424 425
(4) If the investigation required by this division includes the investigation required by division (F) (E) of this section, a report of the result of that investigation.	426 427 428
The board shall submit the report to the Ohio retirement study council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the first day of November following the last fiscal year of the period the report covers.	429 430 431 432 433
(D) (C) The board shall have prepared by or under the supervision of an actuary an actuarial analysis of any introduced legislation expected to have a measurable financial impact on the pension fund. The actuarial analysis shall be completed in accordance with the actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The actuary shall prepare a report of the actuarial analysis, which shall include all of the following:	434 435 436 437 438 439 440 441
(1) A summary of the statutory changes that are being evaluated;	442 443
(2) A description of or reference to the actuarial assumptions and actuarial cost method used in the report;	444 445
(3) A description of the participant group or groups included in the report;	446 447

(4) A statement of the financial impact of the legislation, 448
including the resulting increase, if any, in the employer normal 449
cost percentage; the increase, if any, in actuarial accrued 450
liabilities; and the per cent of payroll that would be required to 451
amortize the increase in actuarial accrued liabilities as a level 452
per cent of covered payroll for all active members of the fund 453
over a period not to exceed thirty years; 454

(5) A statement of whether the scheduled contributions to the 455
system after the proposed change is enacted are expected to be 456
sufficient to satisfy the funding objectives established by the 457
board. 458

Not later than sixty days from the date of introduction of 459
the legislation, the board shall submit a copy of the actuarial 460
analysis to the legislative service commission, the standing 461
committees of the house of representatives and the senate with 462
primary responsibility for retirement legislation, and the Ohio 463
retirement study council. 464

~~(E)~~(D) The board shall have prepared ~~annually~~ triennially a 465
report giving a full accounting of the revenues and costs relating 466
to the provision of benefits under section 742.45 of the Revised 467
Code. The first triennial report shall be made as of December 31, 468
~~1997~~ 2013, and the thirty-first day of December ~~of each year~~ 469
triennially thereafter. The report shall include the following: 470

(1) A description of the statutory authority for the benefits 471
provided; 472

(2) A summary of the benefits; 473

(3) A summary of the eligibility requirements for the 474
benefits; 475

(4) A statement of the number of participants eligible for 476
the benefits; 477

(5) A description of the accounting, asset valuation, and 478
funding method used to provide the benefits; 479

(6) A statement of the net assets available for the provision 480
of the benefits as of the last day of the fiscal year; 481

(7) A statement of any changes in the net assets available 482
for the provision of benefits, including participant and employer 483
contributions, net investment income, administrative expenses, and 484
benefits provided to participants, as of the last day of the 485
fiscal year; 486

(8) For the last six consecutive fiscal years, a schedule of 487
the net assets available for the benefits, the annual cost of 488
benefits, administrative expenses incurred, and annual employer 489
contributions allocated for the provision of benefits; 490

(9) A description of any significant changes that affect the 491
comparability of the report required under this division; 492

(10) A statement of the amount paid under division (B) of 493
section 742.45 of the Revised Code. 494

The board shall submit the report to the Ohio retirement 495
study council and the standing committees of the house of 496
representatives and the senate with primary responsibility for 497
retirement legislation not later than the thirtieth day of June 498
following the year for which the report was made. 499

~~(F)~~(E) At least once in each quinquennial period, the board 500
shall have prepared by or under the supervision of an actuary an 501
actuarial investigation of the deferred retirement option plan 502
established under section 742.43 of the Revised Code. The 503
investigation shall include an examination of the financial 504
impact, if any, on the fund of offering the plan to members. 505

The actuary shall prepare a report of the actuarial 506
investigation. The report shall include a determination of whether 507

the plan, as established or modified, has a negative financial 508
impact on the fund and, if so, recommendations on how to modify 509
the plan to eliminate the negative financial impact. If the 510
actuarial report indicates that the plan has a negative financial 511
impact on the fund, the board may modify the plan or cease to 512
allow members who have not already done so to elect to participate 513
in the plan. The firefighter and police officers employers' 514
contributions shall not be increased to offset any negative 515
financial impact of the plan. 516

If the board ceases to allow members to elect to participate 517
in the plan, the rights and obligations of members who have 518
already elected to participate shall not be altered. 519

The board may include the actuarial investigation required 520
under this division as part of the actuarial investigation 521
required under division ~~(C)~~(B) of this section. If the report of 522
the actuarial investigation required by this division is not 523
included in the report required by division ~~(C)~~(B) of this 524
section, the board shall submit the report required by this 525
division to the Ohio retirement study council and the standing 526
committees of the house of representatives and the senate with 527
primary responsibility for retirement legislation not later than 528
the first day of November following the last fiscal year of the 529
period the report covers. 530

Sec. 742.16. The board of trustees of the Ohio police and 531
fire pension fund shall establish a period of not more than thirty 532
years to amortize the Ohio police and fire pension fund's unfunded 533
actuarial accrued pension liabilities. The board shall adopt a 534
plan that specifies how it proposes to meet the thirty-year 535
amortization period not later than December 31, 2006. If ~~in any~~ 536
~~year~~ the period necessary to amortize the unfunded actuarial 537
accrued pension liability exceeds thirty years, as determined by 538

the ~~annual~~ actuarial valuation required by section 742.14 of the Revised Code, the board, not later than ninety days after receipt of the valuation, shall prepare and submit to the Ohio retirement study council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation a report that includes the following information:

(A) The number of years needed to amortize the unfunded actuarial accrued pension liability as determined by the ~~annual~~ actuarial valuation;

(B) A plan approved by the board that indicates how the board will reduce the amortization period of unfunded actuarial accrued pension liability to not more than thirty years;

(C) Whether the board has made any progress in meeting the thirty-year amortization period.

Sec. 742.161. The board may, by rule adopted under section 742.10 of the Revised Code, increase the age and years of service credit required to receive a pension or benefit under division (C) of section 742.35 of the Revised Code if, in consultation with its actuary, the board determines that an increase is necessary to meet the amortization period requirement of section 742.16 of the Revised Code.

Sec. 742.30. (A) The employer's accrued liability, as determined pursuant to former section 742.29 of the Revised Code, shall be paid to the Ohio police and fire pension fund. Payments shall be credited to the police officers' pension reserve fund, or to the firefighters' pension reserve fund, in accordance with the relief and pension fund from which the liability for such payment arises, until such time as the employer's accrued liability on account of pensioners and other benefit recipients on the rolls of

the particular police relief and pension fund or firemen's relief 569
and pension fund is satisfied. Thereafter, payments shall be 570
credited to the police officers' contribution fund or the 571
firefighters' contribution fund, in accordance with the relief and 572
pension fund from which the liability for such payments arises, 573
until such time as the employer's accrued liability on account of 574
deductions made from the compensation of police officers or 575
firefighters under the particular police relief and pension fund 576
or firemen's relief and pension fund is satisfied. Thereafter, 577
payments shall be credited to the police officer employers' 578
contribution fund, or firefighter employers' contribution fund, in 579
accordance with the relief and pension fund from which the 580
liability for such payments arises, until such time as the 581
employer's total accrued liability under the particular police 582
relief and pension fund or firemen's relief and pension fund is 583
satisfied. 584

(B) That part of the employer's accrued liability remaining 585
unpaid on January 1, 1969, shall be paid by the employer at not 586
less than the following rates per year: two per cent in 1969, two 587
per cent in 1970, three per cent in 1971, four per cent in 1972, 588
and five per cent per annum beginning in 1973 and each year 589
thereafter for sixty-two years. Except as provided in division (C) 590
of this section, payments shall be fixed annually and paid on 591
dates fixed by the board of trustees of the Ohio police and fire 592
pension fund. 593

(C) The board may enter into an agreement with a municipal 594
corporation or township for a single payment by the municipal 595
corporation or township of the employer's accrued liability. The 596
agreement may provide for a reduction in the amount of the accrued 597
liability based on the value to the fund of receiving a single 598
payment. A municipal corporation or township that has made payment 599
in accordance with such an agreement shall have no further 600

obligation to make payments under this section. 601

(D) The board shall report every ~~two~~ three years to the 602
general assembly ~~during its first regular session on~~ the condition 603
of the retirement system, with particular emphasis upon the 604
payment of the employer's accrued liability, and make such 605
recommendations, upon the advice of its actuary, as it considers 606
necessary for the proper funding of the liabilities. 607

Sec. 742.301. (A) Each employer shall promptly pay the amount 608
due on the accrued liability on the dates fixed by the board of 609
trustees of the Ohio police and fire pension fund. Upon 610
certification by the board that payment of an employer's accrued 611
liability has not been paid within thirty days following the date 612
a payment is due, a penalty of five per cent of the amount due 613
shall be assessed against such employer. If the payment and 614
penalty have not been paid within ninety days following the date a 615
payment is due, annual interest at six per cent shall be assessed 616
against the payment and penalty from the date that the payment is 617
due. 618

(B) Upon certification by the board to the superintendent of 619
liquor control or the county auditor of an amount due from any 620
employer who is subject to this chapter by reason of such 621
employer's delinquency in making payments on the accrued 622
liability, the amount due shall be withheld from the employer from 623
liquor control permit fees to be distributed to that employer 624
according to Chapter 4301. of the Revised Code or from the local 625
government fund allocated for distribution to that employer by the 626
county budget commission in accordance with Chapter 5739. of the 627
Revised Code. Upon receipt of the certification from the board, 628
the superintendent or county auditor shall provide for payment 629
against such funds in favor of the Ohio police and fire pension 630
fund for the certified amount due and any penalty and interest 631

thereon. 632

(C) If the payments under divisions (A) and (B) of this 633
section are insufficient to pay the Ohio police and fire pension 634
fund any amounts due the fund from an employer, the fund may seek 635
payment through the office of budget and management. On 636
certification by the board to the director of budget and 637
management of any such amount due, the director shall withhold 638
from the employer any amount available, not to exceed the amount 639
certified as due the fund, from any amounts under the director's 640
control that are payable or due the employer. The director shall 641
pay the amount withheld to the fund. 642

Sec. 742.31. (A) Each employee shall contribute an amount 643
equal to ~~ten per cent~~ a percentage of the employee's salary to the 644
Ohio police and fire pension fund. ~~The~~ according to the following 645
schedule: 646

(1) For salary earned in pay periods beginning not later than 647
July 1, 2013, ten per cent; 648

(2) For salary earned in pay periods beginning not earlier 649
than July 2, 2013, but not later than July 1, 2014, ten and 650
three-quarters per cent; 651

(3) For salary earned in pay periods beginning not earlier 652
than July 2, 2014, but not later than July 1, 2015, eleven and 653
one-half per cent; 654

(4) Except as provided in division (B) of this section, for 655
salary earned in pay periods beginning not earlier than July 2, 656
2015, twelve and one-quarter per cent. 657

(B) Not earlier than July 2, 2015, the board may, by rule, 658
increase the employee contribution rates to the fund if the board, 659
in consultation with its actuary, determines that an increase is 660
necessary to meet the amortization requirements of section 742.16 661

of the Revised Code. 662

(C) The amount shall be deducted by the employer from the 663
employee's salary as defined in division (L) of section 742.01 of 664
the Revised Code for each payroll period, irrespective of whether 665
the minimum compensation provided by law for the employee is 666
reduced thereby. Every employee shall be deemed to consent to the 667
deductions, and payment to the employee less the deductions is a 668
complete discharge and acquittance of all claims and demands for 669
the services rendered by the employee during the period covered by 670
such payment. 671

Sec. 742.32. (A) The fiscal officer of each employer shall 672
transmit monthly to the secretary of the board of trustees of the 673
Ohio police and fire pension fund a report of employee deductions 674
in such form as the board requires. The report shall show all 675
deductions for the fund made pursuant to section 742.31 of the 676
Revised Code and shall be accompanied by payments covering the 677
total of such deductions. The report shall also include the name 678
of each member for whom deductions were made and the portion of 679
the payment attributed to that member. Separate payments shall be 680
so transmitted for that portion of such deductions made from the 681
salaries of members of the police department and for that portion 682
of such deductions made from the salaries of members of the fire 683
department. The report and payment are due the last day of the 684
month following the last business day of the reporting period. A 685

(B) A penalty determined under section 742.352 of the Revised 686
Code shall be assessed if any of the following occur: 687

~~(A)~~(1) The report is received by the board after the due date 688
or is not in the form required by the board. 689

~~(B)~~(2) Payments to cover the total amount due from the 690
salaries of all employees of the employer are received by the 691
board after the due date. 692

The penalty shall be added to and collected on the next 693
succeeding regular employer billing. If the penalty is not paid 694
within sixty days after it is added to the regular employer 695
billing, interest at a rate determined by the board may be charged 696
on the total amount due and the amount of the penalty from the 697
date the amount is due to the date of payment. 698

(C) The secretary of the board, after making a record of all 699
such receipts and crediting each employee's individual account 700
with the amount deducted from the employee's salary, shall deposit 701
the receipts with the treasurer of state for use as provided by 702
this chapter. Where an employer fails to deduct contributions for 703
any employee and transmit such amounts to the fund, the board may 704
make a determination of the employee's liability for contributions 705
and certify to the employer the amounts due for collection in the 706
same manner and subject to the same penalties as payments due the 707
employer's contributions funds. 708

Sec. 742.33. (A) Each employer shall pay ~~quarterly~~ monthly, 709
on such dates as the board of trustees of the Ohio police and fire 710
pension fund requires, from its general fund, or from a levy 711
imposed pursuant to division (J) or (W) of section 5705.19 of the 712
Revised Code, to the fund an amount known as the "police officer 713
employers' contribution," which shall be nineteen and one-half per 714
cent of the salaries as defined in division (L) of section 742.01 715
of the Revised Code of the members of the police department of the 716
employer. 717

(B) The taxing authority of each municipal corporation in 718
which there was a police relief and pension fund on October 1, 719
1965, shall annually, in the manner provided for making other 720
municipal levies and in addition to all other levies authorized by 721
law, levy a tax of three-tenths of one mill upon all the real and 722
personal property as listed for taxation in the municipal 723

corporation for the purpose of paying the police officer 724
employers' contribution and the municipal corporation's accrued 725
liability for its former police relief and pension fund and 726
interest thereon, and of defraying the current operating expenses 727
of the municipal corporation. The annual revenues derived from the 728
tax shall be used in the following order: 729

(1) First, to pay the current police officer employers' 730
contribution and any interest related thereto; 731

(2) Second, to pay any accrued liability chargeable to the 732
municipal corporation during the current calendar year for its 733
former police relief and pension fund and any interest related 734
thereto; 735

(3) Third, to defray the current operating expenses of the 736
municipal corporation. 737

Sec. 742.34. (A) Each employer shall pay ~~quarterly~~ monthly, 738
on such dates as the board of trustees of the Ohio police and fire 739
pension fund requires, from its general fund, or from a levy 740
imposed pursuant to division (I) or (W) of section 5705.19 of the 741
Revised Code, to the fund an amount known as the "firefighter 742
employers' contribution," which shall be twenty-four per cent of 743
the salaries as defined in division (L) of section 742.01 of the 744
Revised Code of the members of the fire department of the 745
employer. 746

(B) The taxing authority of each municipal corporation in 747
which there was a firemen's relief and pension fund on October 1, 748
1965, shall annually, in the manner provided for making other 749
municipal levies and in addition to all other levies authorized by 750
law, levy a tax of three-tenths of one mill upon all the real and 751
personal property as listed for taxation in the municipal 752
corporation for the purpose of paying the firefighter employers' 753
contribution and the municipal corporation's accrued liability for 754

its former firemen's relief and pension fund and interest thereon, 755
and of defraying the current operating expenses of the municipal 756
corporation. The annual revenues derived from the tax shall be 757
used in the following order: 758

(1) First, to pay the current firefighter employers' 759
contribution and any interest related thereto; 760

(2) Second, to pay any accrued liability chargeable to the 761
municipal corporation during the current calendar year for its 762
former firemen's relief and pension fund and any interest related 763
thereto; 764

(3) Third, to defray the current operating expenses of the 765
municipal corporation. 766

Sec. 742.35. ~~As used in this section, "calendar quarter"~~ 767
~~means the three month period ending on the last day of March,~~ 768
~~June, September, or December.~~ 769

Each employer shall pay its ~~annual~~ police officer employers' 770
contribution and firefighter employers' contribution in ~~four equal~~ 771
~~installments promptly~~ monthly payments as provided in sections 772
742.33 and 742.34 of the Revised Code. ~~If an employer fails to~~ 773
~~make a payment on or before the date that is sixty days after the~~ 774
~~last day of the calendar quarter~~ The employer shall make each 775
payment not later than the last day of the month after the month 776
for which the police officer or firefighter employee contributions 777
were withheld. If an employer fails to make the payment 778
installment by the date it is due, a penalty determined under 779
section 742.352 of the Revised Code shall be assessed against the 780
employer. In addition, interest on past due accounts and penalties 781
may be charged at a rate determined by the board from the date the 782
~~installment~~ payment is due to the date of payment. 783

Upon certification by the board to the county auditor of an 784

amount due from any employer within the county who is subject to 785
this chapter, by reason of such employer's delinquency in making 786
employer contribution payments to the fund ~~for past months~~, such 787
amount shall be withheld from such employer from any funds in the 788
hands of the county treasurer for distribution to such employer. 789
Upon receipt of such certification, the county auditor shall draw 790
a warrant against such funds in favor of the fund for the amount. 791

Sec. 742.37. The board of trustees of the Ohio police and 792
fire pension fund shall adopt rules for the management of the fund 793
and for the disbursement of benefits and pensions as set forth in 794
this section and section 742.39 of the Revised Code. Any payment 795
of a benefit or pension under this section is subject to the 796
provisions of section 742.461 of the Revised Code. Notwithstanding 797
any other provision of this section, no pension or benefit paid or 798
determined under division (B) or (C) of this section or section 799
742.39 of the Revised Code shall exceed the limit established by 800
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 801
2085, 26 U.S.C.A. 415, as amended. 802

(A) Persons who were receiving benefit or pension payments 803
from a police relief and pension fund established under former 804
section 741.32 of the Revised Code, or from a firemen's relief and 805
pension fund established under former section 521.02 or 741.02 of 806
the Revised Code, at the time the assets of the fund were 807
transferred to the Ohio police and fire pension fund, known at 808
that time as the police and firemen's disability and pension fund, 809
shall receive benefit and pension payments from the Ohio police 810
and fire pension fund in the same amount and subject to the same 811
conditions as such payments were being made from the former fund 812
on the date of the transfer. 813

(B) A member of the fund who, pursuant to law, elected to 814
receive benefits and pensions from a police relief and pension 815

fund established under former section 741.32 of the Revised Code, 816
or from a firemen's relief and pension fund established under 817
former section 741.02 of the Revised Code, in accordance with the 818
rules of the fund governing the granting of benefits or pensions 819
therefrom in force on April 1, 1947, shall receive benefits and 820
pensions from the Ohio police and fire pension fund in accordance 821
with such rules; provided, that any member of the fund who is not 822
receiving a benefit or pension from the fund on August 12, 1975, 823
may, upon application for a benefit or pension to be received on 824
or after August 12, 1975, elect to receive a benefit or pension in 825
accordance with division (C) of this section. 826

(C) ~~Members~~ Unless the board acts under section 742.161 of 827
the Revised Code, members of the fund who have not elected to 828
receive benefits and pensions from a police relief and pension 829
fund or a firemen's relief and pension fund in accordance with the 830
rules of the fund in force on April 1, 1947, shall receive 831
pensions and benefits in accordance with the following provisions: 832

(1) A member of the fund who has ~~completed~~ twenty-five years 833
of ~~active service in a police or fire department~~ credit and has 834
attained ~~forty-eight years of the requisite~~ age may, ~~at the~~ 835
~~member's election,~~ elect to retire from the police or fire 836
department. Upon The requisite age is forty-eight for a member 837
whose membership began before July 2, 2013, and fifty-two for a 838
member whose membership began on or after that date. 839

Upon notifying the board in writing of the election, the 840
member shall receive an annual pension, payable in twelve monthly 841
installments, in an amount equal to a percentage of the member's 842
average annual salary. ~~The~~ If, as of July 2, 2013, the member had 843
fifteen or more years of service credit, the average annual salary 844
shall be determined using three years of contributions. If, as of 845
that date, the member had less than fifteen years of service 846
credit, the average annual salary shall be determined using five 847

years of contributions. 848

The percentage shall be the sum of two and one-half per cent 849
for each of the first twenty years ~~the member was in the active of~~ 850
service ~~of the department~~ credit, plus two per cent for each of 851
the twenty-first to twenty-fifth years ~~the member was in the~~ 852
active of service ~~of the department~~ credit, plus one and one-half 853
per cent for each year in excess of twenty-five years ~~the member~~ 854
~~was in the active of~~ service ~~of the department~~ credit. The annual 855
pension shall not exceed seventy-two per cent of the member's 856
average annual salary. 857

A member who ~~completed~~ has twenty-five years of active 858
service credit, has resigned or been discharged, and has left the 859
sum deducted from the member's salary on deposit in the pension 860
fund shall, upon attaining ~~forty-eight years of~~ the requisite age, 861
be entitled to receive a normal service pension benefit computed 862
and paid under division (C)(1) of this section. 863

While participating in the deferred retirement option plan 864
established under section 742.43 of the Revised Code, a member 865
shall not be considered to have elected retirement under division 866
(C)(1) of this section. On notifying the board under division 867
(B)(1) of section 742.444 of the Revised Code of the member's 868
election to terminate active service, a member described in 869
division (B) of that section shall receive an annual pension under 870
division (C)(1) of this section calculated in accordance with 871
section 742.442 of the Revised Code and rules that shall be 872
adopted by the board of trustees of the Ohio police and fire 873
pension fund. 874

(2) A member of the fund who has ~~served~~ fifteen or more years 875
~~as an active member of a police or fire department~~ service credit 876
and who voluntarily resigns or is discharged from the department 877
for any reason other than dishonesty, cowardice, intemperate 878
habits, or conviction of a felony, shall receive an annual 879

pension, payable in twelve monthly installments, in an amount 880
equal to one and one-half per cent of the member's average annual 881
salary multiplied by the number of full years of the member was in 882
the active member's service of the department credit. The If, as 883
of July 2, 2013, the member had fifteen or more years of service 884
credit, the average annual salary shall be determined using three 885
years of contributions. If, as of that date, the member had less 886
than fifteen years of service credit, the average annual salary 887
shall be determined using five years of contributions. 888

If a member's membership began before July 2, 2013, the 889
pension payments shall not commence until the member has attained 890
the age of forty-eight years and until twenty-five years have 891
elapsed from the date on which the member became a full-time 892
regular police officer or firefighter ~~in the department.~~ Pension 893
payments shall not commence for a member whose membership began on 894
or after July 2, 2013, until the member has attained the age of 895
fifty-two years and until twenty-five years have elapsed from the 896
date on which the member became a full-time regular police officer 897
or firefighter. 898

(3) A member of the fund who has ~~completed~~ fifteen or more 899
years of ~~active service in a police or fire department~~ credit and 900
who has attained sixty-two years of age, may retire from the 901
department and, upon notifying the board in writing of the 902
election to retire, shall receive an annual pension, payable in 903
twelve monthly installments, in an amount equal to a percentage of 904
the member's average annual salary. If, as of July 2, 2013, the 905
member had fifteen or more years of service credit, the average 906
annual salary shall be determined using three years of 907
contributions. If, as of that date, the member had less than 908
fifteen years of service credit, the average annual salary shall 909
be determined using five years of contributions. The percentage 910
shall be the sum of two and one-half per cent for each of the 911

first twenty years ~~the member was in the active of~~ service of the 912
department credit, plus two per cent for each of the twenty-first 913
to twenty-fifth years ~~the member was in the active of~~ service of 914
~~the department credit~~, plus one and one-half per cent for each 915
year in excess of twenty-five years ~~the member was in the active~~ 916
of service of the department credit. The annual pension shall not 917
exceed seventy-two per cent of the member's average annual salary. 918

(4) A member of the fund whose membership began on or after 919
July 2, 2013, and who has twenty-five years of service credit and 920
has attained forty-eight years of age may elect to retire. Upon 921
notifying the board in writing of the election, the member shall 922
receive an annual pension, payable in twelve monthly installments, 923
in an amount determined under division (C)(1) of this section 924
except that the amount shall be reduced to be the actuarial 925
equivalent, as determined by the fund's actuary, of the amount 926
payable had the member retired at fifty-two years of age. 927

(5) With the exception of those persons who may make 928
application for benefits as provided in section 742.26 of the 929
Revised Code, no person receiving a pension or other benefit under 930
division (C) of this section on or after July 24, 1986, shall be 931
entitled to apply for any new, changed, or different benefit. 932

If a member covered by division (C) of this section or 933
section 742.38 of the Revised Code dies prior to the time the 934
member has received a payment and leaves a surviving spouse or 935
dependent child, the surviving spouse or dependent child shall 936
receive a pension under division (D) or (E) of this section. 937

(D)(1) Except as provided in division (D)(2) of this section, 938
a surviving spouse of a deceased member of the fund or a surviving 939
spouse described in division (D)(4) of this section shall receive 940
a monthly pension as follows: 941

(a) For the period beginning July 1, 1999, and ending June 942

30, 2000, five hundred fifty dollars; 943

(b) For the period beginning July 1, 2000, and ending June 944
30, 2002, five hundred fifty dollars plus an amount determined by 945
multiplying five hundred fifty dollars by the average percentage 946
change in the consumer price index, not exceeding three per cent, 947
as was annually determined by the board under ~~former~~ section 948
742.3716 of the Revised Code as that section existed on January 949
31, 2002; 950

(c) For the period beginning July 1, 2002, and the period 951
beginning the first day of July of each year thereafter and 952
continuing for the following twelve months, an amount equal to the 953
monthly amount paid during the prior twelve-month period plus 954
sixteen dollars and fifty cents. 955

(2) A surviving spouse of a deceased member of the fund shall 956
receive a monthly pension of four hundred ten dollars if the 957
surviving spouse is eligible for a benefit under division (B) or 958
(D) of section 742.63 of the Revised Code. If the surviving spouse 959
ceases to be eligible for a benefit under division (B) or (D) of 960
section 742.63 of the Revised Code, the pension shall be 961
increased, effective the first day of the first month following 962
the day on which the surviving spouse ceases to be eligible for 963
the benefit, to the amount it would be under division (D)(1) of 964
this section had the spouse never been eligible for a benefit 965
under division (B) or (D) of section 742.63 of the Revised Code. 966

(3) A pension paid under this division shall continue during 967
the natural life of the surviving spouse. Benefits to a deceased 968
member's surviving spouse that were terminated under a former 969
version of this section that required termination due to 970
remarriage and were not resumed prior to September 16, 1998, shall 971
resume on the first day of the month immediately following receipt 972
by the board of an application on a form provided by the board. 973

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

The pension shall commence on the first day of the month immediately following receipt by the board of a completed application on a form provided by the board and evidence acceptable to the board that at the time of death the deceased spouse was a member of or contributor to a police or firemen's relief and pension fund established under former Chapter 521. or 741. of the Revised Code and that the surviving spouse's benefits were terminated or not granted due to remarriage.

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

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

(a) For the period beginning July 1, 2001, and ending June 30, 2002, a monthly pension of one hundred fifty dollars plus the cost of living increase ~~provided for in~~ that was determined under

former section 742.3720 of the Revised Code; 1006

(b) For the period beginning July 1, 2002, and ending June 1007
30, 2003, one hundred sixty-three dollars and fifty cents; 1008

(c) For the period beginning July 1, 2003, and the period 1009
beginning the first day of each July thereafter and continuing for 1010
the following twelve months, an amount equal to the monthly amount 1011
paid during the prior twelve-month period plus four dollars and 1012
fifty cents. 1013

(F)(1) If a deceased member of the fund leaves no surviving 1014
spouse or surviving children, but leaves one or two parents 1015
dependent upon the deceased member for support, each parent shall 1016
be paid a monthly pension. The pensions provided for in this 1017
division shall be paid during the natural life of the surviving 1018
parents, or until dependency ceases, or until remarriage, 1019
whichever event occurs first. 1020

(2) Each eligible surviving parent shall be paid a monthly 1021
pension as follows: 1022

(a) For the period ending June 30, 2002, one hundred six 1023
dollars for each parent or two hundred twelve dollars for a sole 1024
dependent parent; 1025

(b) For the period beginning July 1, 2002, and ending June 1026
30, 2003, one hundred nine dollars for each parent or two hundred 1027
eighteen dollars for a sole dependent parent; 1028

(c) For the period beginning July 1, 2003, and the first day 1029
of each July thereafter and continuing for the following twelve 1030
months, an amount equal to the monthly amount paid during the 1031
prior twelve-month period plus three dollars for each parent or 1032
six dollars for a sole dependent parent. 1033

(G)(1) Subject to the provisions of section 742.461 of the 1034
Revised Code, a member of the fund who voluntarily resigns or is 1035

removed from active service in a police or fire department is 1036
entitled to receive an amount equal to the sums deducted from the 1037
member's salary and credited to the member's account in the fund, 1038
except that a member receiving a disability benefit or service 1039
pension is not entitled to receive any return of contributions to 1040
the fund. 1041

(2) A member described in division (G)(1) of this section who 1042
is married at the time of application for payment and would be 1043
eligible for age and service retirement under this section or 1044
section 742.39 of the Revised Code but for a forfeiture ordered 1045
under division (A) or (B) of section 2929.192 of the Revised Code 1046
shall submit with the application a written statement by the 1047
member's spouse attesting that the spouse consents to the payment 1048
of the member's accumulated contributions. Consent shall be valid 1049
only if it is signed and witnessed by a notary public. The board 1050
may waive the requirement of consent if the spouse is 1051
incapacitated or cannot be located, or for any other reason 1052
specified by the board. Consent or waiver is effective only with 1053
regard to the spouse who is the subject of the consent or waiver. 1054

(H) On and after January 1, 1970, all pensions shall be 1055
increased in accordance with the following provisions: 1056

(1) A member of the fund who retired prior to January 1, 1057
1967, has attained age sixty-five on January 1, 1970, and was 1058
receiving a pension on December 31, 1969, pursuant to division (B) 1059
or (C)(1) of this section or former division (C)(2), (3), (4), or 1060
(5) of this section, shall have the pension increased by ten per 1061
cent. 1062

(2) The monthly pension payable to eligible surviving spouses 1063
under division (D) of this section shall be increased by forty 1064
dollars for each surviving spouse receiving a pension on December 1065
31, 1969. 1066

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

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

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

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

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

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

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

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

(b) A member of the fund who is receiving a pension or 1098
benefit under division (A) or (B) of this section, based on funded 1099
volunteer or funded part-time service, or off-duty disability, or 1100
partial on-duty disability, or early vested service; 1101

(c) A member of the fund who is receiving a pension under 1102
division (C)(1) of this section, based on funded volunteer or 1103
funded part-time service. 1104

(J) On and after July 1, 1977, a member of the fund who was 1105
receiving an annual pension or benefit on December 31, 1973, 1106
pursuant to division (B) of this section, based upon partial 1107
disability, off-duty disability, or early vested service, or 1108
pursuant to former division (C)(3), (5), or (6) of this section, 1109
shall have such annual pension or benefit increased by three 1110
hundred dollars. 1111

The following are not eligible to receive the increase 1112
provided by this division: 1113

(1) A member of the fund who is receiving a pension or 1114
benefit in accordance with the rules in force on April 1, 1947, 1115
governing the granting of pensions and benefits, which provide an 1116
increase in the original pension or benefit from time to time 1117
pursuant to changes in the salaries of active members; 1118

(2) A member of the fund who is receiving a pension or 1119
benefit under division (B) or (C)(2) of this section or former 1120
division (C)(3), (5), or (6) of this section based on volunteer or 1121
part-time service. 1122

(K)(1) Except as otherwise provided in this division, every 1123
person who on July 24, 1986, is receiving an age and service or 1124
disability pension, allowance, or benefit pursuant to this chapter 1125
in an amount less than thirteen thousand dollars a year that is 1126
based upon an award made effective prior to February 28, 1984, 1127
shall receive an increase of six hundred dollars a year or the 1128

amount necessary to increase the pension or benefit to four 1129
thousand two hundred dollars after all adjustments required by 1130
this section, whichever is greater. 1131

(2) Division (K)(1) of this section does not apply to the 1132
following: 1133

(a) A member of the fund who is receiving a pension or 1134
benefit in accordance with rules in force on April 1, 1947, that 1135
govern the granting of pensions and benefits and that provide an 1136
increase in the original pension or benefit from time to time 1137
pursuant to changes in the salaries of active members; 1138

(b) A member of the fund who is receiving a pension or 1139
benefit based on funded volunteer or funded part-time service. 1140

(L) On and after July 24, 1986: 1141

(1) The pension of each person receiving a pension under 1142
division (D) of this section on July 24, 1986, shall be increased 1143
to three hundred ten dollars per month. 1144

(2) The pension of each person receiving a pension under 1145
division (E) of this section on July 24, 1986, shall be increased 1146
to ninety-three dollars per month. 1147

Sec. 742.3711. (A) On application for retirement as provided 1148
in section 742.37 of the Revised Code, a member of the fund may 1149
elect to receive a retirement allowance payable throughout the 1150
member's life, or may elect, on the application for retirement, to 1151
receive the actuarial equivalent of the member's retirement 1152
allowance in a lesser amount payable for life and continuing after 1153
death to a surviving designated beneficiary under one of the 1154
following optional plans, provided the amount payable to the 1155
beneficiary shall not exceed the amount payable to the retiring 1156
member of the fund, and is certified by the actuary engaged by the 1157
board of trustees of the Ohio police and fire pension fund to be 1158

the actuarial equivalent of the member's retirement allowance and 1159
is approved by the board. 1160

(1) Option 1. The member's lesser retirement allowance shall 1161
be paid for life to the sole beneficiary designated at the time of 1162
the member's retirement. 1163

(2) Option 2. One-half or some other portion of the member's 1164
lesser retirement allowance shall be paid for life to the sole 1165
beneficiary designated at the time of the member's retirement. 1166

(3) Option 3. Upon the member's death before the expiration 1167
of a certain period from the retirement date and elected by the 1168
member and approved by the retirement board, the member's lesser 1169
retirement allowance shall be continued for the remainder of that 1170
period to the beneficiary the member has ~~nominated by written~~ 1171
~~designation and~~ designated in writing filed with the retirement 1172
board. 1173

Should the ~~nominated beneficiary member's~~ designated in 1174
~~writing become deceased~~ beneficiary die prior to the expiration of 1175
the guarantee period, then for the purpose of completing payment 1176
for the remainder of the guarantee period, the present value of 1177
such payments shall be paid to the estate of the beneficiary last 1178
receiving. 1179

(4) Option 4. The member's lesser retirement allowance or a 1180
portion of the lesser retirement allowance shall be paid for life 1181
to two, three, or four surviving beneficiaries designated at the 1182
time of the member's retirement, in such portions as specified at 1183
retirement. If the member elects this plan as required by a court 1184
order issued under section 3105.171 or 3105.65 of the Revised Code 1185
or the laws of another state regarding the division of marital 1186
property and compliance with the court order requires the 1187
allocation of a portion less than ten per cent to any beneficiary, 1188
the member shall allocate a portion less than ten per cent to that 1189

beneficiary in accordance with that order. In all other 1190
circumstances, no portion allocated under this plan of payment 1191
shall be less than ten per cent. The total of the portions 1192
allocated shall not exceed one hundred per cent of the member's 1193
lesser allowance. 1194

(B)(1) The death of a spouse ~~nominated~~ designated as 1195
beneficiary or the death of any other ~~nominated~~ designated 1196
beneficiary following a member's retirement or election under 1197
section 742.44 of the Revised Code to participate in the deferred 1198
retirement option plan shall cancel the portion of the optional 1199
plan of payment providing continuing lifetime benefits to the 1200
deceased ~~nominated~~ designated beneficiary. The member of the fund 1201
shall receive the actuarial equivalent of the member's single 1202
lifetime benefit, as determined by the board, based on the number 1203
of remaining beneficiaries, with no change in the amount payable 1204
to any remaining beneficiary. The change shall be effective the 1205
month following receipt by the board of notice of the death. 1206

(2) On divorce, annulment, or marriage dissolution, a member 1207
receiving a retirement allowance under a plan that provides for 1208
continuation of all or part of the allowance after death for the 1209
lifetime of the member's surviving spouse may, with the written 1210
consent of the spouse or pursuant to an order of the court with 1211
jurisdiction over the termination of the marriage, elect to cancel 1212
the portion of the plan providing continuing lifetime benefits to 1213
that spouse. The member shall receive the actuarial equivalent of 1214
the member's single lifetime benefit as determined by the board 1215
based on the number of remaining beneficiaries, with no change in 1216
amount payable to any remaining beneficiary. The election shall be 1217
made on a form provided by the board and shall be effective the 1218
month following its receipt by the board. 1219

(C)(1) Following marriage or remarriage, both of the 1220
following apply: 1221

(a) A member of the fund receiving a retirement allowance 1222
under section 742.37 or 742.39 of the Revised Code may elect not 1223
later than one year after the date of marriage or remarriage a new 1224
optional plan of payment based on the actuarial equivalent of the 1225
member's single lifetime benefit as determined by the board. 1226

(b) If a member is receiving a retirement allowance pursuant 1227
to a plan of payment providing for payment to a former spouse 1228
pursuant to a court order described in division (D)(1)(c) of this 1229
section and the board has received a copy of the order described 1230
in that division, the member may elect a new plan of payment under 1231
"option 4" based on the actuarial equivalent of the retirant's 1232
single lifetime retirement allowance as determined by the board if 1233
the new plan of payment elected does not reduce the payment to the 1234
former spouse. 1235

(2) A plan elected under this division and the member's 1236
lesser retirement allowance shall become effective on the date of 1237
receipt by the board of an application on a form approved by the 1238
board. 1239

(D)(1) Unless one of the following occurs, an application for 1240
retirement by a married person shall be considered an election of 1241
a benefit under option 2 as provided for in division (A)(2) of 1242
this section under which one-half of the lesser retirement 1243
allowance payable during the life of the retirant will be paid 1244
after death to the retirant's spouse for life as sole beneficiary: 1245

(a) The retirant selects an optional plan under division (A) 1246
of this section providing for payment after death to the 1247
retirant's spouse for life as sole beneficiary of more than 1248
one-half of the lesser retirement allowance payable during the 1249
life of the retirant; 1250

(b) The retirant submits to the ~~retirement~~ board a written 1251
statement signed by the spouse attesting that the spouse consents 1252

to the retirant's election to receive a single lifetime retirement allowance or a payment under an optional benefit plan under which after the death of the retirant the surviving spouse will receive less than one-half of the lesser retirement allowance payable during the life of the retirant;

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

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

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

(ii) If the retirant is married, the retirant elects "option 4" and designates the retirant'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.

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

(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 1284
under "option 2" and consist of the actuarial equivalent of the 1285
member's retirement allowance in a lesser amount payable for life 1286
and one-half of the lesser allowance continuing after death to the 1287
surviving spouse for the life of the spouse; 1288

(b) A description of the alternative plans of payment 1289
available with the consent of the spouse; 1290

(c) That the spouse may consent to another plan of payment 1291
and the procedure for giving consent; 1292

(d) That consent is irrevocable once notice of consent is 1293
filed with the board. 1294

Consent shall be valid only if it is signed, in writing, and 1295
witnessed by an employee of the board or a notary public. 1296

(3) If the retirant does not select an optional plan as 1297
described in division (D)(1)(a) of this section and the board does 1298
not receive the written statement provided for in division 1299
(D)(1)(b) of this section, it shall determine and pay the 1300
retirement allowance in accordance with division (A)(2) of this 1301
section, except that the board may provide by rule for waiver by 1302
the board of the statement and payment of the allowance other than 1303
in accordance with division (A)(2) of this section if the retirant 1304
is unable to obtain the statement due to absence or incapacity of 1305
the spouse or other cause specified by the board. 1306

(E) A member of the fund who has elected an optional plan 1307
under this section or section 742.3715 of the Revised Code may, 1308
with the consent of the designated beneficiary, cancel the 1309
optional plan and receive the retirement allowance payable 1310
throughout life the member would have received had the member not 1311
elected the optional plan, if the member makes a request to cancel 1312
the optional plan not later than one year after the later of 1313
September 9, 1988, or the date on which the member first receives 1314

a payment under this section or section 742.3715 of the Revised Code. Cancellation of the optional plan shall be effective the month after acceptance of the request by the trustees of the fund. No payment or adjustment shall be made in the retirement allowance payable throughout the member's life to compensate for the lesser allowance the member received under the optional plan.

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

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

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

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

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

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

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

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 division 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. 742.3716. (A)~~(1)~~ As used in this section:

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

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

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

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

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

~~of former section 742.37, section 742.3711, or section 742.39 of
the Revised Code.~~ 1376
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~~(b)(1) "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.~~ 1378
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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.~~ 1384
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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.~~ 1391
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~~(2) If the member eligible to make the election under
division (B)(1) of this section dies prior to making the election~~ 1406
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~~and at the time of death is eligible to retire and receive a pension or benefit under division (C)(1) or (3) of section 742.37 of the Revised Code, the person entitled to receive a benefit under section 742.3714 of the Revised Code may make the election provided for in division (B)(1) of this section.~~

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

~~(C)(1) The (2) "Consumer price index" means the index, as prepared by the United States bureau of labor statistics (U.S. city average for urban wage earners and clerical workers: all items 1982-84=100), or, if that index is no longer published, a generally available comparable index.~~

~~(B) For persons who become members of the fund on or after July 1, 2013, and members of the fund who as of July 1, 2013, have less than fifteen years of service credit and are not receiving a pension or disability benefit under this chapter, the board of trustees of the Ohio police and fire pension fund shall annually increase all the pension or benefits that become payable to eligible persons by three per cent, except that no benefit shall each member pursuant to section 742.37 of the Revised Code or division (D)(2) or (4) of section 742.38 of the Revised Code once the member has received the pension or benefit for at least one year and has attained the age of fifty-five. Benefits that become~~

payable pursuant to division (D)(1) of section 742.38 of the 1440
Revised Code shall be increased annually once the member has 1441
received the benefits for at least one year. 1442

The pension or benefit shall be increased by the lesser of 1443
the following: 1444

(a) Three per cent; 1445

(b) The percentage increase, if any, in the consumer price 1446
index over the twelve-month period that ends on the thirtieth day 1447
of September of the immediately preceding year, rounded to the 1448
nearest one-tenth of one per cent. 1449

In no event shall the pension or benefit exceed the limit 1450
established by section 415 of the "Internal Revenue Code of 1986," 1451
100 Stat. 2085, 26 U.S.C.A. 415, as amended. 1452

~~The first increase is payable to all eligible persons who on~~ 1453
~~July 1, 1988, have been receiving a pension or benefit for twelve~~ 1454
~~months or longer. The increase is payable for the ensuing~~ 1455
~~twelve-month period or until the next increase is granted under~~ 1456
~~this section, whichever is later.~~ 1457

~~The date of the first increase paid under this section shall~~ 1458
~~be the anniversary date for future increases. The pension or~~ 1459
~~benefit used in the first calculation of an increase under this~~ 1460
~~section shall remain as the base for all future increases paid~~ 1461
~~under this section, unless a new base is established by law. In~~ 1462
~~the case of a member who has elected (C) For members of the fund~~ 1463
~~who as of July 1, 2013, have fifteen or more years of service~~ 1464
~~credit and are not receiving a pension or disability benefit under~~ 1465
~~this chapter and members who are receiving a pension or disability~~ 1466
~~benefit that became effective before that date and did not make~~ 1467
~~the election under division (D) of this section, the board shall~~ 1468
~~annually increase the pension or benefits that become payable to~~ 1469
~~each member pursuant to section 742.37 of the Revised Code or~~ 1470

division (D)(2) or (4) of section 742.38 of the Revised Code once 1471
the member has received the pension or benefits for at least one 1472
year and has attained the age of fifty-five. Benefits that become 1473
payable pursuant to division (D)(1) of section 742.38 of the 1474
Revised Code shall be increased once the member has received the 1475
benefits for at least one year. 1476

The pension or disability benefit shall be increased by three 1477
per cent. In no event shall the pension or benefit exceed the 1478
limit established by section 415 of the "Internal Revenue Code of 1479
1986," 100 Stat. 2085, 26 U.S.C. 415, as amended. 1480

(D)(1) Notwithstanding any other provision of this section, 1481
section 742.37, or section 742.39 of the Revised Code, a member of 1482
the fund who is not receiving a pension or benefit under this 1483
chapter and on January 1, 1989, had fifteen or more years of 1484
service credit under this chapter may elect to have any future 1485
pension or benefit paid to the member or the member's spouse or 1486
survivors under this chapter calculated on the basis of the 1487
member's recalculated average annual salary rather than the 1488
member's average annual salary as determined under section 742.37 1489
or 742.39 of the Revised Code. The election shall be made by the 1490
member prior to or at the time of making an election under section 1491
742.3711 of the Revised Code. 1492

(2) If a member eligible to make the election under division 1493
(D)(1) of this section dies prior to making the election and at 1494
the time of death is eligible to retire and receive a pension or 1495
benefit under division (C)(1) or (3) of section 742.37 of the 1496
Revised Code, the person entitled to receive a benefit under 1497
section 742.3714 of the Revised Code may make the election 1498
provided for in this division. 1499

(3) The election under division (D)(1) or (2) of this section 1500
shall be made on forms provided by the fund. Once received by the 1501
fund, the election is irrevocable and binds the member and any 1502

other person who receives a pension or benefit based on the 1503
member's service. No person who receives a pension or benefit 1504
calculated in accordance with division (D) of this section is 1505
eligible to receive an increase under this section. If the person 1506
making the election receives a benefit under section 742.3714 of 1507
the Revised Code, that person is not eligible to receive an 1508
increase under division (G) of section 742.3711 of the Revised 1509
Code. 1510

(E) A member whose election to participate in the deferred 1511
retirement option plan established under section 742.43 of the 1512
Revised Code or a member described in division (B) of section 1513
742.444 of the Revised Code, the pension amount used in the first 1514
calculation of an increase under this section shall be the amount 1515
calculated under section 742.442 of the Revised Code unless the 1516
member's participation has terminated pursuant to division (C) of 1517
section 742.444 or to section 742.445 of the Revised Code. 1518

(2) Increases paid in years subsequent to the year of the 1519
first increase paid under this section shall be paid to all 1520
eligible persons who, on the date that the increase is authorized 1521
by the board, have been receiving a pension or benefit for twelve 1522
months. 1523

(E) is effective prior to July 2, 2013, is eligible to 1524
receive an increase under this section while participating in the 1525
deferred retirement option plan on attaining the age of fifty-five 1526
and having participated in the plan twelve months. The pension 1527
amount used in the first calculation of an increase under this 1528
section shall be the amount calculated under section 742.442 of 1529
the Revised Code unless the member's participation has terminated 1530
pursuant to division (C) of section 742.444 or to section 742.445 1531
of the Revised Code. A member whose election to participate in the 1532
deferred retirement option plan is effective on or after July 2, 1533
2013, shall not receive an increase under this section while 1534

participating in the deferred retirement option plan. 1535

(F) If payment of a portion of a benefit is made to an 1536
alternate payee under section 742.462 of the Revised Code, 1537
increases under this section granted while the order is in effect 1538
shall be apportioned between the alternate payee and the benefit 1539
recipient in the same proportion that the amount being paid to the 1540
alternate payee bears to the amount paid to the benefit recipient. 1541

If payment of a portion of a retirement allowance is made to 1542
one or more beneficiaries under "option 4" under division (A)(4) 1543
of section 742.3711 of the Revised Code, each increase under this 1544
section granted while the plan of payment is in effect shall be 1545
divided among the designated beneficiaries in accordance with the 1546
portion each beneficiary has been allocated. 1547

Sec. 742.38. (A)(1) The board of trustees of the Ohio police 1548
and fire pension fund shall adopt rules establishing minimum 1549
medical testing and diagnostic standards or procedures to be 1550
incorporated into physical examinations administered by physicians 1551
to prospective members of the fund. The standards or procedures 1552
shall include diagnosis and evaluation of the existence of any 1553
heart disease, cardiovascular disease, or respiratory disease. The 1554
rules shall specify the form of the physician's report and the 1555
information to be included in it. 1556

The board shall notify all employers of the establishment of 1557
the minimum standards or procedures and shall include with the 1558
notice a copy of the standards or procedures. The board shall 1559
notify all employers of any changes made to the standards or 1560
procedures. Once the standards or procedures take effect, 1561
employers shall cause each prospective member of the fund to 1562
submit to a physical examination that incorporates the standards 1563
or procedures. 1564

(2) Division (A)(2) of this section applies to an employee 1565

who becomes a member of the fund on or after the date the minimum 1566
standards or procedures described in division (A)(1) of this 1567
section take effect. For each employee described in division 1568
(A)(2) of this section, the employer shall forward to the board a 1569
copy of the physician's report of a physical examination that 1570
incorporates the standards or procedures described in division 1571
(A)(1) of this section. If an employer fails to forward the report 1572
in the form required by the board on or before the date that is 1573
sixty days after the employee becomes a member of the fund, the 1574
board shall assess against the employer a penalty determined under 1575
section 742.353 of the Revised Code. 1576

(B) Application for a disability benefit may be made by a 1577
member of the fund or, if the member is incapacitated as defined 1578
in rules adopted by the board, by a person acting on the member's 1579
behalf. Not later than fourteen days after receiving an 1580
application for a disability benefit from a member or a person 1581
acting on behalf of a member, the board shall notify the member's 1582
employer that an application has been filed. The notice shall 1583
state the member's position or rank. Not later than twenty-eight 1584
days after receiving the notice or filing an application on behalf 1585
of a member, the employer shall forward to the board a statement 1586
certifying the member's job description and any other information 1587
required by the board to process the application. 1588

If the member applying for a disability benefit becomes a 1589
member of the fund prior to the date the minimum standards or 1590
procedures described in division (A)(1) of this section take 1591
effect, the board may request from the member's employer a copy of 1592
the physician's report of the member's physical examination taken 1593
on entry into the police or fire department or, if the employer 1594
does not have a copy of the report, a written statement certifying 1595
that the employer does not have a copy of the report. If an 1596
employer fails to forward the report or statement in the form 1597

required by the board on or before the date that is twenty-eight 1598
days after the date of the request, the board shall assess against 1599
the employer a penalty determined under section 742.353 of the 1600
Revised Code. The board shall maintain the information submitted 1601
under this division and division (A)(2) of this section in the 1602
member's file. 1603

(C) For purposes of determining under division (D) of this 1604
section whether a member of the fund is disabled, the board shall 1605
adopt rules establishing objective criteria under which the board 1606
shall make the determination. The rules shall include standards 1607
that provide for all of the following: 1608

(1) Evaluating a member's illness or injury on which an 1609
application for disability benefits is based; 1610

(2) Defining the occupational duties of a police officer or 1611
firefighter; 1612

(3) Providing for the board to assign competent and 1613
disinterested physicians and vocational evaluators to conduct 1614
examinations of a member; 1615

(4) Requiring a written report for each disability 1616
application that includes a summary of findings, medical opinions, 1617
including an opinion on whether the illness or injury upon which 1618
the member's application for disability benefits is based was 1619
caused or induced by the actual performance of the member's 1620
official duties, and any recommendations or comments based on the 1621
medical opinions; 1622

(5) Providing for the board to consider the member's 1623
potential for retraining or reemployment. 1624

(D) This division does not apply to members of the fund who 1625
have elected to receive benefits and pensions in accordance with 1626
division (A) or (B) of section 742.37 of the Revised Code or from 1627
a police relief and pension fund or a firemen's relief and pension 1628

fund in accordance with the rules of that fund in force on April 1, 1947. 1629
1630

~~(1)~~ As used in this division ~~(D)(1) of this section:~~ 1631

~~(a)~~ "Totally disabled" means a member of the fund is unable 1632
to perform the duties of any gainful occupation for which the 1633
member is reasonably fitted by training, experience, and 1634
accomplishments. Absolute helplessness is not a prerequisite of 1635
being totally disabled. 1636

~~(b)~~ "Permanently disabled" means a condition of disability 1637
from which there is no present indication of recovery. 1638

(1) A member of the fund who is permanently and totally 1639
disabled as the result of the performance of the member's official 1640
duties as a member of a police or fire department shall be paid 1641
annual disability benefits in accordance with division (A) of 1642
section 742.39 of the Revised Code. In determining whether a 1643
member of the fund is permanently and totally disabled, the board 1644
shall consider standards adopted under division (C) of this 1645
section applicable to the determination. 1646

(2) A member of the fund who is permanently and partially 1647
disabled as the result of the performance of the member's official 1648
duties as a member of a police or fire department shall, if the 1649
disability prevents the member from performing those duties and 1650
impairs the member's earning capacity, receive annual disability 1651
benefits in accordance with division (B) of section 742.39 of the 1652
Revised Code. In determining whether a member of the fund is 1653
permanently and partially disabled, the board shall consider 1654
standards adopted under division (C) of this section applicable to 1655
the determination. 1656

(3) A member of the fund who is permanently disabled as a 1657
result of heart disease or any cardiovascular or respiratory 1658
disease of a chronic nature, which disease or any evidence of 1659

which disease was not revealed by the physical examination passed 1660
by the member on entry into the department or another examination 1661
specified in rules the board adopts under section 742.10 of the 1662
Revised Code, is presumed to have incurred the disease while 1663
performing the member's official duties, unless the contrary is 1664
shown by competent evidence. The board may waive the requirement 1665
that the absence of disease be evidenced by a physical examination 1666
if competent medical evidence of a type specified in rules adopted 1667
under section 742.10 of the Revised Code is submitted documenting 1668
that the disease was not evident prior to or at the time of entry 1669
into the department. 1670

(4) A member of the fund who has ~~completed~~ five or more years 1671
of ~~active service in a police or fire department~~ credit and has 1672
incurred a permanent disability not caused or induced by the 1673
actual performance of the member's official duties as a member of 1674
the department, or by the member's own negligence, shall if the 1675
disability prevents the member from performing those duties and 1676
impairs the member's earning capacity, receive annual disability 1677
benefits in accordance with division (C) of section 742.39 of the 1678
Revised Code. In determining whether a member of the fund is 1679
permanently disabled, the board shall consider standards adopted 1680
under division (C) of this section applicable to the 1681
determination. 1682

(5) The board shall notify a member of its final action 1683
awarding a disability benefit to the member within thirty days of 1684
the final action. The notice shall be sent by certified mail, 1685
return receipt requested. Not later than ninety days after receipt 1686
of notice from the board, the member shall elect, on a form 1687
provided by the board, either to accept or waive the disability 1688
benefit award. If the member elects to waive the disability 1689
benefit award or fails to make an election within the time period, 1690
the award is rescinded. A member who later seeks a disability 1691

benefit award shall be required to make a new application, which 1692
shall be dealt with in accordance with the procedures used for 1693
original disability benefit applications. 1694

A person is not eligible to apply for or receive disability 1695
benefits under this division, section 742.39 of the Revised Code, 1696
or division (C)(2), (3), (4), or (5) of former section 742.37 of 1697
the Revised Code unless the person is a member of the fund on the 1698
date on which the application for disability benefits is submitted 1699
to the fund. 1700

With the exception of persons who may make application for 1701
increased benefits as provided in division (D)(2) or (4) of this 1702
section or division (C)(3) or (5) of former section 742.37 of the 1703
Revised Code on or after July 24, 1986, or persons who may make 1704
application for benefits as provided in section 742.26 of the 1705
Revised Code, no person receiving a pension or benefit under this 1706
section or division (C) of former section 742.37 of the Revised 1707
Code may apply for any new, changed, or different benefit. 1708

Sec. 742.39. (A) A member of the Ohio police and fire pension 1709
fund determined to be eligible for a disability benefit under 1710
division (D)(1) of section 742.38 of the Revised Code shall be 1711
paid annual disability benefits, payable in twelve monthly 1712
installments, in an amount equal to seventy-two per cent of the 1713
member's average annual salary. If, as of July 2, 2013, the member 1714
had fifteen or more years of service credit, the average annual 1715
salary shall be determined using three years of contributions. If, 1716
as of that date, the member had less than fifteen years of service 1717
credit, the average annual salary shall be determined using five 1718
years of contributions. 1719

(B) A member of the fund determined to be eligible for a 1720
disability benefit under division (D)(2) of section 742.38 of the 1721
Revised Code shall be paid annual disability benefits, payable in 1722

twelve monthly installments. If the member has fewer than 1723
twenty-five years of ~~active service in a police or fire department~~ 1724
credit, the benefit shall be in an amount fixed by the board of 1725
trustees of the Ohio police and fire pension fund. The board may 1726
increase or decrease the benefit whenever the board determines 1727
that the impairment of the member's earning capacity warrants an 1728
increase or decrease based on the standards adopted under division 1729
(C) of section 742.38 of the Revised Code applicable to the 1730
determination, but in no event shall the benefit exceed sixty per 1731
cent of the member's average annual salary. 1732

A member who has ~~completed~~ twenty-five or more years of 1733
~~active service in the department~~ credit shall receive annual 1734
disability benefits, payable in twelve monthly installments, in an 1735
amount equal to a percentage of the member's average annual 1736
salary. The percentage shall be the sum of two and one-half per 1737
cent for each of the first twenty years ~~the member was in the~~ 1738
~~active of~~ service ~~of the department~~ credit, plus two per cent for 1739
each of the twenty-first to twenty-fifth years ~~the member was in~~ 1740
~~the active of~~ service ~~of the department~~ credit, plus one and 1741
one-half per cent for each year in excess of twenty-five years ~~the~~ 1742
~~member was in the active of~~ service ~~of the department~~ credit. The 1743
annual disability benefit shall not exceed seventy-two per cent of 1744
the member's average annual salary. 1745

In calculating a benefit under this division, a member's 1746
average annual salary shall be determined using three years of 1747
contributions if, as of July 2, 2013, the member had fifteen or 1748
more years of service credit. If, as of that date, the member had 1749
less than fifteen years of service credit, the average annual 1750
salary shall be determined using five years of contributions. 1751

(C) A member of the fund determined to be eligible for a 1752
disability benefit under division (D)(4) of section 742.38 of the 1753
Revised Code shall be paid annual disability benefits, payable in 1754

twelve monthly installments, in an amount to be fixed by the 1755
board. The board may increase or decrease the benefits whenever 1756
the board determines that the impairment of the member's earning 1757
capacity warrants an increase or decrease based on the standards 1758
adopted under division (C) of section 742.38 of the Revised Code 1759
applicable to the determination, but in no event shall a benefit 1760
paid to the member exceed sixty per cent of the member's average 1761
annual salary. 1762

(D) Each of the following persons who on July 1, 1999, is 1763
receiving annual benefits of less than six thousand six hundred 1764
dollars shall have the benefits increased to that amount effective 1765
July 1, 1999: 1766

(1) A person receiving annual benefits described in division 1767
(A) of this section; 1768

(2) A person receiving annual benefits described in division 1769
(C) of this section based on an award made prior to September 16, 1770
1998. 1771

(E) Benefits payable under this section continue until death 1772
unless adjusted under division (D)(5) of section 742.38 of the 1773
Revised Code or adjusted or terminated under division (C)(3) of 1774
section 742.40 of the Revised Code. 1775

Sec. 742.44. Except as provided in section 742.14 of the 1776
Revised Code, at any time prior to filing an application for 1777
retirement under division (C)(1) of section 742.37 of the Revised 1778
Code, a member who has attained the requisite age and is eligible 1779
to retire under that division may elect to participate in the 1780
deferred retirement option plan established under section 742.43 1781
of the Revised Code. 1782

To make an election, an eligible member shall complete and 1783
submit to the Ohio police and fire pension fund a form prescribed 1784

by the fund. At this time the member may, but is not required to, 1785
elect under section 742.3711 of the Revised Code to have the 1786
member's monthly pension calculated as a retirement allowance 1787
payable throughout the member's life or a retirement allowance 1788
under option 2 in division (A) of section 742.3711 of the Revised 1789
Code. Unless rescinded during a period specified in rules adopted 1790
under section 742.43 of the Revised Code, the election is 1791
irrevocable from the date it is received by the fund until the 1792
employee ceases to participate in the plan as provided in section 1793
742.444 of the Revised Code. 1794

A member is not required to specify the number of years or 1795
portion of a year the member will participate in the plan but must 1796
agree to terminate active service in a police or fire department 1797
and begin receiving the member's pension not later than the date 1798
that is eight years after the effective date of the election to 1799
participate in the plan or be subject to the forfeiture provisions 1800
of division (C) of section 742.444 of the Revised Code. 1801

The effective date of an election made under this section is 1802
the first day of the employer's first payroll period immediately 1803
following the board's receipt of the notice of election. 1804

Sec. 742.442. For each member who elects to participate in 1805
the deferred retirement option plan, the Ohio police and fire 1806
pension fund shall determine under division (C)(1) of section 1807
742.37 of the Revised Code the monthly pension amount that would 1808
be payable to the member had the member elected to receive a 1809
pension under that division. In determining the pension amount, 1810
the fund shall use the member's total service credit and average 1811
annual salary as of the last day of the employer's payroll period 1812
immediately prior to the effective date of the member's election 1813
to participate in the plan. The pension amount shall be calculated 1814
as a retirement allowance payable for the member's life, except 1815

that, if at the time of electing to participate in the plan the 1816
member selected the plan of payment in option 2 of division (A) of 1817
section 742.3711 of the Revised Code, the pension shall be 1818
calculated using that plan of payment. 1819

A member who participates in the plan is not eligible to make 1820
an election under division ~~(B)~~(D) of section 742.3716 of the 1821
Revised Code. 1822

Sec. 742.443. (A) During the period beginning on the 1823
effective date of an election to participate in the deferred 1824
retirement option plan and ending on the date participation 1825
ceases, a member's monthly pension amount determined under section 1826
742.442 of the Revised Code shall accrue to the member's benefit. 1827
~~To~~ If the member is eligible for increases under section 742.3716 1828
of the Revised Code, to this amount shall be added any benefit 1829
increases the member would be eligible for under ~~division (C) of~~ 1830
~~section 742.3716 of the Revised Code~~ that section had the member, 1831
on the effective date of the member's election, retired under 1832
division (C)(1) of section 742.37 of the Revised Code. 1833

(B)(1) The amounts contributed under section 742.31 of the 1834
Revised Code by a member ~~participating~~ who, before July 2, 2013, 1835
elects to participate in the deferred retirement option plan shall 1836
accrue to the member's benefit as follows: 1837

(a) During the period beginning on the first day of the first 1838
payroll period after the election's effective date and ending on 1839
the earlier of the date that is two years thereafter or the date 1840
the member ceases participation in the plan, fifty per cent of the 1841
member's contributions for that period; 1842

(b) During the period beginning on the date that is two years 1843
and one day after accruals begin under this division and ending on 1844
the earlier of the date that is three years thereafter or the date 1845

the member ceases participation in the plan, seventy-five per cent 1846
of the member's contributions for that period; 1847

(c) During the period beginning on the date that is three 1848
years and one day after accruals begin under this section and 1849
ending on the date the member ceases participation in the plan, 1850
one hundred per cent of the member's contributions for that 1851
period. 1852

(2) The amounts contributed under section 742.31 of the 1853
Revised Code by a member who, on or after July 2, 2013, elects to 1854
participate in the deferred retirement option plan shall accrue to 1855
the member's benefit as follows: 1856

(a) During the period beginning on the first day of the first 1857
payroll period after the election's effective date and ending on 1858
the earlier of the date that is three years thereafter or the date 1859
the member ceases participation in the plan, fifty per cent of the 1860
member's contributions for that period; 1861

(b) During the period beginning on the date that is three 1862
years and one day after accruals begin under this division and 1863
ending on the earlier of the date that is five years thereafter or 1864
the date the member ceases participation in the plan, seventy-five 1865
per cent of the member's contributions for that period; 1866

(c) During the period beginning on the date that is five 1867
years and one day after accruals begin under this section and 1868
ending on the date the member ceases participation in the plan, 1869
one hundred per cent of the member's contributions for that 1870
period. 1871

(3) The Ohio police and fire pension fund shall credit the 1872
portion of a member's contributions that are not accrued to the 1873
member's benefit under division (B)(1) or (2) of this section to 1874
the police officers' contribution fund or firefighters' 1875
contribution fund, as appropriate. 1876

(C) During the period beginning on the election's effective date and ending on the day before the date distributions under division (B)(3) of section 742.444 of the Revised Code are completed, the amounts described in divisions (A) and (B)(1) of this section shall earn interest at an annual rate established by the board of trustees of the fund and compounded annually using a method established by rule adopted under section 742.43 of the Revised Code.

Sec. 742.444. (A) A member's participation in the deferred retirement option plan ceases on the occurrence of the earliest of the following:

(1) Termination of the member's active service in a police or fire department;

(2) The last day of the eight-year period that begins on the effective date of the member's election to participate in the plan;

(3) Acceptance by the member of a disability benefit awarded by the board of trustees of the Ohio police and fire pension fund, unless the acceptance is revoked by the member in accordance with rules adopted by the board;

(4) The member's death.

(B) If a member terminates active service in a police or fire department not later than eight years after the effective date of the member's election to participate in the plan, all of the following apply:

(1) The member shall notify the Ohio police and fire pension fund of the date of termination on a form prescribed by the fund. The member is not eligible to make another election under section 742.44 of the Revised Code.

(2) ~~If~~ (a) For a member whose election to participate in the

plan is effective before July 2, 2013, the member's termination of 1907
active service occurs on or after the date that is the first day 1908
of the fourth year after the effective date of the election to 1909
participate in the plan, the entire amount that has accrued to the 1910
member's benefit under the deferred retirement option plan shall 1911
be distributed to the member pursuant to the member's selection 1912
under division (B)(3) of this section. If the member's termination 1913
of active service occurs before the date that is four years after 1914
the effective date of the election to participate, the member 1915
shall forfeit the total amount of the interest credited under 1916
division (C) of section 742.443 of the Revised Code. 1917

(b) For a member whose election to participate in the plan is 1918
effective on or after July 2, 2013, if the member's termination of 1919
active service occurs on or after the date that is the sixth year 1920
after the effective date of the election to participate in the 1921
plan, the entire amount that has accrued to the member's benefit 1922
under the deferred retirement option plan shall be distributed to 1923
the member pursuant to the member's selection under division 1924
(B)(3) of this section. If the member's termination of active 1925
service occurs before the date that is six years after the 1926
effective date of the election to participate, the member shall 1927
forfeit the total amount of the interest credited under division 1928
(C) of section 742.443 of the Revised Code. 1929

(3) The member shall select one of the following as the 1930
method of distribution of the amount to be distributed to the 1931
member: 1932

(a) A single payment; 1933

(b) Periodic payments as determined by the board. 1934

The fund shall retain amounts accrued to the benefit of a 1935
member under the plan until a form specifying the method of 1936
distribution selected is filed with the fund by the member or an 1937

authorized representative of the member. 1938

The board shall afford a member who selects periodic payments 1939
the opportunity at least once during each calendar year to change 1940
the member's selection. 1941

(4) Distribution of the amount accrued to a member's benefit 1942
under the deferred retirement option plan shall not commence until 1943
the following: 1944

(a) For members whose election to participate in the plan is 1945
effective before July 2, 2013, the date that is the first day of 1946
the fourth year after the effective date of the election; 1947

(b) For members whose election to participate in the plan is 1948
effective on or after July 2, 2013, the date that is the first day 1949
of the sixth year after the effective date of the election. 1950

(5) The member shall select a plan of payment under section 1951
742.3711 of the Revised Code for the pension payable to the member 1952
under division (C) of section 742.37 of the Revised Code, unless 1953
the member selected a plan of payment at the time of electing to 1954
participate in the plan. The pension shall commence not later than 1955
the first day of the second month following the date the employee 1956
ceases to participate in the plan. 1957

(C) If, at the end of the eight-year period that begins on 1958
the effective date of a member's election to participate in the 1959
plan, the member has failed to terminate active service in a 1960
police or fire department, all of the following apply: 1961

(1) No further amounts shall accrue to the member's benefit, 1962
and the member shall forfeit all amounts that have accrued to the 1963
member's benefit under section 742.443 of the Revised Code. The 1964
amounts forfeited shall be treated as if the member had continued 1965
in the active service of a police or fire department and not 1966
elected to participate in the plan. 1967

(2) The member shall be granted service credit for the period 1968
the member was participating in the plan, and when the member's 1969
pension is calculated under section 742.37 of the Revised Code, 1970
the calculation shall be made as though the member had never 1971
participated in the plan. 1972

(3) Further contributions, and service credit for those 1973
contributions, shall be credited as provided in sections 742.31 1974
through 742.34 of the Revised Code. 1975

Sec. 742.45. (A) The board of trustees of the Ohio police and 1976
fire pension fund may enter into an agreement with insurance 1977
companies, health insuring corporations, or government agencies 1978
authorized to do business in the state for issuance of a policy or 1979
contract of health, medical, hospital, or surgical benefits, or 1980
any combination thereof, for those individuals receiving service 1981
or disability pensions or survivor benefits subscribing to the 1982
plan. Notwithstanding any other provision of this chapter, the 1983
policy or contract may also include coverage for any eligible 1984
individual's spouse and dependent children and for any of the 1985
eligible individual's sponsored dependents as the board considers 1986
appropriate. 1987

If all or any portion of the policy or contract premium is to 1988
be paid by any individual receiving a service, disability, or 1989
survivor pension or benefit, the individual shall, by written 1990
authorization, instruct the board to deduct from the individual's 1991
benefit the premium agreed to be paid by the individual to the 1992
company, corporation, or agency. 1993

The board may contract for coverage on the basis of part or 1994
all of the cost of the coverage to be paid from appropriate funds 1995
of the Ohio police and fire pension fund. The cost paid from the 1996
funds of the Ohio police and fire pension fund shall be included 1997
in the employer's contribution rates provided by sections 742.33 1998

and 742.34 of the Revised Code. 1999

The board may provide for self-insurance of risk or level of 2000
risk as set forth in the contract with the companies, 2001
corporations, or agencies, and may provide through the 2002
self-insurance method specific benefits as authorized by the rules 2003
of the board. 2004

(B) Except as otherwise provided in this division, the board 2005
shall, beginning the month following receipt of satisfactory 2006
evidence of the payment for coverage, pay monthly to each 2007
recipient of service, disability, or survivor benefits under the 2008
Ohio police and fire pension fund who is eligible for ~~medical~~ 2009
~~insurance~~ coverage under part B of the medicare program 2010
established under Title XVIII of "The Social Security Amendments 2011
of 1965," 79 Stat. 301 (1965), 42 U.S.C.A. 1395j, as amended, an 2012
amount specified by the board or determined pursuant to a formula 2013
established by the board that is not less than ninety-six dollars 2014
and forty cents, for such coverage, except that the board shall 2015
not pay an amount that exceeds the amount paid by the recipient 2016
for the coverage. 2017

The board shall pay not more than one monthly premium under 2018
this division to an eligible benefit recipient even if the 2019
recipient is receiving more than one monthly benefit from the 2020
fund. The board shall not pay a monthly premium under this 2021
division to an eligible benefit recipient who is receiving 2022
reimbursement for the premium from any other source. 2023

(C) The board shall establish by rule requirements for the 2024
coordination of any coverage, payment, or benefit provided under 2025
this section with any similar coverage, payment, or benefit made 2026
available to the same individual by the public employees 2027
retirement system, state teachers retirement system, school 2028
employees retirement system, or state highway patrol retirement 2029
system. 2030

(D) The board shall make all other necessary rules pursuant 2031
to the purpose and intent of this section. 2032

Sec. 742.63. The board of trustees of the Ohio police and 2033
fire pension fund shall adopt rules for the management of the Ohio 2034
public safety officers death benefit fund and for disbursements of 2035
benefits as set forth in this section. 2036

(A) As used in this section: 2037

(1) "Member" means all of the following: 2038

(a) A member of the Ohio police and fire pension fund, 2039
including a member of the fund who has elected to participate in 2040
the deferred retirement option plan established under section 2041
742.43 of the Revised Code or a member of or contributor to a 2042
police or firemen's relief and pension fund established under 2043
former Chapter 521. or 741. of the Revised Code; 2044

(b) A member of the state highway patrol retirement system, 2045
including a member who is participating in the deferred retirement 2046
option plan established under section 5505.50 of the Revised Code; 2047

(c) A member of the public employees retirement system who at 2048
the time of the member's death was one of the following: 2049

(i) A county sheriff or deputy sheriff; 2050

(ii) A full-time regular police officer in a municipal 2051
corporation or township; 2052

(iii) A full-time regular firefighter employed by the state, 2053
an instrumentality of the state, a municipal corporation, a 2054
township, a joint fire district, or another political subdivision; 2055

(iv) A full-time park district ranger or patrol trooper; 2056

(v) A full-time law enforcement officer of the department of 2057
natural resources; 2058

(vi) A full-time department of public safety enforcement 2059

agent;	2060
(vii) A full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of a municipal corporation;	2061 2062 2063
(viii) A full-time law enforcement officer of a conservancy district;	2064 2065
(ix) A correction officer at an institution under the control of a county, a group of counties, a municipal corporation, or the department of rehabilitation and correction;	2066 2067 2068
(x) A state university law enforcement officer;	2069
(xi) An investigator, as defined in section 109.541 of the Revised Code, or an investigator commissioned as a special agent of the bureau of criminal identification and investigation.	2070 2071 2072
(xii) A drug agent, as defined in section 145.01 of the Revised Code.	2073 2074
(d) A member of a retirement system operated by a municipal corporation who at the time of death was a full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of the municipal corporation.	2075 2076 2077 2078
(2) Notwithstanding section 742.01 of the Revised Code, "fire or police department" includes a fire department of the state or an instrumentality of the state or of a municipal corporation, township, joint fire district, or other political subdivision, the state highway patrol, a county sheriff's office, the security force of an institution under the control of the department of rehabilitation and correction, the security force of a jail or workhouse under the control of a county, group of counties, or municipal corporation, the security force of a metropolitan, county, or township park district, the security force of lands under the control of the department of natural resources,	2079 2080 2081 2082 2083 2084 2085 2086 2087 2088 2089

department of public safety enforcement agents, the security force 2090
of parks, waterway lands, or reservoir lands under the control of 2091
a municipal corporation, the security force of a conservancy 2092
district, the police department of a township or municipal 2093
corporation, and the police force of a state university. 2094

(3) "Firefighter or police officer" includes a state highway 2095
patrol trooper, a county sheriff or deputy sheriff, a correction 2096
officer at an institution under the control of a county, a group 2097
of counties, a municipal corporation, or the department of 2098
rehabilitation and correction, a police officer employed by a 2099
township or municipal corporation, a firefighter employed by the 2100
state, an instrumentality of the state, a municipal corporation, a 2101
township, a joint fire district, or another political subdivision, 2102
a full-time park district ranger or patrol trooper, a full-time 2103
law enforcement officer of the department of natural resources, a 2104
full-time department of public safety enforcement agent, a 2105
full-time law enforcement officer of parks, waterway lands, or 2106
reservoir lands under the control of a municipal corporation, a 2107
full-time law enforcement officer of a conservancy district, and a 2108
state university law enforcement officer. 2109

(4) "Correction officer" includes, in addition to any 2110
correction officer, any correction corporal, sergeant, lieutenant, 2111
or captain, and the equivalents of all such persons. 2112

(5) "A park district ranger or patrol trooper" means a peace 2113
officer commissioned to make arrests, execute warrants, and 2114
preserve the peace upon lands under the control of a board of park 2115
commissioners of a metropolitan, county, or township park 2116
district. 2117

(6) "Metropolitan, county, or township park district" means a 2118
park district created under the authority of Chapter 511. or 1545. 2119
of the Revised Code. 2120

- (7) "Conservancy district" means a conservancy district created under the authority of Chapter 6101. of the Revised Code. 2121
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- (8) "Law enforcement officer" means an officer commissioned to make arrests, execute warrants, and preserve the peace upon lands under the control of the governmental entity granting the commission. 2123
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- (9) "Department of natural resources law enforcement officer" includes a forest officer designated pursuant to section 1503.29 of the Revised Code, a preserve officer designated pursuant to section 1517.10 of the Revised Code, a wildlife officer designated pursuant to section 1531.13 of the Revised Code, a park officer designated pursuant to section 1541.10 of the Revised Code, and a state watercraft officer designated pursuant to section 1547.521 of the Revised Code. 2127
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- (10) "Retirement eligibility date" means the last day of the month in which a deceased member would have first become eligible, had the member lived, for the retirement pension provided under ~~section 145.33,~~ Chapter 145., 521. or 741., division (C)(1) of section 742.37, or division (A)(1) of section 5505.17 of the Revised Code or provided by a retirement system operated by a municipal corporation. 2135
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- (11) "Death benefit amount" means an amount equal to the full monthly salary received by a deceased member prior to death, minus an amount equal to the benefit received under section 145.45, 742.37, 742.3714, or 5505.17 of the Revised Code or the benefit received from a retirement system operated by a municipal corporation, plus any increases in salary that would have been granted the deceased member. 2142
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- (12) "Killed in the line of duty" means either of the following: 2149
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- (a) Death in the line of duty; 2151

(b) Death from injury sustained in the line of duty, 2152
including heart attack or other fatal injury or illness caused 2153
while in the line of duty. 2154

(B) A spouse of a deceased member shall receive a death 2155
benefit each month equal to the full death benefit amount, 2156
provided that the deceased member was a firefighter or police 2157
officer killed in the line of duty and there are no surviving 2158
children eligible for a benefit under this section. The spouse 2159
shall receive this benefit during the spouse's natural life until 2160
the deceased member's retirement eligibility date, on which date 2161
the benefit provided under this division shall terminate. 2162

(C)(1) If a member killed in the line of duty as a 2163
firefighter or police officer is survived only by a child or 2164
children, the child or children shall receive a benefit each month 2165
equal to the full death benefit amount. If there is more than one 2166
surviving child, the benefit shall be divided equally among these 2167
children. 2168

(2) If the death benefit paid under this division is divided 2169
among two or more surviving children and any of the children 2170
become ineligible to continue receiving a portion of the benefit 2171
as provided in division (H) of this section, the full death 2172
benefit amount shall be paid to the remaining eligible child or 2173
divided among the eligible children so that the benefit paid to 2174
the remaining eligible child or children equals the full death 2175
benefit amount. 2176

(3) Notwithstanding divisions (C)(1) and (2) of this section, 2177
all death benefits paid under this division shall terminate on the 2178
deceased member's retirement eligibility date. 2179

(D) If a member killed in the line of duty as a firefighter 2180
or police officer is survived by both a spouse and a child or 2181
children, the monthly benefit provided shall be as follows: 2182

(1)(a) If there is a surviving spouse and one surviving child, the spouse shall receive an amount each month equal to one-half of the full death benefit amount and the child shall receive an amount equal to one-half of the full death benefit amount.

(b) If the surviving spouse dies or the child becomes ineligible as provided in division (H) of this section, the surviving spouse or child remaining eligible shall receive the full death benefit amount.

(2)(a) If there is a surviving spouse and more than one child, the spouse shall receive an amount each month equal to one-third of the full death benefit amount and the children shall receive an amount, equally divided among them, equal to two-thirds of the full death benefit amount.

(b) If a spouse and more than one child each are receiving a death benefit under division (D)(2)(a) of this section and the spouse dies, the children shall receive an amount each month, equally divided among them, equal to the full death benefit amount.

(c) If a spouse and more than one child each are receiving a benefit under division (D)(2)(a) of this section and any of the children becomes ineligible to receive a benefit as provided in division (H) of this section, the spouse and remaining eligible child or children shall receive a death benefit as follows:

(i) If there are two or more remaining eligible children, the spouse shall receive an amount each month equal to one-third of the full death benefit amount and the children shall receive an amount each month, equally divided among them, equal to two-thirds of the full death benefit amount;

(ii) If there is one remaining eligible child, the spouse shall receive an amount each month equal to one-half of the full

death benefit amount, and the child shall receive an amount each 2214
month equal to one-half of the full death benefit amount. 2215

(d) If a spouse and more than one child each are receiving a 2216
benefit under division (D)(2)(a) of this section and all of the 2217
children become ineligible to receive a benefit as provided in 2218
division (H) of this section, the spouse shall receive the full 2219
death benefit amount. 2220

(3) Notwithstanding divisions (D)(1) and (2) of this section, 2221
death benefits paid under this division to a surviving spouse 2222
shall terminate on the member's retirement eligibility date. Death 2223
benefits paid to a surviving child or children shall terminate on 2224
the deceased member's retirement eligibility date unless earlier 2225
terminated pursuant to division (H) of this section. 2226

(E) If a member, on or after January 1, 1980, is killed in 2227
the line of duty as a firefighter or police officer and is 2228
survived by only a parent or parents dependent upon the member for 2229
support, the parent or parents shall receive an amount each month 2230
equal to the full death benefit amount. If there is more than one 2231
surviving parent dependent upon the deceased member for support, 2232
the death benefit amount shall be divided equally among the 2233
surviving parents. On the death of one of the surviving parents, 2234
the full death benefit amount shall be paid to the other parent. 2235

(F)(1) The following shall receive a monthly death benefit 2236
under this division: 2237

(a) A surviving spouse whose benefits are terminated in 2238
accordance with division (B) or (D)(3) of this section on the 2239
deceased member's retirement eligibility date, or who would 2240
qualify for a benefit under division (B) or (D) of this section 2241
except that the deceased member reached the member's retirement 2242
eligibility date prior to the member's death; 2243

(b) A qualified surviving spouse of a deceased member of or 2244

contributor to a police or firemen's relief and pension fund 2245
established under former Chapter 521. or 741. of the Revised Code 2246
who was a firefighter or police officer killed in the line of 2247
duty. 2248

(2) The monthly death benefit shall be one-half of an amount 2249
equal to the monthly salary received by the deceased member prior 2250
to the member's death, plus any salary increases the deceased 2251
member would have received prior to the member's retirement 2252
eligibility date. The benefit shall terminate on the surviving 2253
spouse's death. A death benefit payable under this division shall 2254
be reduced by an amount equal to any allowance or benefit payable 2255
to the surviving spouse under section 742.3714 of the Revised 2256
Code. 2257

(3) A benefit granted to a surviving spouse under division 2258
(F)(1)(b) of this section shall commence on the first day of the 2259
month immediately following receipt by the board of a completed 2260
application on a form provided by the board and any evidence the 2261
board may require to establish that the deceased spouse was killed 2262
in the line of duty. 2263

(G)(1) If there is not a surviving spouse eligible to receive 2264
a death benefit under division (F) of this section or the 2265
surviving spouse receiving a death benefit under that division 2266
dies, a surviving child or children whose benefits under division 2267
(C) or (D) of this section are or have been terminated pursuant to 2268
division (C)(3) or (D)(3) of this section or who would qualify for 2269
a benefit under division (C) or (D) of this section except that 2270
the deceased member reached the member's retirement eligibility 2271
date prior to the member's death shall receive a monthly death 2272
benefit under this division. The monthly death benefit shall be 2273
one-half of an amount equal to the monthly salary received by the 2274
deceased member prior to the member's death, plus any salary 2275
increases the member would have received prior to the member's 2276

retirement eligibility date. If there is more than one surviving 2277
child, the benefit shall be divided equally among the surviving 2278
children. 2279

(2) If two or more surviving children each are receiving a 2280
benefit under this division and any of those children becomes 2281
ineligible to continue receiving a benefit as provided in division 2282
(H) of this section, the remaining eligible child or children 2283
shall receive an amount equal to one-half of the monthly salary 2284
received by the deceased member prior to death, plus any salary 2285
increases the deceased member would have received prior to the 2286
retirement eligibility date. If there is more than one remaining 2287
eligible child, the benefit shall be divided equally among the 2288
eligible children. 2289

(3) A death benefit, or portion of a death benefit, payable 2290
to a surviving child under this division shall be reduced by an 2291
amount equal to any allowance or benefit payable to that child 2292
under section 742.3714 of the Revised Code, but the reduction in 2293
that child's benefit shall not affect the amount payable to any 2294
other surviving child entitled to a portion of the death benefit. 2295

(H) A death benefit paid to a surviving child under division 2296
(C), (D), or (G) of this section shall terminate on the death of 2297
the child or, unless one of the following is the case, when the 2298
child reaches age eighteen: 2299

(1) The child, because of physical or mental disability, is 2300
unable to provide the child's own support, in which case the death 2301
benefit shall terminate when the disability is removed; 2302

(2) The child is unmarried, under age twenty-two, and a 2303
student in and attending an institution of learning or training 2304
pursuant to a program designed to complete in each school year the 2305
equivalent of at least two-thirds of the full-time curriculum 2306
requirements of the institution, as determined by the trustees of 2307

the fund. 2308

(I) Acceptance of any death benefit under this section does 2309
not prohibit a spouse or child from receiving other benefits 2310
provided under the Ohio police and fire pension fund, the state 2311
highway patrol retirement system, the public employees retirement 2312
system, or a retirement system operated by a municipal 2313
corporation. 2314

(J) No person shall receive a benefit under this section if 2315
any of the following occur: 2316

(1) The person fails to exercise the right to a monthly 2317
survivor benefit under division (A) or (B) of section 145.45, 2318
division (D), (E), or (F) of section 742.37, or division (A)(3), 2319
(4), or (7) of section 5505.17 of the Revised Code; to a monthly 2320
survivor benefit from a retirement system operated by a municipal 2321
corporation; or to a retirement allowance under section 742.3714 2322
of the Revised Code. 2323

(2) The member's accumulated contributions under this chapter 2324
or Chapter 145. or 5505. of the Revised Code are refunded unless 2325
the member had been a member of the public employees retirement 2326
system and had fewer than eighteen months of total service credit 2327
at the time of death. 2328

(3) In the case of a full-time park district ranger or patrol 2329
trooper, a full-time law enforcement officer of the department of 2330
natural resources, a full-time law enforcement officer of parks, 2331
waterway lands, or reservoir lands under the control of a 2332
municipal corporation, a full-time law enforcement officer of a 2333
conservancy district, a correction officer at an institution under 2334
the control of a county, group of counties, or municipal 2335
corporation, or a member of a retirement system operated by a 2336
municipal corporation who at the time of the member's death was a 2337
full-time law enforcement officer of parks, waterway lands, or 2338

reservoir lands under the control of the municipal corporation, 2339
the member died prior to April 9, 1981, in the case of a benefit 2340
under division (B), (C), or (D) of this section, or prior to 2341
January 1, 1980, in the case of a benefit under division (E) of 2342
this section. 2343

(4) In the case of a full-time department of public safety 2344
enforcement agent who prior to June 30, 1999, was a liquor control 2345
investigator of the department of public safety, the member died 2346
prior to December 23, 1986; 2347

(5) In the case of a full-time department of public safety 2348
enforcement agent other than an enforcement agent who, prior to 2349
June 30, 1999, was a liquor control investigator, the member died 2350
prior to June 30, 1999. 2351

(K) A surviving spouse whose benefit was terminated prior to 2352
June 30, 1999, due to remarriage shall receive a benefit under 2353
division (B), (D), or (F) of this section beginning on the first 2354
day of the month following receipt by the board of an application 2355
on a form provided by the board. The benefit amount shall be 2356
determined as of that date. 2357

(1) If the benefit will begin prior to the deceased member's 2358
retirement eligibility date, it shall be paid under division (B) 2359
or (D) of this section and shall terminate as provided in those 2360
divisions. A benefit paid to a surviving spouse under division (D) 2361
of this section shall be determined in accordance with that 2362
division, even if benefits paid to surviving children are reduced 2363
as a result. 2364

(2) If the benefit will begin on or after the deceased 2365
member's retirement eligibility date, it shall be paid under 2366
division (F) of this section and shall terminate as provided in 2367
that division. A benefit paid to a surviving spouse under division 2368
(F) of this section shall be determined in accordance with that 2369

division, even if benefits paid to surviving children are 2370
terminated as a result. 2371

Sec. 742.64. If a any person ~~who is a disability benefit~~ 2372
~~recipient or an alternate payee, as defined in section 3105.80 of~~ 2373
~~the Revised Code,~~ is paid any benefit or payment by the Ohio 2374
police and fire pension fund to which the person is not entitled, 2375
the person shall repay the fund. If the person fails to repay, the 2376
fund shall withhold the amount due from any benefit or payment due 2377
the person or the person's beneficiary under this chapter or may 2378
collect the amount in any other manner provided by law. 2379

Section 2. That existing sections 171.04, 742.01, 742.04, 2380
742.10, 742.14, 742.16, 742.30, 742.301, 742.31, 742.32, 742.33, 2381
742.34, 742.35, 742.37, 742.3711, 742.3716, 742.38, 742.39, 2382
742.44, 742.442, 742.443, 742.444, 742.45, 742.63, and 742.64 and 2383
section 742.011 of the Revised Code are hereby repealed. 2384

Section 3. (A) The amendments by this act of sections 742.33, 2385
742.34, and 742.35 of the Revised Code regarding the frequency of 2386
employer payments to the Ohio Police and Fire Pension Fund apply 2387
to police officer employers' contributions and firefighter 2388
employers' contributions due the Fund for employee payrolls paid 2389
on or after the ninety-first day after the effective date of this 2390
section. 2391

(B) Police officer employers' contributions and firefighter 2392
employers' contributions due the Fund for employee payrolls paid 2393
before the ninety-first day after the effective date of this 2394
section shall be paid to the Fund not later than the date the 2395
contributions would have been due under section 742.33 or 742.34 2396
of the Revised Code, as those sections existed immediately prior 2397
to the effective date of this section. 2398

(C) Any applicable penalty determined under section 742.352 2399

of the Revised Code shall be assessed against an employer if the	2400
employer fails to make a payment on or before the date the payment	2401
is due.	2402