

As Reported by the House Health and Aging Committee

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~~ 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
included in the payroll for the period in which the overtime is 201
worked or the payroll for any period not later than sixty days 202
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
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(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
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(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
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(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
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(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
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(M) "Actuary" means an individual who satisfies all of the following requirements:	226
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(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
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calculated under division (G) of section 742.01 of the Revised 234
Code shall be refunded in accordance with rules adopted by the 235
trustees of the board under section 742.10 of the Revised Code. 236

Sec. 742.013. The board may, by rule adopted under section 237
742.10 of the Revised Code, establish definitions of "terminal 238
pay" and "salary" that differ from those in divisions (K) and (L) 239
of section 742.01 of the Revised Code. In establishing the 240
definitions, the board may use elements of the compensation 241
provisions of the United States Internal Revenue Code and the 242
Internal Revenue Code form W-2, as those provisions are 243
interpreted by the internal revenue service of the United States 244
department of treasury. 245

Sec. 742.04. As used in this section, "county" means the 246
county of residence of an individual who signs a nominating 247
petition. 248

Election of the employee members, firefighter retirant 249
member, and police retirant member of the board of trustees of the 250
Ohio police and fire pension fund shall be under the supervision 251
and direction of the board in accordance with rules adopted under 252
section 742.045 of the Revised Code. 253

Nominating petitions for candidates for an employee member of 254
the board elected by police officers shall be signed by at least 255
one hundred police officers, with at least twenty signers from 256
each of at least five counties of the state, and certified in 257
accordance with rules adopted under section 742.045 of the Revised 258
Code. 259

Nominating petitions for candidates for an employee member of 260
the board elected by firefighters shall be signed by at least one 261
hundred firefighters, with at least twenty signers from each of at 262
least five counties of the state, and certified in accordance with 263

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~~ triennial 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) <u>(E)</u> 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) <u>(C)</u> 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. Following the actuarial investigation required by division (B) of section 742.14 of the Revised Code due on November 1, 2017, and following each quinquennial actuarial investigation thereafter, if, in consultation with its actuary, the Ohio police and fire pension fund board of trustees determines that an adjustment to the age and years of service credit required to receive a pension or benefit under division (C) of section 742.37 of the Revised Code is appropriate, the board may, in accordance with rules adopted under section 742.10 of the Revised Code, do either of the following:

(A) If the board's determination is that increasing the age and years of service requirements is necessary to preserve the fiscal integrity of the fund, increase the age and years of service credit required to receive a pension or benefit;

(B) If the board's determination is that reducing the age and

years of service requirements would not materially impair the 569
fiscal integrity of the fund, reduce the age and years of service 570
credit required to receive a pension or benefit. 571

Sec. 742.30. (A) The employer's accrued liability, as 572
determined pursuant to former section 742.29 of the Revised Code, 573
shall be paid to the Ohio police and fire pension fund. Payments 574
shall be credited to the police officers' pension reserve fund, or 575
to the firefighters' pension reserve fund, in accordance with the 576
relief and pension fund from which the liability for such payment 577
arises, until such time as the employer's accrued liability on 578
account of pensioners and other benefit recipients on the rolls of 579
the particular police relief and pension fund or firemen's relief 580
and pension fund is satisfied. Thereafter, payments shall be 581
credited to the police officers' contribution fund or the 582
firefighters' contribution fund, in accordance with the relief and 583
pension fund from which the liability for such payments arises, 584
until such time as the employer's accrued liability on account of 585
deductions made from the compensation of police officers or 586
firefighters under the particular police relief and pension fund 587
or firemen's relief and pension fund is satisfied. Thereafter, 588
payments shall be credited to the police officer employers' 589
contribution fund, or firefighter employers' contribution fund, in 590
accordance with the relief and pension fund from which the 591
liability for such payments arises, until such time as the 592
employer's total accrued liability under the particular police 593
relief and pension fund or firemen's relief and pension fund is 594
satisfied. 595

(B) That part of the employer's accrued liability remaining 596
unpaid on January 1, 1969, shall be paid by the employer at not 597
less than the following rates per year: two per cent in 1969, two 598
per cent in 1970, three per cent in 1971, four per cent in 1972, 599
and five per cent per annum beginning in 1973 and each year 600

thereafter for sixty-two years. Except as provided in division (C) 601
of this section, payments shall be fixed annually and paid on 602
dates fixed by the board of trustees of the Ohio police and fire 603
pension fund. 604

(C) The board may enter into an agreement with a municipal 605
corporation or township for a single payment by the municipal 606
corporation or township of the employer's accrued liability. The 607
agreement may provide for a reduction in the amount of the accrued 608
liability based on the value to the fund of receiving a single 609
payment. A municipal corporation or township that has made payment 610
in accordance with such an agreement shall have no further 611
obligation to make payments under this section. 612

(D) The board shall report every ~~two~~ three years to the 613
general assembly ~~during its first regular session on~~ the condition 614
of the retirement system, with particular emphasis upon the 615
payment of the employer's accrued liability, and make such 616
recommendations, upon the advice of its actuary, as it considers 617
necessary for the proper funding of the liabilities. 618

Sec. 742.301. (A) Each employer shall promptly pay the amount 619
due on the accrued liability on the dates fixed by the board of 620
trustees of the Ohio police and fire pension fund. Upon 621
certification by the board that payment of an employer's accrued 622
liability has not been paid within thirty days following the date 623
a payment is due, a penalty of five per cent of the amount due 624
shall be assessed against such employer. If the payment and 625
penalty have not been paid within ninety days following the date a 626
payment is due, annual interest at six per cent shall be assessed 627
against the payment and penalty from the date that the payment is 628
due. 629

(B) Upon certification by the board to the superintendent of 630
liquor control or the county auditor of an amount due from any 631

employer who is subject to this chapter by reason of such 632
employer's delinquency in making payments on the accrued 633
liability, the amount due shall be withheld from the employer from 634
liquor control permit fees to be distributed to that employer 635
according to Chapter 4301. of the Revised Code or from the local 636
government fund allocated for distribution to that employer by the 637
county budget commission in accordance with Chapter 5739. of the 638
Revised Code. Upon receipt of the certification from the board, 639
the superintendent or county auditor shall provide for payment 640
against such funds in favor of the Ohio police and fire pension 641
fund for the certified amount due and any penalty and interest 642
thereon. 643

(C) If the payments under divisions (A) and (B) of this 644
section are insufficient to pay the Ohio police and fire pension 645
fund any amounts due the fund from an employer, the fund may seek 646
payment through the office of budget and management. On 647
certification by the board to the director of budget and 648
management of any such amount due, the director shall withhold 649
from the employer any amount available, not to exceed the amount 650
certified as due the fund, from any amounts under the director's 651
control that are payable or due the employer. The director shall 652
pay the amount withheld to the fund. 653

Sec. 742.31. ~~Each~~ (A) Except as provided in division (B) of 654
this section, each employee shall contribute an amount equal to 655
~~ten per cent~~ a percentage of the employee's salary to the Ohio 656
police and fire pension fund. ~~The~~ according to the following 657
schedule: 658

(1) For salary earned in pay periods beginning not later than 659
July 1, 2013, ten per cent; 660

(2) For salary earned in pay periods beginning not earlier 661
than July 2, 2013, but not later than July 1, 2014, ten and 662

three-quarters per cent; 663

(3) For salary earned in pay periods beginning not earlier 664
than July 2, 2014, but not later than July 1, 2015, eleven and 665
one-half per cent; 666

(4) For salary earned in pay periods beginning not earlier 667
than July 2, 2015, twelve and one-quarter per cent. 668

(B) Following the actuarial investigation required by 669
division (B) of section 742.14 of the Revised Code due on November 670
1, 2017, and following each quinquennial actuarial investigation 671
thereafter, if, in consultation with the board's actuary, the 672
board determines that an adjustment to the contribution rate is 673
appropriate, the board may, in accordance with rules adopted under 674
section 742.10 of the Revised Code, do either of the following: 675

(1) If the board's determination is that an increase in the 676
contribution rate is necessary to preserve the fiscal integrity of 677
the fund, increase the contribution rate; 678

(2) If the board's determination is that a decrease in the 679
contribution rate would not materially impair the fiscal integrity 680
of the fund, decrease the contribution rate. 681

(C) The amount shall be deducted by the employer from the 682
employee's salary as defined in division (L) of section 742.01 of 683
the Revised Code for each payroll period, irrespective of whether 684
the minimum compensation provided by law for the employee is 685
reduced thereby. Every employee shall be deemed to consent to the 686
deductions, and payment to the employee less the deductions is a 687
complete discharge and acquittance of all claims and demands for 688
the services rendered by the employee during the period covered by 689
such payment. 690

Sec. 742.32. (A) The fiscal officer of each employer shall 691
transmit monthly to the secretary of the board of trustees of the 692

Ohio police and fire pension fund a report of employee deductions 693
in such form as the board requires. The report shall show all 694
deductions for the fund made pursuant to section 742.31 of the 695
Revised Code and shall be accompanied by payments covering the 696
total of such deductions. The report shall also include the name 697
of each member for whom deductions were made and the portion of 698
the payment attributed to that member. Separate payments shall be 699
so transmitted for that portion of such deductions made from the 700
salaries of members of the police department and for that portion 701
of such deductions made from the salaries of members of the fire 702
department. The report and payment are due the last day of the 703
month following the last business day of the reporting period. A 704

(B) A penalty determined under section 742.352 of the Revised 705
Code shall be assessed if any of the following occur: 706

~~(A)~~(1) The report is received by the board after the due date 707
or is not in the form required by the board. 708

~~(B)~~(2) Payments to cover the total amount due from the 709
salaries of all employees of the employer are received by the 710
board after the due date. 711

The penalty shall be added to and collected on the next 712
succeeding regular employer billing. If the penalty is not paid 713
within sixty days after it is added to the regular employer 714
billing, interest at a rate determined by the board may be charged 715
on the total amount due and the amount of the penalty from the 716
date the amount is due to the date of payment. 717

(C) The secretary of the board, after making a record of all 718
such receipts and crediting each employee's individual account 719
with the amount deducted from the employee's salary, shall deposit 720
the receipts with the treasurer of state for use as provided by 721
this chapter. Where an employer fails to deduct contributions for 722
any employee and transmit such amounts to the fund, the board may 723

make a determination of the employee's liability for contributions 724
and certify to the employer the amounts due for collection in the 725
same manner and subject to the same penalties as payments due the 726
employer's contributions funds. 727

Sec. 742.33. (A) Each employer shall pay ~~quarterly~~ monthly, 728
on such dates as the board of trustees of the Ohio police and fire 729
pension fund requires, from its general fund, or from a levy 730
imposed pursuant to division (J) or (W) of section 5705.19 of the 731
Revised Code, to the fund an amount known as the "police officer 732
employers' contribution," which shall be nineteen and one-half per 733
cent of the salaries as defined in division (L) of section 742.01 734
of the Revised Code of the members of the police department of the 735
employer. 736

(B) The taxing authority of each municipal corporation in 737
which there was a police relief and pension fund on October 1, 738
1965, shall annually, in the manner provided for making other 739
municipal levies and in addition to all other levies authorized by 740
law, levy a tax of three-tenths of one mill upon all the real and 741
personal property as listed for taxation in the municipal 742
corporation for the purpose of paying the police officer 743
employers' contribution and the municipal corporation's accrued 744
liability for its former police relief and pension fund and 745
interest thereon, and of defraying the current operating expenses 746
of the municipal corporation. The annual revenues derived from the 747
tax shall be used in the following order: 748

(1) First, to pay the current police officer employers' 749
contribution and any interest related thereto; 750

(2) Second, to pay any accrued liability chargeable to the 751
municipal corporation during the current calendar year for its 752
former police relief and pension fund and any interest related 753
thereto; 754

(3) Third, to defray the current operating expenses of the 755
municipal corporation. 756

Sec. 742.34. (A) Each employer shall pay ~~quarterly~~ monthly, 757
on such dates as the board of trustees of the Ohio police and fire 758
pension fund requires, from its general fund, or from a levy 759
imposed pursuant to division (I) or (W) of section 5705.19 of the 760
Revised Code, to the fund an amount known as the "firefighter 761
employers' contribution," which shall be twenty-four per cent of 762
the salaries as defined in division (L) of section 742.01 of the 763
Revised Code of the members of the fire department of the 764
employer. 765

(B) The taxing authority of each municipal corporation in 766
which there was a firemen's relief and pension fund on October 1, 767
1965, shall annually, in the manner provided for making other 768
municipal levies and in addition to all other levies authorized by 769
law, levy a tax of three-tenths of one mill upon all the real and 770
personal property as listed for taxation in the municipal 771
corporation for the purpose of paying the firefighter employers' 772
contribution and the municipal corporation's accrued liability for 773
its former firemen's relief and pension fund and interest thereon, 774
and of defraying the current operating expenses of the municipal 775
corporation. The annual revenues derived from the tax shall be 776
used in the following order: 777

(1) First, to pay the current firefighter employers' 778
contribution and any interest related thereto; 779

(2) Second, to pay any accrued liability chargeable to the 780
municipal corporation during the current calendar year for its 781
former firemen's relief and pension fund and any interest related 782
thereto; 783

(3) Third, to defray the current operating expenses of the 784
municipal corporation. 785

~~Sec. 742.35. As used in this section, "calendar quarter" means the three month period ending on the last day of March, June, September, or December.~~ 786
787
788

Each employer shall pay its ~~annual~~ police officer employers' 789
contribution and firefighter employers' contribution in ~~four equal~~ 790
~~installments promptly~~ monthly payments as provided in sections 791
742.33 and 742.34 of the Revised Code. ~~If an~~ The employer ~~fails to~~ 792
shall make a each payment ~~on or before the date that is sixty days~~ 793
~~after the last day of the calendar quarter~~ not later than the last 794
day of the month after the month for which the police officer or 795
firefighter employee contributions were withheld. If an employer 796
fails to make the payment installment by the date it is due, a 797
penalty determined under section 742.352 of the Revised Code shall 798
be assessed against the employer. In addition, interest on past 799
due accounts and penalties may be charged at a rate determined by 800
the board from the date the ~~installment~~ payment is due to the date 801
of payment. 802

Upon certification by the board to the county auditor of an 803
amount due from any employer within the county who is subject to 804
this chapter, by reason of such employer's delinquency in making 805
employer contribution payments to the fund ~~for past months~~, such 806
amount shall be withheld from such employer from any funds in the 807
hands of the county treasurer for distribution to such employer. 808
Upon receipt of such certification, the county auditor shall draw 809
a warrant against such funds in favor of the fund for the amount. 810

Sec. 742.37. The board of trustees of the Ohio police and 811
fire pension fund shall adopt rules for the management of the fund 812
and for the disbursement of benefits and pensions as set forth in 813
this section and section 742.39 of the Revised Code. Any payment 814
of a benefit or pension under this section is subject to the 815
provisions of section 742.461 of the Revised Code. Notwithstanding 816

any other provision of this section, no pension or benefit paid or 817
determined under division (B) or (C) of this section or section 818
742.39 of the Revised Code shall exceed the limit established by 819
section 415 of the "Internal Revenue Code of 1986," 100 Stat. 820
2085, 26 U.S.C.A. 415, as amended. 821

(A) Persons who were receiving benefit or pension payments 822
from a police relief and pension fund established under former 823
section 741.32 of the Revised Code, or from a firemen's relief and 824
pension fund established under former section 521.02 or 741.02 of 825
the Revised Code, at the time the assets of the fund were 826
transferred to the Ohio police and fire pension fund, known at 827
that time as the police and firemen's disability and pension fund, 828
shall receive benefit and pension payments from the Ohio police 829
and fire pension fund in the same amount and subject to the same 830
conditions as such payments were being made from the former fund 831
on the date of the transfer. 832

(B) A member of the fund who, pursuant to law, elected to 833
receive benefits and pensions from a police relief and pension 834
fund established under former section 741.32 of the Revised Code, 835
or from a firemen's relief and pension fund established under 836
former section 741.02 of the Revised Code, in accordance with the 837
rules of the fund governing the granting of benefits or pensions 838
therefrom in force on April 1, 1947, shall receive benefits and 839
pensions from the Ohio police and fire pension fund in accordance 840
with such rules; provided, that any member of the fund who is not 841
receiving a benefit or pension from the fund on August 12, 1975, 842
may, upon application for a benefit or pension to be received on 843
or after August 12, 1975, elect to receive a benefit or pension in 844
accordance with division (C) of this section. 845

(C) ~~Members~~ Unless the board acts under section 742.161 of 846
the Revised Code, members of the fund who have not elected to 847

receive benefits and pensions from a police relief and pension 848
fund or a firemen's relief and pension fund in accordance with the 849
rules of the fund in force on April 1, 1947, shall receive 850
pensions and benefits in accordance with the following provisions: 851

(1) A member of the fund who has ~~completed~~ twenty-five years 852
of ~~active service in a police or fire department credit~~ and has 853
attained ~~forty-eight years of the requisite~~ age may, ~~at the~~ 854
~~member's election, elect to retire from the police or fire~~ 855
~~department. Upon~~ The requisite age is forty-eight for a member 856
whose membership began before July 2, 2013, and fifty-two for a 857
member whose membership began on or after that date. 858

Upon notifying the board in writing of the election, the 859
member shall receive an annual pension, payable in twelve monthly 860
installments, in an amount equal to a percentage of the member's 861
average annual salary. ~~The~~ If, as of July 2, 2013, the member had 862
fifteen or more years of service credit, the average annual salary 863
shall be determined using three years of contributions. If, as of 864
that date, the member had less than fifteen years of service 865
credit, the average annual salary shall be determined using five 866
years of contributions. 867

The percentage shall be the sum of two and one-half per cent 868
for each of the first twenty years ~~the member was in the active of~~ 869
~~service of the department credit~~, plus two per cent for each of 870
the twenty-first to twenty-fifth years ~~the member was in the~~ 871
~~active of service of the department credit~~, plus one and one-half 872
per cent for each year in excess of twenty-five years ~~the member~~ 873
~~was in the active of service of the department credit~~. The annual 874
pension shall not exceed seventy-two per cent of the member's 875
average annual salary. 876

A member who ~~completed~~ has twenty-five years of ~~active~~ 877
service credit, has resigned or been discharged, and has left the 878
sum deducted from the member's salary on deposit in the pension 879

fund shall, upon attaining ~~forty-eight years of~~ the requisite age, 880
be entitled to receive a normal service pension benefit computed 881
and paid under division (C)(1) of this section. 882

While participating in the deferred retirement option plan 883
established under section 742.43 of the Revised Code, a member 884
shall not be considered to have elected retirement under division 885
(C)(1) of this section. On notifying the board under division 886
(B)(1) of section 742.444 of the Revised Code of the member's 887
election to terminate active service, a member described in 888
division (B) of that section shall receive an annual pension under 889
division (C)(1) of this section calculated in accordance with 890
section 742.442 of the Revised Code and rules that shall be 891
adopted by the board of trustees of the Ohio police and fire 892
pension fund. 893

(2) A member of the fund who has ~~served~~ fifteen or more years 894
~~as an active member of a police or fire department~~ service credit 895
and who voluntarily resigns or is discharged from the department 896
for any reason other than dishonesty, cowardice, intemperate 897
habits, or conviction of a felony, shall receive an annual 898
pension, payable in twelve monthly installments, in an amount 899
equal to one and one-half per cent of the member's average annual 900
salary multiplied by the number of full years of the member was in 901
the active member's service of the department credit. The If, as 902
of July 2, 2013, the member had fifteen or more years of service 903
credit, the average annual salary shall be determined using three 904
years of contributions. If, as of that date, the member had less 905
than fifteen years of service credit, the average annual salary 906
shall be determined using five years of contributions. 907

If a member's membership began before July 2, 2013, the 908
pension payments shall not commence until the member has attained 909
the age of forty-eight years and until twenty-five years have 910
elapsed from the date on which the member became a full-time 911

regular police officer or firefighter ~~in the department~~. Pension 912
payments shall not commence for a member whose membership began on 913
or after July 2, 2013, until the member has attained the age of 914
fifty-two years and until twenty-five years have elapsed from the 915
date on which the member became a full-time regular police officer 916
or firefighter. 917

(3) A member of the fund who has ~~completed~~ fifteen or more 918
years of ~~active service in a police or fire department~~ credit and 919
who has attained sixty-two years of age, may retire from the 920
department and, upon notifying the board in writing of the 921
election to retire, shall receive an annual pension, payable in 922
twelve monthly installments, in an amount equal to a percentage of 923
the member's average annual salary. If, as of July 2, 2013, the 924
member had fifteen or more years of service credit, the average 925
annual salary shall be determined using three years of 926
contributions. If, as of that date, the member had less than 927
fifteen years of service credit, the average annual salary shall 928
be determined using five years of contributions. The percentage 929
shall be the sum of two and one-half per cent for each of the 930
first twenty years ~~the member was in the active of~~ service of the 931
~~department~~ credit, plus two per cent for each of the twenty-first 932
to twenty-fifth years ~~the member was in the active of~~ service of 933
~~the department~~ credit, plus one and one-half per cent for each 934
year in excess of twenty-five years ~~the member was in the active~~ 935
of service of the department credit. The annual pension shall not 936
exceed seventy-two per cent of the member's average annual salary. 937

(4) A member of the fund whose membership began on or after 938
July 2, 2013, and who has twenty-five years of service credit and 939
has attained forty-eight years of age may elect to retire. Upon 940
notifying the board in writing of the election, the member shall 941
receive an annual pension, payable in twelve monthly installments, 942
in an amount determined under division (C)(1) of this section 943

except that the amount shall be reduced to be the actuarial 944
equivalent, as determined by the fund's actuary, of the amount 945
payable had the member retired at fifty-two years of age. 946

(5) With the exception of those persons who may make 947
application for benefits as provided in section 742.26 of the 948
Revised Code, no person receiving a pension or other benefit under 949
division (C) of this section on or after July 24, 1986, shall be 950
entitled to apply for any new, changed, or different benefit. 951

If a member covered by division (C) of this section or 952
section 742.38 of the Revised Code dies prior to the time the 953
member has received a payment and leaves a surviving spouse or 954
dependent child, the surviving spouse or dependent child shall 955
receive a pension under division (D) or (E) of this section. 956

(D)(1) Except as provided in division (D)(2) of this section, 957
a surviving spouse of a deceased member of the fund or a surviving 958
spouse described in division (D)(4) of this section shall receive 959
a monthly pension as follows: 960

(a) For the period beginning July 1, 1999, and ending June 961
30, 2000, five hundred fifty dollars; 962

(b) For the period beginning July 1, 2000, and ending June 963
30, 2002, five hundred fifty dollars plus an amount determined by 964
multiplying five hundred fifty dollars by the average percentage 965
change in the consumer price index, not exceeding three per cent, 966
as was annually determined by the board under ~~former~~ section 967
742.3716 of the Revised Code as that section existed on January 968
31, 2002; 969

(c) For the period beginning July 1, 2002, and the period 970
beginning the first day of July of each year thereafter and 971
continuing for the following twelve months, an amount equal to the 972
monthly amount paid during the prior twelve-month period plus 973
sixteen dollars and fifty cents. 974

(2) A surviving spouse of a deceased member of the fund shall 975
receive a monthly pension of four hundred ten dollars if the 976
surviving spouse is eligible for a benefit under division (B) or 977
(D) of section 742.63 of the Revised Code. If the surviving spouse 978
ceases to be eligible for a benefit under division (B) or (D) of 979
section 742.63 of the Revised Code, the pension shall be 980
increased, effective the first day of the first month following 981
the day on which the surviving spouse ceases to be eligible for 982
the benefit, to the amount it would be under division (D)(1) of 983
this section had the spouse never been eligible for a benefit 984
under division (B) or (D) of section 742.63 of the Revised Code. 985

(3) A pension paid under this division shall continue during 986
the natural life of the surviving spouse. Benefits to a deceased 987
member's surviving spouse that were terminated under a former 988
version of this section that required termination due to 989
remarriage and were not resumed prior to September 16, 1998, shall 990
resume on the first day of the month immediately following receipt 991
by the board of an application on a form provided by the board. 992

(4) A surviving spouse of a deceased member of or contributor 993
to a fund established under former Chapter 521. or 741. of the 994
Revised Code whose benefit or pension was terminated or not paid 995
due to remarriage shall receive a monthly pension under division 996
(D)(1) of this section. 997

The pension shall commence on the first day of the month 998
immediately following receipt by the board of a completed 999
application on a form provided by the board and evidence 1000
acceptable to the board that at the time of death the deceased 1001
spouse was a member of or contributor to a police or firemen's 1002
relief and pension fund established under former Chapter 521. or 1003
741. of the Revised Code and that the surviving spouse's benefits 1004
were terminated or not granted due to remarriage. 1005

(E)(1) Each surviving child of a deceased member of the fund 1006

shall receive a monthly pension until the child attains the age of 1007
eighteen years, or marries, whichever event occurs first. A 1008
pension under this division, however, shall continue to be payable 1009
to a child under age twenty-two who is a student in and attending 1010
an institution of learning or training pursuant to a program 1011
designed to complete in each school year the equivalent of at 1012
least two-thirds of the full-time curriculum requirements of the 1013
institution, as determined by the board. If any surviving child, 1014
regardless of age at the time of the member's death, because of 1015
physical or mental disability, is totally dependent upon the 1016
deceased member for support at the time of death, the child shall 1017
receive a monthly pension under this division during the child's 1018
natural life or until the child has recovered from the disability. 1019

(2) An eligible surviving child shall receive a monthly 1020
pension as follows: 1021

(a) For the period beginning July 1, 2001, and ending June 1022
30, 2002, a monthly pension of one hundred fifty dollars plus the 1023
cost of living increase ~~provided for in that was determined under~~ 1024
former section 742.3720 of the Revised Code; 1025

(b) For the period beginning July 1, 2002, and ending June 1026
30, 2003, one hundred sixty-three dollars and fifty cents; 1027

(c) For the period beginning July 1, 2003, and the period 1028
beginning the first day of each July thereafter and continuing for 1029
the following twelve months, an amount equal to the monthly amount 1030
paid during the prior twelve-month period plus four dollars and 1031
fifty cents. 1032

(F)(1) If a deceased member of the fund leaves no surviving 1033
spouse or surviving children, but leaves one or two parents 1034
dependent upon the deceased member for support, each parent shall 1035
be paid a monthly pension. The pensions provided for in this 1036
division shall be paid during the natural life of the surviving 1037

parents, or until dependency ceases, or until remarriage, 1038
whichever event occurs first. 1039

(2) Each eligible surviving parent shall be paid a monthly 1040
pension as follows: 1041

(a) For the period ending June 30, 2002, one hundred six 1042
dollars for each parent or two hundred twelve dollars for a sole 1043
dependent parent; 1044

(b) For the period beginning July 1, 2002, and ending June 1045
30, 2003, one hundred nine dollars for each parent or two hundred 1046
eighteen dollars for a sole dependent parent; 1047

(c) For the period beginning July 1, 2003, and the first day 1048
of each July thereafter and continuing for the following twelve 1049
months, an amount equal to the monthly amount paid during the 1050
prior twelve-month period plus three dollars for each parent or 1051
six dollars for a sole dependent parent. 1052

(G)(1) Subject to the provisions of section 742.461 of the 1053
Revised Code, a member of the fund who voluntarily resigns or is 1054
removed from active service in a police or fire department is 1055
entitled to receive an amount equal to the sums deducted from the 1056
member's salary and credited to the member's account in the fund, 1057
except that a member receiving a disability benefit or service 1058
pension is not entitled to receive any return of contributions to 1059
the fund. 1060

(2) A member described in division (G)(1) of this section who 1061
is married at the time of application for payment and would be 1062
eligible for age and service retirement under this section or 1063
section 742.39 of the Revised Code but for a forfeiture ordered 1064
under division (A) or (B) of section 2929.192 of the Revised Code 1065
shall submit with the application a written statement by the 1066
member's spouse attesting that the spouse consents to the payment 1067
of the member's accumulated contributions. Consent shall be valid 1068

only if it is signed and witnessed by a notary public. The board 1069
may waive the requirement of consent if the spouse is 1070
incapacitated or cannot be located, or for any other reason 1071
specified by the board. Consent or waiver is effective only with 1072
regard to the spouse who is the subject of the consent or waiver. 1073

(H) On and after January 1, 1970, all pensions shall be 1074
increased in accordance with the following provisions: 1075

(1) A member of the fund who retired prior to January 1, 1076
1967, has attained age sixty-five on January 1, 1970, and was 1077
receiving a pension on December 31, 1969, pursuant to division (B) 1078
or (C)(1) of this section or former division (C)(2), (3), (4), or 1079
(5) of this section, shall have the pension increased by ten per 1080
cent. 1081

(2) The monthly pension payable to eligible surviving spouses 1082
under division (D) of this section shall be increased by forty 1083
dollars for each surviving spouse receiving a pension on December 1084
31, 1969. 1085

(3) The monthly pension payable to each eligible child under 1086
division (E) of this section shall be increased by ten dollars for 1087
each child receiving a pension on December 31, 1969. 1088

(4) The monthly pension payable to each eligible dependent 1089
parent under division (F) of this section shall be increased by 1090
thirty dollars for each parent receiving a pension on December 31, 1091
1969. 1092

(5) A member of the fund, including a survivor of a member, 1093
who is receiving a pension in accordance with the rules governing 1094
the granting of pensions and benefits in force on April 1, 1947, 1095
that provide an increase in the original pension from time to time 1096
pursuant to changes in the salaries of active members, shall not 1097
be eligible for the benefits provided in this division. 1098

(I) On and after January 1, 1977, a member of the fund who 1099

was receiving a pension or benefit on December 31, 1973, under 1100
division (A), (B), (C)(1), or former division (C)(2) or (7) of 1101
this section shall have the pension or benefit increased as 1102
follows: 1103

(1) If the member's annual pension or benefit is less than 1104
two thousand seven hundred dollars, it shall be increased to three 1105
thousand dollars. 1106

(2) If the member's annual pension or benefit is two thousand 1107
seven hundred dollars or more, it shall be increased by three 1108
hundred dollars. 1109

The following shall not be eligible to receive increased 1110
pensions or benefits as provided in this division: 1111

(a) A member of the fund who is receiving a pension or 1112
benefit in accordance with the rules in force on April 1, 1947, 1113
governing the granting of pensions and benefits, which provide an 1114
increase in the original pension or benefit from time to time 1115
pursuant to changes in the salaries of active members; 1116

(b) A member of the fund who is receiving a pension or 1117
benefit under division (A) or (B) of this section, based on funded 1118
volunteer or funded part-time service, or off-duty disability, or 1119
partial on-duty disability, or early vested service; 1120

(c) A member of the fund who is receiving a pension under 1121
division (C)(1) of this section, based on funded volunteer or 1122
funded part-time service. 1123

(J) On and after July 1, 1977, a member of the fund who was 1124
receiving an annual pension or benefit on December 31, 1973, 1125
pursuant to division (B) of this section, based upon partial 1126
disability, off-duty disability, or early vested service, or 1127
pursuant to former division (C)(3), (5), or (6) of this section, 1128
shall have such annual pension or benefit increased by three 1129
hundred dollars. 1130

The following are not eligible to receive the increase 1131
provided by this division: 1132

(1) A member of the fund who is receiving a pension or 1133
benefit in accordance with the rules in force on April 1, 1947, 1134
governing the granting of pensions and benefits, which provide an 1135
increase in the original pension or benefit from time to time 1136
pursuant to changes in the salaries of active members; 1137

(2) A member of the fund who is receiving a pension or 1138
benefit under division (B) or (C)(2) of this section or former 1139
division (C)(3), (5), or (6) of this section based on volunteer or 1140
part-time service. 1141

(K)(1) Except as otherwise provided in this division, every 1142
person who on July 24, 1986, is receiving an age and service or 1143
disability pension, allowance, or benefit pursuant to this chapter 1144
in an amount less than thirteen thousand dollars a year that is 1145
based upon an award made effective prior to February 28, 1984, 1146
shall receive an increase of six hundred dollars a year or the 1147
amount necessary to increase the pension or benefit to four 1148
thousand two hundred dollars after all adjustments required by 1149
this section, whichever is greater. 1150

(2) Division (K)(1) of this section does not apply to the 1151
following: 1152

(a) A member of the fund who is receiving a pension or 1153
benefit in accordance with rules in force on April 1, 1947, that 1154
govern the granting of pensions and benefits and that provide an 1155
increase in the original pension or benefit from time to time 1156
pursuant to changes in the salaries of active members; 1157

(b) A member of the fund who is receiving a pension or 1158
benefit based on funded volunteer or funded part-time service. 1159

(L) On and after July 24, 1986: 1160

(1) The pension of each person receiving a pension under 1161
division (D) of this section on July 24, 1986, shall be increased 1162
to three hundred ten dollars per month. 1163

(2) The pension of each person receiving a pension under 1164
division (E) of this section on July 24, 1986, shall be increased 1165
to ninety-three dollars per month. 1166

Sec. 742.3711. (A) On application for retirement as provided 1167
in section 742.37 of the Revised Code, a member of the fund may 1168
elect to receive a retirement allowance payable throughout the 1169
member's life, or may elect, on the application for retirement, to 1170
receive the actuarial equivalent of the member's retirement 1171
allowance in a lesser amount payable for life and continuing after 1172
death to a surviving designated beneficiary under one of the 1173
following optional plans, provided the amount payable to the 1174
beneficiary shall not exceed the amount payable to the retiring 1175
member of the fund, and is certified by the actuary engaged by the 1176
board of trustees of the Ohio police and fire pension fund to be 1177
the actuarial equivalent of the member's retirement allowance and 1178
is approved by the board. 1179

(1) Option 1. The member's lesser retirement allowance shall 1180
be paid for life to the sole beneficiary designated at the time of 1181
the member's retirement. 1182

(2) Option 2. One-half or some other portion of the member's 1183
lesser retirement allowance shall be paid for life to the sole 1184
beneficiary designated at the time of the member's retirement. 1185

(3) Option 3. Upon the member's death before the expiration 1186
of a certain period from the retirement date and elected by the 1187
member and approved by the retirement board, the member's lesser 1188
retirement allowance shall be continued for the remainder of that 1189
period to the beneficiary the member has ~~nominated by written~~ 1190
~~designation and~~ designated in writing filed with the retirement 1191

board. 1192

Should the ~~nominated beneficiary member's~~ designated in 1193
~~writing become deceased beneficiary die~~ prior to the expiration of 1194
the guarantee period, then for the purpose of completing payment 1195
for the remainder of the guarantee period, the present value of 1196
such payments shall be paid to the estate of the beneficiary last 1197
receiving. 1198

(4) Option 4. The member's lesser retirement allowance or a 1199
portion of the lesser retirement allowance shall be paid for life 1200
to two, three, or four surviving beneficiaries designated at the 1201
time of the member's retirement, in such portions as specified at 1202
retirement. If the member elects this plan as required by a court 1203
order issued under section 3105.171 or 3105.65 of the Revised Code 1204
or the laws of another state regarding the division of marital 1205
property and compliance with the court order requires the 1206
allocation of a portion less than ten per cent to any beneficiary, 1207
the member shall allocate a portion less than ten per cent to that 1208
beneficiary in accordance with that order. In all other 1209
circumstances, no portion allocated under this plan of payment 1210
shall be less than ten per cent. The total of the portions 1211
allocated shall not exceed one hundred per cent of the member's 1212
lesser allowance. 1213

(B)(1) The death of a spouse ~~nominated~~ designated as 1214
beneficiary or the death of any other ~~nominated~~ designated 1215
beneficiary following a member's retirement or election under 1216
section 742.44 of the Revised Code to participate in the deferred 1217
retirement option plan shall cancel the portion of the optional 1218
plan of payment providing continuing lifetime benefits to the 1219
deceased ~~nominated~~ designated beneficiary. The member of the fund 1220
shall receive the actuarial equivalent of the member's single 1221
lifetime benefit, as determined by the board, based on the number 1222
of remaining beneficiaries, with no change in the amount payable 1223

to any remaining beneficiary. The change shall be effective the 1224
month following receipt by the board of notice of the death. 1225

(2) On divorce, annulment, or marriage dissolution, a member 1226
receiving a retirement allowance under a plan that provides for 1227
continuation of all or part of the allowance after death for the 1228
lifetime of the member's surviving spouse may, with the written 1229
consent of the spouse or pursuant to an order of the court with 1230
jurisdiction over the termination of the marriage, elect to cancel 1231
the portion of the plan providing continuing lifetime benefits to 1232
that spouse. The member shall receive the actuarial equivalent of 1233
the member's single lifetime benefit as determined by the board 1234
based on the number of remaining beneficiaries, with no change in 1235
amount payable to any remaining beneficiary. The election shall be 1236
made on a form provided by the board and shall be effective the 1237
month following its receipt by the board. 1238

(C)(1) Following marriage or remarriage, both of the 1239
following apply: 1240

(a) A member of the fund receiving a retirement allowance 1241
under section 742.37 or 742.39 of the Revised Code may elect not 1242
later than one year after the date of marriage or remarriage a new 1243
optional plan of payment based on the actuarial equivalent of the 1244
member's single lifetime benefit as determined by the board. 1245

(b) If a member is receiving a retirement allowance pursuant 1246
to a plan of payment providing for payment to a former spouse 1247
pursuant to a court order described in division (D)(1)(c) of this 1248
section and the board has received a copy of the order described 1249
in that division, the member may elect a new plan of payment under 1250
"option 4" based on the actuarial equivalent of the retirant's 1251
single lifetime retirement allowance as determined by the board if 1252
the new plan of payment elected does not reduce the payment to the 1253
former spouse. 1254

(2) A plan elected under this division and the member's 1255
lesser retirement allowance shall become effective on the date of 1256
receipt by the board of an application on a form approved by the 1257
board. 1258

(D)(1) Unless one of the following occurs, an application for 1259
retirement by a married person shall be considered an election of 1260
a benefit under option 2 as provided for in division (A)(2) of 1261
this section under which one-half of the lesser retirement 1262
allowance payable during the life of the retirant will be paid 1263
after death to the retirant's spouse for life as sole beneficiary: 1264

(a) The retirant selects an optional plan under division (A) 1265
of this section providing for payment after death to the 1266
retirant's spouse for life as sole beneficiary of more than 1267
one-half of the lesser retirement allowance payable during the 1268
life of the retirant; 1269

(b) The retirant submits to the ~~retirement~~ board a written 1270
statement signed by the spouse attesting that the spouse consents 1271
to the retirant's election to receive a single lifetime retirement 1272
allowance or a payment under an optional benefit plan under which 1273
after the death of the retirant the surviving spouse will receive 1274
less than one-half of the lesser retirement allowance payable 1275
during the life of the retirant; 1276

(c) A plan of payment providing for payment in a specified 1277
amount continuing after the retirant's death to a former spouse is 1278
required by a court order issued prior to the effective date of 1279
the retirant's retirement under section 3105.171 or 3105.65 of the 1280
Revised Code or the laws of another state regarding division of 1281
marital property. 1282

(d) If a retirant is subject to division (D)(1)(c) of this 1283
section and the board has received a copy of the order described 1284
in that division, the board shall accept the retirant's election 1285

of a plan of payment under this section only if the retirant 1286
complies with both of the following: 1287

(i) The retirant elects a plan of payment that is in 1288
accordance with the order described in division (D)(1)(c) of this 1289
section. 1290

(ii) If the retirant is married, the retirant elects "option 1291
4" and designates the retirant's current spouse as a beneficiary 1292
under that plan unless that spouse consents in writing to not 1293
being designated a beneficiary under any plan of payment or the 1294
board waives the requirement that the current spouse consent. 1295

(2) An application for retirement shall include an 1296
explanation of all of the following: 1297

(a) That, if the member is married, unless the spouse 1298
consents to another plan of payment or there is a court order 1299
dividing marital property issued under section 3105.171 or 3105.65 1300
of the Revised Code or the laws of another state regarding the 1301
division of marital property that provides for payment in a 1302
specified amount, the member's retirement allowance will be paid 1303
under "option 2" and consist of the actuarial equivalent of the 1304
member's retirement allowance in a lesser amount payable for life 1305
and one-half of the lesser allowance continuing after death to the 1306
surviving spouse for the life of the spouse; 1307

(b) A description of the alternative plans of payment 1308
available with the consent of the spouse; 1309

(c) That the spouse may consent to another plan of payment 1310
and the procedure for giving consent; 1311

(d) That consent is irrevocable once notice of consent is 1312
filed with the board. 1313

Consent shall be valid only if it is signed, in writing, and 1314
witnessed by an employee of the board or a notary public. 1315

(3) If the retirant does not select an optional plan as 1316
described in division (D)(1)(a) of this section and the board does 1317
not receive the written statement provided for in division 1318
(D)(1)(b) of this section, it shall determine and pay the 1319
retirement allowance in accordance with division (A)(2) of this 1320
section, except that the board may provide by rule for waiver by 1321
the board of the statement and payment of the allowance other than 1322
in accordance with division (A)(2) of this section if the retirant 1323
is unable to obtain the statement due to absence or incapacity of 1324
the spouse or other cause specified by the board. 1325

(E) A member of the fund who has elected an optional plan 1326
under this section or section 742.3715 of the Revised Code may, 1327
with the consent of the designated beneficiary, cancel the 1328
optional plan and receive the retirement allowance payable 1329
throughout life the member would have received had the member not 1330
elected the optional plan, if the member makes a request to cancel 1331
the optional plan not later than one year after the later of 1332
September 9, 1988, or the date on which the member first receives 1333
a payment under this section or section 742.3715 of the Revised 1334
Code. Cancellation of the optional plan shall be effective the 1335
month after acceptance of the request by the trustees of the fund. 1336
No payment or adjustment shall be made in the retirement allowance 1337
payable throughout the member's life to compensate for the lesser 1338
allowance the member received under the optional plan. 1339

The request to cancel the optional plan shall be made on a 1340
form provided by the fund and shall be valid only if the completed 1341
form includes a signed statement of the designated beneficiary's 1342
understanding of and consent to the cancellation. The signature 1343
shall be verified by the trustees of the fund prior to their 1344
acceptance of the cancellation. 1345

(F) Any option elected and payments made under this section 1346
shall be in addition to any benefit payable under divisions (D), 1347

(E), and (F) of section 742.37 of the Revised Code. 1348

(G) A person is eligible to receive a benefit increase under 1349
this division if the person is receiving a retirement allowance or 1350
benefit under an optional plan elected under this section or 1351
section 742.3715 of the Revised Code based on an award made prior 1352
to July 24, 1986. A person is not eligible to receive an increase 1353
under this division if the person is receiving a pension or 1354
benefit in accordance with rules in force on April 1, 1947, that 1355
govern the granting of pensions and benefits and that provide an 1356
increase in the original pension or benefit from time to time 1357
pursuant to changes in the salaries of active members. 1358

The board shall annually increase all benefits payable under 1359
this section or section 742.3715 of the Revised Code to eligible 1360
persons by the actuarial equivalent of three hundred sixty 1361
dollars, except that no benefit shall exceed the limit established 1362
by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 1363
2085, 26 U.S.C.A. 415, as amended. 1364

The first increase is payable to all eligible persons on July 1365
1, 1988. The increase is payable for the ensuing twelve-month 1366
period or until the next increase is granted under this section, 1367
whichever is later. 1368

The date of the first increase payable under this section 1369
shall be the anniversary date for future increases. 1370

If payment of a portion of a benefit is made to an alternate 1371
payee under section 742.462 of the Revised Code, increases under 1372
this division granted while the order is in effect shall be 1373
apportioned between the alternate payee and the benefit recipient 1374
in the same proportion that the amount being paid to the alternate 1375
payee bears to the amount paid to the benefit recipient. 1376

If payment of a portion of a retirement allowance is made to 1377
one or more beneficiaries under "option 4" under division (A)(4) 1378

of section 742.3711 of the Revised Code, each increase under this 1379
division granted while the plan of payment is in effect shall be 1380
divided among the designated beneficiaries in accordance with the 1381
portion each beneficiary has been allocated. 1382

Sec. 742.3716. (A)~~(1)~~ As used in this section: 1383

~~(a) "Eligible person" means a person who meets all of the 1384
following conditions: 1385~~

~~(i) Has been receiving a pension or benefit under this 1386
chapter for one year or more based on an award made on or after 1387
July 24, 1986; 1388~~

~~(ii) Has not made the election provided for in division (B) 1389
of this section; 1390~~

~~(iii) Is not the spouse or survivor of a person who has made 1391
the election provided for in division (B) of this section; 1392~~

~~(iv) Is receiving a benefit in accordance with division (A), 1393
(B), or (C) of section 742.37, division (C)(2), (3), (4), or (5) 1394
of former section 742.37, section 742.3711, or section 742.39 of 1395
the Revised Code. 1396~~

~~(b)(1) "Recalculated average annual salary" means the highest 1397
average annual compensation of a member of the Ohio police and 1398
fire pension fund during any three years of contributions, 1399
including amounts included in terminal pay attributable to such 1400
three years, determined by dividing the member's total earnings as 1401
an employee during such years by three. 1402~~

~~(2) In the case of a member participating in the deferred 1403
retirement option plan established under section 742.43 of the 1404
Revised Code or a member described in division (B) of section 1405
742.444 of the Revised Code, the period of one year or more 1406
described in division (A)(1)(a)(i) of this section begins on the 1407
effective date of the member's election under section 742.44 of 1408~~

~~the Revised Code.~~ 1409

~~(B)(1) Notwithstanding section 742.37 or 742.39 of the 1410
Revised Code, a member of the fund who is not receiving a pension 1411
or benefit under this chapter and who on January 1, 1989, has 1412
completed fifteen or more years of active service in a police or 1413
fire department may elect to have any future benefit or pension 1414
paid to the member or the member's spouse or survivors under this 1415
chapter calculated on the basis of the member's recalculated 1416
average annual salary rather than the member's average annual 1417
salary. The election shall be made by the member prior to or at 1418
the time of making an election under section 742.3711 of the 1419
Revised Code. This division does not apply to a member of the fund 1420
who elected to participate in the deferred retirement option plan 1421
established under section 742.43 of the Revised Code unless the 1422
member's participation has terminated pursuant to division (C) of 1423
section 742.444 or to section 742.445 of the Revised Code. 1424~~

~~(2) If the member eligible to make the election under 1425
division (B)(1) of this section dies prior to making the election 1426
and at the time of death is eligible to retire and receive a 1427
pension or benefit under division (C)(1) or (3) of section 742.37 1428
of the Revised Code, the person entitled to receive a benefit 1429
under section 742.3714 of the Revised Code may make the election 1430
provided for in division (B)(1) of this section. 1431~~

~~(3) The election under division (B)(1) or (2) of this section 1432
shall be made on forms provided by the trustees of the fund. Once 1433
received by the fund, the election shall be irrevocable and shall 1434
bind the member and any other person who receives a pension or 1435
benefit based on the member's service. No person who receives a 1436
pension or benefit calculated in accordance with division (B) of 1437
this section is eligible to receive a cost of living allowance 1438
under this section. If the person making the election receives a 1439
benefit under section 742.3714 of the Revised Code, that person is 1440~~

~~not eligible to receive a cost of living allowance under section 1441
742.3711 of the Revised Code. 1442~~

~~(C)(1) The (2) "Consumer price index" means the index, as 1443
prepared by the United States bureau of labor statistics (U.S. 1444
city average for urban wage earners and clerical workers: all 1445
items 1982-84=100), or, if that index is no longer published, a 1446
generally available comparable index. 1447~~

~~(B) For persons who become members of the fund on or after 1448
July 1, 2013, and members of the fund who as of July 1, 2013, have 1449
less than fifteen years of service credit and are not receiving a 1450
pension or disability benefit under this chapter, the board of 1451
trustees of the Ohio police and fire pension fund shall annually 1452
increase all the pension or benefits that become payable to 1453
eligible persons by three per cent, except that no benefit shall 1454
each member pursuant to section 742.37 of the Revised Code or 1455
division (D)(2) or (4) of section 742.38 of the Revised Code once 1456
the member has received the pension or benefit for at least one 1457
year and has attained the age of fifty-five. Benefits that become 1458
payable pursuant to division (D)(1) of section 742.38 of the 1459
Revised Code shall be increased annually once the member has 1460
received the benefits for at least one year. 1461~~

~~The pension or benefit shall be increased by the lesser of 1462
the following: 1463~~

~~(1) Three per cent; 1464~~

~~(2) The percentage increase, if any, in the consumer price 1465
index over the twelve-month period that ends on the thirtieth day 1466
of September of the immediately preceding year, rounded to the 1467
nearest one-tenth of one per cent. 1468~~

~~In no event shall the pension or benefit exceed the limit 1469
established by section 415 of the "Internal Revenue Code of 1986," 1470
100 Stat. 2085, 26 U.S.C.A. 415, as amended. 1471~~

~~The first increase is payable to all eligible persons who on July 1, 1988, have been receiving a pension or benefit for twelve months or longer. 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 paid under this ~~section~~ division shall be the anniversary date for future increases. The pension or benefit used in the first calculation of an increase under this ~~section~~ division shall remain as the base for all future increases paid under this ~~section~~ division, unless a new base is established by law. ~~In the case of a member who has elected~~

(C) For members of the fund who as of July 1, 2013, have fifteen or more years of service credit and are not receiving a pension or disability benefit under this chapter and members who are receiving a pension or disability benefit that became effective before that date and did not make the election under division (D) of this section, the board shall annually increase the pension or benefits that become payable to 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 benefits 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 Revised Code shall be increased once the member has received the benefits for at least one year.

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

The date of the first increase paid under this division shall be the anniversary date for future increases. The pension or

benefit used in the first calculation of an increase under this 1504
division shall remain as the base for all future increases paid 1505
under this division unless a new base is established by law. 1506

(D)(1) Notwithstanding any other provision of this section, 1507
section 742.37, or section 742.39 of the Revised Code, a member of 1508
the fund who is not receiving a pension or benefit under this 1509
chapter and on January 1, 1989, had fifteen or more years of 1510
service credit under this chapter may elect to have any future 1511
pension or benefit paid to the member or the member's spouse or 1512
survivors under this chapter calculated on the basis of the 1513
member's recalculated average annual salary rather than the 1514
member's average annual salary as determined under section 742.37 1515
or 742.39 of the Revised Code. The election shall be made by the 1516
member prior to or at the time of making an election under section 1517
742.3711 of the Revised Code. 1518

(2) If a member eligible to make the election under division 1519
(D)(1) of this section dies prior to making the election and at 1520
the time of death is eligible to retire and receive a pension or 1521
benefit under division (C)(1) or (3) of section 742.37 of the 1522
Revised Code, the person entitled to receive a benefit under 1523
section 742.3714 of the Revised Code may make the election 1524
provided for in this division. 1525

(3) The election under division (D)(1) or (2) of this section 1526
shall be made on forms provided by the fund. Once received by the 1527
fund, the election is irrevocable and binds the member and any 1528
other person who receives a pension or benefit based on the 1529
member's service. No person who receives a pension or benefit 1530
calculated in accordance with division (D) of this section is 1531
eligible to receive an increase under this section. If the person 1532
making the election receives a benefit under section 742.3714 of 1533
the Revised Code, that person is not eligible to receive an 1534
increase under division (G) of section 742.3711 of the Revised 1535

Code. 1536

~~(E) A member whose election to participate 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 pension amount used in the first calculation of an increase under this section shall be the amount calculated under section 742.442 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.~~ 1537
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~~(2) Increases paid in years subsequent to the year of the first increase paid under this section shall be paid to all eligible persons who, on the date that the increase is authorized by the board, have been receiving a pension or benefit for twelve months is effective prior to July 2, 2013, is eligible to receive an increase under this section while participating in the deferred retirement option plan on attaining the age of fifty-five and having participated in the plan twelve months. The pension amount used in the first calculation of an increase under this section shall be the amount calculated under section 742.442 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. A member whose election to participate in the deferred retirement option plan is effective on or after July 2, 2013, shall not receive an increase under this section while participating in the deferred retirement option plan.~~ 1545
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~~(E)~~(F) 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 section 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. 1561
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If payment of a portion of a retirement allowance is made to 1567

one or more beneficiaries under "option 4" under division (A)(4) 1568
of section 742.3711 of the Revised Code, each increase under this 1569
section granted while the plan of payment is in effect shall be 1570
divided among the designated beneficiaries in accordance with the 1571
portion each beneficiary has been allocated. 1572

Sec. 742.38. (A)(1) The board of trustees of the Ohio police 1573
and fire pension fund shall adopt rules establishing minimum 1574
medical testing and diagnostic standards or procedures to be 1575
incorporated into physical examinations administered by physicians 1576
to prospective members of the fund. The standards or procedures 1577
shall include diagnosis and evaluation of the existence of any 1578
heart disease, cardiovascular disease, or respiratory disease. The 1579
rules shall specify the form of the physician's report and the 1580
information to be included in it. 1581

The board shall notify all employers of the establishment of 1582
the minimum standards or procedures and shall include with the 1583
notice a copy of the standards or procedures. The board shall 1584
notify all employers of any changes made to the standards or 1585
procedures. Once the standards or procedures take effect, 1586
employers shall cause each prospective member of the fund to 1587
submit to a physical examination that incorporates the standards 1588
or procedures. 1589

(2) Division (A)(2) of this section applies to an employee 1590
who becomes a member of the fund on or after the date the minimum 1591
standards or procedures described in division (A)(1) of this 1592
section take effect. For each employee described in division 1593
(A)(2) of this section, the employer shall forward to the board a 1594
copy of the physician's report of a physical examination that 1595
incorporates the standards or procedures described in division 1596
(A)(1) of this section. If an employer fails to forward the report 1597
in the form required by the board on or before the date that is 1598

sixty days after the employee becomes a member of the fund, the board shall assess against the employer a penalty determined under section 742.353 of the Revised Code.

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

If the member applying for a disability benefit becomes a member of the fund prior to the date the minimum standards or procedures described in division (A)(1) of this section take effect, the board may request from the member's employer a copy of the physician's report of the member's physical examination taken on entry into the police or fire department or, if the employer does not have a copy of the report, a written statement certifying that the employer does not have a copy of the report. If an employer fails to forward the report or statement in the form required by the board on or before the date that is twenty-eight days after the date of the request, the board shall assess against the employer a penalty determined under section 742.353 of the Revised Code. The board shall maintain the information submitted under this division and division (A)(2) of this section in the member's file.

(C) For purposes of determining under division (D) of this section whether a member of the fund is disabled, the board shall

adopt rules establishing objective criteria under which the board 1631
shall make the determination. The rules shall include standards 1632
that provide for all of the following: 1633

(1) Evaluating a member's illness or injury on which an 1634
application for disability benefits is based; 1635

(2) Defining the occupational duties of a police officer or 1636
firefighter; 1637

(3) Providing for the board to assign competent and 1638
disinterested physicians and vocational evaluators to conduct 1639
examinations of a member; 1640

(4) Requiring a written report for each disability 1641
application that includes a summary of findings, medical opinions, 1642
including an opinion on whether the illness or injury upon which 1643
the member's application for disability benefits is based was 1644
caused or induced by the actual performance of the member's 1645
official duties, and any recommendations or comments based on the 1646
medical opinions; 1647

(5) Providing for the board to consider the member's 1648
potential for retraining or reemployment. 1649

(D) This division does not apply to members of the fund who 1650
have elected to receive benefits and pensions in accordance with 1651
division (A) or (B) of section 742.37 of the Revised Code or from 1652
a police relief and pension fund or a firemen's relief and pension 1653
fund in accordance with the rules of that fund in force on April 1654
1, 1947. 1655

~~(1)~~ As used in this division ~~(D)(1)~~ of ~~this~~ section: 1656

~~(a)~~ "Totally disabled" means a member of the fund is unable 1657
to perform the duties of any gainful occupation for which the 1658
member is reasonably fitted by training, experience, and 1659
accomplishments. Absolute helplessness is not a prerequisite of 1660

being totally disabled. 1661

~~(b)~~ "Permanently disabled" means a condition of disability 1662
from which there is no present indication of recovery. 1663

(1) A member of the fund who is permanently and totally 1664
disabled as the result of the performance of the member's official 1665
duties as a member of a police or fire department shall be paid 1666
annual disability benefits in accordance with division (A) of 1667
section 742.39 of the Revised Code. In determining whether a 1668
member of the fund is permanently and totally disabled, the board 1669
shall consider standards adopted under division (C) of this 1670
section applicable to the determination. 1671

(2) A member of the fund who is permanently and partially 1672
disabled as the result of the performance of the member's official 1673
duties as a member of a police or fire department shall, if the 1674
disability prevents the member from performing those duties and 1675
impairs the member's earning capacity, receive annual disability 1676
benefits in accordance with division (B) of section 742.39 of the 1677
Revised Code. In determining whether a member of the fund is 1678
permanently and partially disabled, the board shall consider 1679
standards adopted under division (C) of this section applicable to 1680
the determination. 1681

(3) A member of the fund who is permanently disabled as a 1682
result of heart disease or any cardiovascular or respiratory 1683
disease of a chronic nature, which disease or any evidence of 1684
which disease was not revealed by the physical examination passed 1685
by the member on entry into the department or another examination 1686
specified in rules the board adopts under section 742.10 of the 1687
Revised Code, is presumed to have incurred the disease while 1688
performing the member's official duties, unless the contrary is 1689
shown by competent evidence. The board may waive the requirement 1690
that the absence of disease be evidenced by a physical examination 1691
if competent medical evidence of a type specified in rules adopted 1692

under section 742.10 of the Revised Code is submitted documenting 1693
that the disease was not evident prior to or at the time of entry 1694
into the department. 1695

(4) A member of the fund who has ~~completed~~ five or more years 1696
of ~~active service in a police or fire department~~ credit and has 1697
incurred a permanent disability not caused or induced by the 1698
actual performance of the member's official duties as a member of 1699
the department, or by the member's own negligence, shall if the 1700
disability prevents the member from performing those duties and 1701
impairs the member's earning capacity, receive annual disability 1702
benefits in accordance with division (C) of section 742.39 of the 1703
Revised Code. In determining whether a member of the fund is 1704
permanently disabled, the board shall consider standards adopted 1705
under division (C) of this section applicable to the 1706
determination. 1707

(5) The board shall notify a member of its final action 1708
awarding a disability benefit to the member within thirty days of 1709
the final action. The notice shall be sent by certified mail, 1710
return receipt requested. Not later than ninety days after receipt 1711
of notice from the board, the member shall elect, on a form 1712
provided by the board, either to accept or waive the disability 1713
benefit award. If the member elects to waive the disability 1714
benefit award or fails to make an election within the time period, 1715
the award is rescinded. A member who later seeks a disability 1716
benefit award shall be required to make a new application, which 1717
shall be dealt with in accordance with the procedures used for 1718
original disability benefit applications. 1719

A person is not eligible to apply for or receive disability 1720
benefits under this division, section 742.39 of the Revised Code, 1721
or division (C)(2), (3), (4), or (5) of former section 742.37 of 1722
the Revised Code unless the person is a member of the fund on the 1723
date on which the application for disability benefits is submitted 1724

to the fund. 1725

With the exception of persons who may make application for 1726
increased benefits as provided in division (D)(2) or (4) of this 1727
section or division (C)(3) or (5) of former section 742.37 of the 1728
Revised Code on or after July 24, 1986, or persons who may make 1729
application for benefits as provided in section 742.26 of the 1730
Revised Code, no person receiving a pension or benefit under this 1731
section or division (C) of former section 742.37 of the Revised 1732
Code may apply for any new, changed, or different benefit. 1733

Sec. 742.39. (A) A member of the Ohio police and fire pension 1734
fund determined to be eligible for a disability benefit under 1735
division (D)(1) of section 742.38 of the Revised Code shall be 1736
paid annual disability benefits, payable in twelve monthly 1737
installments, in an amount equal to seventy-two per cent of the 1738
member's average annual salary. If, as of July 2, 2013, the member 1739
had fifteen or more years of service credit, the average annual 1740
salary shall be determined using three years of contributions. If, 1741
as of that date, the member had less than fifteen years of service 1742
credit, the average annual salary shall be determined using five 1743
years of contributions. 1744

(B) A member of the fund determined to be eligible for a 1745
disability benefit under division (D)(2) of section 742.38 of the 1746
Revised Code shall be paid annual disability benefits, payable in 1747
twelve monthly installments. If the member has fewer than 1748
twenty-five years of ~~active service in a police or fire department~~ 1749
credit, the benefit shall be in an amount fixed by the board of 1750
trustees of the Ohio police and fire pension fund. The board may 1751
increase or decrease the benefit whenever the board determines 1752
that the impairment of the member's earning capacity warrants an 1753
increase or decrease based on the standards adopted under division 1754
(C) of section 742.38 of the Revised Code applicable to the 1755

determination, but in no event shall the benefit exceed sixty per 1756
cent of the member's average annual salary. 1757

A member who has ~~completed~~ twenty-five or more years of 1758
~~active service in the department~~ credit shall receive annual 1759
disability benefits, payable in twelve monthly installments, in an 1760
amount equal to a percentage of the member's average annual 1761
salary. The percentage shall be the sum of two and one-half per 1762
cent for each of the first twenty years ~~the member was in the~~ 1763
~~active of~~ service ~~of the department~~ credit, plus two per cent for 1764
each of the twenty-first to twenty-fifth years ~~the member was in~~ 1765
~~the active of~~ service ~~of the department~~ credit, plus one and 1766
one-half per cent for each year in excess of twenty-five years ~~the~~ 1767
~~member was in the active of~~ service ~~of the department~~ credit. The 1768
annual disability benefit shall not exceed seventy-two per cent of 1769
the member's average annual salary. 1770

In calculating a benefit under this division, a member's 1771
average annual salary shall be determined using three years of 1772
contributions if, as of July 2, 2013, the member had fifteen or 1773
more years of service credit. If, as of that date, the member had 1774
less than fifteen years of service credit, the average annual 1775
salary shall be determined using five years of contributions. 1776

(C) A member of the fund determined to be eligible for a 1777
disability benefit under division (D)(4) of section 742.38 of the 1778
Revised Code shall be paid annual disability benefits, payable in 1779
twelve monthly installments, in an amount to be fixed by the 1780
board. The board may increase or decrease the benefits whenever 1781
the board determines that the impairment of the member's earning 1782
capacity warrants an increase or decrease based on the standards 1783
adopted under division (C) of section 742.38 of the Revised Code 1784
applicable to the determination, but in no event shall a benefit 1785
paid to the member exceed sixty per cent of the member's average 1786
annual salary. 1787

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

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

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

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

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

To make an election, an eligible member shall complete and submit to the Ohio police and fire pension fund a form prescribed by the fund. At this time the member may, but is not required to, elect under section 742.3711 of the Revised Code to have the member's monthly pension calculated as a retirement allowance payable throughout the member's life or a retirement allowance under option 2 in division (A) of section 742.3711 of the Revised Code. Unless rescinded during a period specified in rules adopted under section 742.43 of the Revised Code, the election is irrevocable from the date it is received by the fund until the employee ceases to participate in the plan as provided in section

742.444 of the Revised Code. 1819

A member is not required to specify the number of years or 1820
portion of a year the member will participate in the plan but must 1821
agree to terminate active service in a police or fire department 1822
and begin receiving the member's pension not later than the date 1823
that is eight years after the effective date of the election to 1824
participate in the plan or be subject to the forfeiture provisions 1825
of division (C) of section 742.444 of the Revised Code. 1826

The effective date of an election made under this section is 1827
the first day of the employer's first payroll period immediately 1828
following the board's receipt of the notice of election. 1829

Sec. 742.442. For each member who elects to participate in 1830
the deferred retirement option plan, the Ohio police and fire 1831
pension fund shall determine under division (C)(1) of section 1832
742.37 of the Revised Code the monthly pension amount that would 1833
be payable to the member had the member elected to receive a 1834
pension under that division. In determining the pension amount, 1835
the fund shall use the member's total service credit and average 1836
annual salary as of the last day of the employer's payroll period 1837
immediately prior to the effective date of the member's election 1838
to participate in the plan. The pension amount shall be calculated 1839
as a retirement allowance payable for the member's life, except 1840
that, if at the time of electing to participate in the plan the 1841
member selected the plan of payment in option 2 of division (A) of 1842
section 742.3711 of the Revised Code, the pension shall be 1843
calculated using that plan of payment. 1844

A member who participates in the plan is not eligible to make 1845
an election under division ~~(B)~~(D) of section 742.3716 of the 1846
Revised Code. 1847

Sec. 742.443. (A) During the period beginning on the 1848

effective date of an election to participate in the deferred 1849
retirement option plan and ending on the date participation 1850
ceases, a member's monthly pension amount determined under section 1851
742.442 of the Revised Code shall accrue to the member's benefit. 1852
~~¶~~ If the member is eligible for increases under section 742.3716 1853
of the Revised Code, to this amount shall be added any benefit 1854
increases the member would be eligible for under ~~division (C) of~~ 1855
that section ~~742.3716 of the Revised Code~~ had the member, on the 1856
effective date of the member's election, retired under division 1857
(C)(1) of section 742.37 of the Revised Code. 1858

(B)(1) The amounts contributed under section 742.31 of the 1859
Revised Code by a member ~~participating who, before July 2, 2013,~~ 1860
elects to participate in the deferred retirement option plan shall 1861
accrue to the member's benefit as follows: 1862

(a) During the period beginning on the first day of the first 1863
payroll period after the election's effective date and ending on 1864
the earlier of the date that is two years thereafter or the date 1865
the member ceases participation in the plan, fifty per cent of the 1866
member's contributions for that period; 1867

(b) During the period beginning on the date that is two years 1868
and one day after accruals begin under this division and ending on 1869
the earlier of the date that is three years thereafter or the date 1870
the member ceases participation in the plan, seventy-five per cent 1871
of the member's contributions for that period; 1872

(c) During the period beginning on the date that is three 1873
years and one day after accruals begin under this section and 1874
ending on the date the member ceases participation in the plan, 1875
one hundred per cent of the member's contributions for that 1876
period. 1877

(2) The amounts contributed under section 742.31 of the 1878
Revised Code by a member who, on or after July 2, 2013, elects to 1879

participate in the deferred retirement option plan shall accrue to 1880
the member's benefit as follows: 1881

(a) During the period beginning on the first day of the first 1882
payroll period after the election's effective date and ending on 1883
the earlier of the date that is three years thereafter or the date 1884
the member ceases participation in the plan, fifty per cent of the 1885
member's contributions for that period; 1886

(b) During the period beginning on the date that is three 1887
years and one day after accruals begin under this division and 1888
ending on the earlier of the date that is five years thereafter or 1889
the date the member ceases participation in the plan, seventy-five 1890
per cent of the member's contributions for that period; 1891

(c) During the period beginning on the date that is five 1892
years and one day after accruals begin under this section and 1893
ending on the date the member ceases participation in the plan, 1894
one hundred per cent of the member's contributions for that 1895
period. 1896

(3) The Ohio police and fire pension fund shall credit the 1897
portion of a member's contributions that are not accrued to the 1898
member's benefit under division (B)(1) or (2) of this section to 1899
the police officers' contribution fund or firefighters' 1900
contribution fund, as appropriate. 1901

(C) During the period beginning on the election's effective 1902
date and ending on the day before the date distributions under 1903
division (B)(3) of section 742.444 of the Revised Code are 1904
completed, the amounts described in divisions (A) and (B)(1) of 1905
this section shall earn interest at an annual rate established by 1906
the board of trustees of the fund and compounded annually using a 1907
method established by rule adopted under section 742.43 of the 1908
Revised Code. 1909

Sec. 742.444. (A) A member's participation in the deferred 1910
retirement option plan ceases on the occurrence of the earliest of 1911
the following: 1912

(1) Termination of the member's active service in a police or 1913
fire department; 1914

(2) The last day of the eight-year period that begins on the 1915
effective date of the member's election to participate in the 1916
plan; 1917

(3) Acceptance by the member of a disability benefit awarded 1918
by the board of trustees of the Ohio police and fire pension fund, 1919
unless the acceptance is revoked by the member in accordance with 1920
rules adopted by the board; 1921

(4) The member's death. 1922

(B) If a member terminates active service in a police or fire 1923
department not later than eight years after the effective date of 1924
the member's election to participate in the plan, all of the 1925
following apply: 1926

(1) The member shall notify the Ohio police and fire pension 1927
fund of the date of termination on a form prescribed by the fund. 1928
The member is not eligible to make another election under section 1929
742.44 of the Revised Code. 1930

(2) ~~If~~ (a) For a member whose election to participate in the 1931
plan is effective before July 2, 2013, the member's termination of 1932
active service occurs on or after the date that is the first day 1933
of the fourth year after the effective date of the election to 1934
participate in the plan, the entire amount that has accrued to the 1935
member's benefit under the deferred retirement option plan shall 1936
be distributed to the member pursuant to the member's selection 1937
under division (B)(3) of this section. If the member's termination 1938
of active service occurs before the date that is four years after 1939

the effective date of the election to participate, the member 1940
shall forfeit the total amount of the interest credited under 1941
division (C) of section 742.443 of the Revised Code. 1942

(b) For a member whose election to participate in the plan is 1943
effective on or after July 2, 2013, if the member's termination of 1944
active service occurs on or after the date that is the sixth year 1945
after the effective date of the election to participate in the 1946
plan, the entire amount that has accrued to the member's benefit 1947
under the deferred retirement option plan shall be distributed to 1948
the member pursuant to the member's selection under division 1949
(B)(3) of this section. If the member's termination of active 1950
service occurs before the date that is six years after the 1951
effective date of the election to participate, the member shall 1952
forfeit the total amount of the interest credited under division 1953
(C) of section 742.443 of the Revised Code. 1954

(3) The member shall select one of the following as the 1955
method of distribution of the amount to be distributed to the 1956
member: 1957

(a) A single payment; 1958

(b) Periodic payments as determined by the board. 1959

The fund shall retain amounts accrued to the benefit of a 1960
member under the plan until a form specifying the method of 1961
distribution selected is filed with the fund by the member or an 1962
authorized representative of the member. 1963

The board shall afford a member who selects periodic payments 1964
the opportunity at least once during each calendar year to change 1965
the member's selection. 1966

(4) Distribution of the amount accrued to a member's benefit 1967
under the deferred retirement option plan shall not commence until 1968
the following: 1969

(a) For members whose election to participate in the plan is effective before July 2, 2013, the date that is the first day of the fourth year after the effective date of the election; 1970
1971
1972

(b) For members whose election to participate in the plan is effective on or after July 2, 2013, the date that is the first day of the sixth year after the effective date of the election. 1973
1974
1975

(5) The member shall select a plan of payment under section 742.3711 of the Revised Code for the pension payable to the member under division (C) of section 742.37 of the Revised Code, unless the member selected a plan of payment at the time of electing to participate in the plan. The pension shall commence not later than the first day of the second month following the date the employee ceases to participate in the plan. 1976
1977
1978
1979
1980
1981
1982

(C) If, at the end of the eight-year period that begins on the effective date of a member's election to participate in the plan, the member has failed to terminate active service in a police or fire department, all of the following apply: 1983
1984
1985
1986

(1) No further amounts shall accrue to the member's benefit, and the member shall forfeit all amounts that have accrued to the member's benefit under section 742.443 of the Revised Code. The amounts forfeited shall be treated as if the member had continued in the active service of a police or fire department and not elected to participate in the plan. 1987
1988
1989
1990
1991
1992

(2) The member shall be granted service credit for the period the member was participating in the plan, and when the member's pension is calculated under section 742.37 of the Revised Code, the calculation shall be made as though the member had never participated in the plan. 1993
1994
1995
1996
1997

(3) Further contributions, and service credit for those contributions, shall be credited as provided in sections 742.31 through 742.34 of the Revised Code. 1998
1999
2000

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

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

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

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

(B) Except as otherwise provided in this division, the board shall, beginning the month following receipt of satisfactory

evidence of the payment for coverage, pay monthly to each 2032
recipient of service, disability, or survivor benefits under the 2033
Ohio police and fire pension fund who is eligible for ~~medical~~ 2034
~~insurance~~ coverage under part B of the medicare program 2035
established under Title XVIII of "The Social Security Amendments 2036
of 1965," 79 Stat. 301 (1965), 42 U.S.C.A. 1395j, as amended, an 2037
amount specified by the board or determined pursuant to a formula 2038
established by the board that is not less than ninety-six dollars 2039
and forty cents, for such coverage, except that the board shall 2040
not pay an amount that exceeds the amount paid by the recipient 2041
for the coverage. 2042

The board shall pay not more than one monthly premium under 2043
this division to an eligible benefit recipient even if the 2044
recipient is receiving more than one monthly benefit from the 2045
fund. The board shall not pay a monthly premium under this 2046
division to an eligible benefit recipient who is receiving 2047
reimbursement for the premium from any other source. 2048

(C) The board shall establish by rule requirements for the 2049
coordination of any coverage, payment, or benefit provided under 2050
this section with any similar coverage, payment, or benefit made 2051
available to the same individual by the public employees 2052
retirement system, state teachers retirement system, school 2053
employees retirement system, or state highway patrol retirement 2054
system. 2055

(D) The board shall make all other necessary rules pursuant 2056
to the purpose and intent of this section. 2057

Sec. 742.63. The board of trustees of the Ohio police and 2058
fire pension fund shall adopt rules for the management of the Ohio 2059
public safety officers death benefit fund and for disbursements of 2060
benefits as set forth in this section. 2061

(A) As used in this section: 2062

(1) "Member" means all of the following:	2063
(a) A member of the Ohio police and fire pension fund,	2064
including a member of the fund who has elected to participate in	2065
the deferred retirement option plan established under section	2066
742.43 of the Revised Code or a member of or contributor to a	2067
police or firemen's relief and pension fund established under	2068
former Chapter 521. or 741. of the Revised Code;	2069
(b) A member of the state highway patrol retirement system,	2070
including a member who is participating in the deferred retirement	2071
option plan established under section 5505.50 of the Revised Code;	2072
(c) A member of the public employees retirement system who at	2073
the time of the member's death was one of the following:	2074
(i) A county sheriff or deputy sheriff;	2075
(ii) A full-time regular police officer in a municipal	2076
corporation or township;	2077
(iii) A full-time regular firefighter employed by the state,	2078
an instrumentality of the state, a municipal corporation, a	2079
township, a joint fire district, or another political subdivision;	2080
(iv) A full-time park district ranger or patrol trooper;	2081
(v) A full-time law enforcement officer of the department of	2082
natural resources;	2083
(vi) A full-time department of public safety enforcement	2084
agent;	2085
(vii) A full-time law enforcement officer of parks, waterway	2086
lands, or reservoir lands under the control of a municipal	2087
corporation;	2088
(viii) A full-time law enforcement officer of a conservancy	2089
district;	2090
(ix) A correction officer at an institution under the control	2091

of a county, a group of counties, a municipal corporation, or the department of rehabilitation and correction; (x) A state university law enforcement officer; (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. (xii) A drug agent, as defined in section 145.01 of the Revised Code. (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. (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, department of public safety enforcement agents, the security force of parks, waterway lands, or reservoir lands under the control of a municipal corporation, the security force of a conservancy district, the police department of a township or municipal corporation, and the police force of a state university. (3) "Firefighter or police officer" includes a state highway patrol trooper, a county sheriff or deputy sheriff, a correction officer at an institution under the control of a county, a group

of counties, a municipal corporation, or the department of 2123
rehabilitation and correction, a police officer employed by a 2124
township or municipal corporation, a firefighter employed by the 2125
state, an instrumentality of the state, a municipal corporation, a 2126
township, a joint fire district, or another political subdivision, 2127
a full-time park district ranger or patrol trooper, a full-time 2128
law enforcement officer of the department of natural resources, a 2129
full-time department of public safety enforcement agent, a 2130
full-time law enforcement officer of parks, waterway lands, or 2131
reservoir lands under the control of a municipal corporation, a 2132
full-time law enforcement officer of a conservancy district, and a 2133
state university law enforcement officer. 2134

(4) "Correction officer" includes, in addition to any 2135
correction officer, any correction corporal, sergeant, lieutenant, 2136
or captain, and the equivalents of all such persons. 2137

(5) "A park district ranger or patrol trooper" means a peace 2138
officer commissioned to make arrests, execute warrants, and 2139
preserve the peace upon lands under the control of a board of park 2140
commissioners of a metropolitan, county, or township park 2141
district. 2142

(6) "Metropolitan, county, or township park district" means a 2143
park district created under the authority of Chapter 511. or 1545. 2144
of the Revised Code. 2145

(7) "Conservancy district" means a conservancy district 2146
created under the authority of Chapter 6101. of the Revised Code. 2147

(8) "Law enforcement officer" means an officer commissioned 2148
to make arrests, execute warrants, and preserve the peace upon 2149
lands under the control of the governmental entity granting the 2150
commission. 2151

(9) "Department of natural resources law enforcement officer" 2152
includes a forest officer designated pursuant to section 1503.29 2153

of the Revised Code, a preserve officer designated pursuant to 2154
section 1517.10 of the Revised Code, a wildlife officer designated 2155
pursuant to section 1531.13 of the Revised Code, a park officer 2156
designated pursuant to section 1541.10 of the Revised Code, and a 2157
state watercraft officer designated pursuant to section 1547.521 2158
of the Revised Code. 2159

(10) "Retirement eligibility date" means the last day of the 2160
month in which a deceased member would have first become eligible, 2161
had the member lived, for the retirement pension provided under 2162
~~section 145.33~~, Chapter 145., 521. or 741., division (C)(1) of 2163
section 742.37, or division (A)(1) of section 5505.17 of the 2164
Revised Code or provided by a retirement system operated by a 2165
municipal corporation. 2166

(11) "Death benefit amount" means an amount equal to the full 2167
monthly salary received by a deceased member prior to death, minus 2168
an amount equal to the benefit received under section 145.45, 2169
742.37, 742.3714, or 5505.17 of the Revised Code or the benefit 2170
received from a retirement system operated by a municipal 2171
corporation, plus any increases in salary that would have been 2172
granted the deceased member. 2173

(12) "Killed in the line of duty" means either of the 2174
following: 2175

(a) Death in the line of duty; 2176

(b) Death from injury sustained in the line of duty, 2177
including heart attack or other fatal injury or illness caused 2178
while in the line of duty. 2179

(B) A spouse of a deceased member shall receive a death 2180
benefit each month equal to the full death benefit amount, 2181
provided that the deceased member was a firefighter or police 2182
officer killed in the line of duty and there are no surviving 2183
children eligible for a benefit under this section. The spouse 2184

shall receive this benefit during the spouse's natural life until 2185
the deceased member's retirement eligibility date, on which date 2186
the benefit provided under this division shall terminate. 2187

(C)(1) If a member killed in the line of duty as a 2188
firefighter or police officer is survived only by a child or 2189
children, the child or children shall receive a benefit each month 2190
equal to the full death benefit amount. If there is more than one 2191
surviving child, the benefit shall be divided equally among these 2192
children. 2193

(2) If the death benefit paid under this division is divided 2194
among two or more surviving children and any of the children 2195
become ineligible to continue receiving a portion of the benefit 2196
as provided in division (H) of this section, the full death 2197
benefit amount shall be paid to the remaining eligible child or 2198
divided among the eligible children so that the benefit paid to 2199
the remaining eligible child or children equals the full death 2200
benefit amount. 2201

(3) Notwithstanding divisions (C)(1) and (2) of this section, 2202
all death benefits paid under this division shall terminate on the 2203
deceased member's retirement eligibility date. 2204

(D) If a member killed in the line of duty as a firefighter 2205
or police officer is survived by both a spouse and a child or 2206
children, the monthly benefit provided shall be as follows: 2207

(1)(a) If there is a surviving spouse and one surviving 2208
child, the spouse shall receive an amount each month equal to 2209
one-half of the full death benefit amount and the child shall 2210
receive an amount equal to one-half of the full death benefit 2211
amount. 2212

(b) If the surviving spouse dies or the child becomes 2213
ineligible as provided in division (H) of this section, the 2214
surviving spouse or child remaining eligible shall receive the 2215

full death benefit amount. 2216

(2)(a) If there is a surviving spouse and more than one 2217
child, the spouse shall receive an amount each month equal to 2218
one-third of the full death benefit amount and the children shall 2219
receive an amount, equally divided among them, equal to two-thirds 2220
of the full death benefit amount. 2221

(b) If a spouse and more than one child each are receiving a 2222
death benefit under division (D)(2)(a) of this section and the 2223
spouse dies, the children shall receive an amount each month, 2224
equally divided among them, equal to the full death benefit 2225
amount. 2226

(c) If a spouse and more than one child each are receiving a 2227
benefit under division (D)(2)(a) of this section and any of the 2228
children becomes ineligible to receive a benefit as provided in 2229
division (H) of this section, the spouse and remaining eligible 2230
child or children shall receive a death benefit as follows: 2231

(i) If there are two or more remaining eligible children, the 2232
spouse shall receive an amount each month equal to one-third of 2233
the full death benefit amount and the children shall receive an 2234
amount each month, equally divided among them, equal to two-thirds 2235
of the full death benefit amount; 2236

(ii) If there is one remaining eligible child, the spouse 2237
shall receive an amount each month equal to one-half of the full 2238
death benefit amount, and the child shall receive an amount each 2239
month equal to one-half of the full death benefit amount. 2240

(d) If a spouse and more than one child each are receiving a 2241
benefit under division (D)(2)(a) of this section and all of the 2242
children become ineligible to receive a benefit as provided in 2243
division (H) of this section, the spouse shall receive the full 2244
death benefit amount. 2245

(3) Notwithstanding divisions (D)(1) and (2) of this section, 2246

death benefits paid under this division to a surviving spouse 2247
shall terminate on the member's retirement eligibility date. Death 2248
benefits paid to a surviving child or children shall terminate on 2249
the deceased member's retirement eligibility date unless earlier 2250
terminated pursuant to division (H) of this section. 2251

(E) If a member, on or after January 1, 1980, is killed in 2252
the line of duty as a firefighter or police officer and is 2253
survived by only a parent or parents dependent upon the member for 2254
support, the parent or parents shall receive an amount each month 2255
equal to the full death benefit amount. If there is more than one 2256
surviving parent dependent upon the deceased member for support, 2257
the death benefit amount shall be divided equally among the 2258
surviving parents. On the death of one of the surviving parents, 2259
the full death benefit amount shall be paid to the other parent. 2260

(F)(1) The following shall receive a monthly death benefit 2261
under this division: 2262

(a) A surviving spouse whose benefits are terminated in 2263
accordance with division (B) or (D)(3) of this section on the 2264
deceased member's retirement eligibility date, or who would 2265
qualify for a benefit under division (B) or (D) of this section 2266
except that the deceased member reached the member's retirement 2267
eligibility date prior to the member's death; 2268

(b) A qualified surviving spouse of a deceased member of or 2269
contributor to a police or firemen's relief and pension fund 2270
established under former Chapter 521. or 741. of the Revised Code 2271
who was a firefighter or police officer killed in the line of 2272
duty. 2273

(2) The monthly death benefit shall be one-half of an amount 2274
equal to the monthly salary received by the deceased member prior 2275
to the member's death, plus any salary increases the deceased 2276
member would have received prior to the member's retirement 2277

eligibility date. The benefit shall terminate on the surviving spouse's death. A death benefit payable under this division shall be reduced by an amount equal to any allowance or benefit payable to the surviving spouse under section 742.3714 of the Revised Code.

(3) A benefit granted to a surviving spouse under division (F)(1)(b) of this section 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 any evidence the board may require to establish that the deceased spouse was killed in the line of duty.

(G)(1) If there is not a surviving spouse eligible to receive a death benefit under division (F) of this section or the surviving spouse receiving a death benefit under that division dies, a surviving child or children whose benefits under division (C) or (D) of this section are or have been terminated pursuant to division (C)(3) or (D)(3) of this section or who would qualify for a benefit under division (C) or (D) of this section except that the deceased member reached the member's retirement eligibility date prior to the member's death shall receive a monthly death benefit under this division. The monthly death benefit shall be one-half of an amount equal to the monthly salary received by the deceased member prior to the member's death, plus any salary increases the member would have received prior to the member's retirement eligibility date. If there is more than one surviving child, the benefit shall be divided equally among the surviving children.

(2) If two or more surviving children each are receiving a benefit under this division and any of those children becomes ineligible to continue receiving a benefit as provided in division (H) of this section, the remaining eligible child or children shall receive an amount equal to one-half of the monthly salary

received by the deceased member prior to death, plus any salary 2310
increases the deceased member would have received prior to the 2311
retirement eligibility date. If there is more than one remaining 2312
eligible child, the benefit shall be divided equally among the 2313
eligible children. 2314

(3) A death benefit, or portion of a death benefit, payable 2315
to a surviving child under this division shall be reduced by an 2316
amount equal to any allowance or benefit payable to that child 2317
under section 742.3714 of the Revised Code, but the reduction in 2318
that child's benefit shall not affect the amount payable to any 2319
other surviving child entitled to a portion of the death benefit. 2320

(H) A death benefit paid to a surviving child under division 2321
(C), (D), or (G) of this section shall terminate on the death of 2322
the child or, unless one of the following is the case, when the 2323
child reaches age eighteen: 2324

(1) The child, because of physical or mental disability, is 2325
unable to provide the child's own support, in which case the death 2326
benefit shall terminate when the disability is removed; 2327

(2) The child is unmarried, under age twenty-two, and a 2328
student in and attending an institution of learning or training 2329
pursuant to a program designed to complete in each school year the 2330
equivalent of at least two-thirds of the full-time curriculum 2331
requirements of the institution, as determined by the trustees of 2332
the fund. 2333

(I) Acceptance of any death benefit under this section does 2334
not prohibit a spouse or child from receiving other benefits 2335
provided under the Ohio police and fire pension fund, the state 2336
highway patrol retirement system, the public employees retirement 2337
system, or a retirement system operated by a municipal 2338
corporation. 2339

(J) No person shall receive a benefit under this section if 2340

any of the following occur: 2341

(1) The person fails to exercise the right to a monthly 2342
survivor benefit under division (A) or (B) of section 145.45, 2343
division (D), (E), or (F) of section 742.37, or division (A)(3), 2344
(4), or (7) of section 5505.17 of the Revised Code; to a monthly 2345
survivor benefit from a retirement system operated by a municipal 2346
corporation; or to a retirement allowance under section 742.3714 2347
of the Revised Code. 2348

(2) The member's accumulated contributions under this chapter 2349
or Chapter 145. or 5505. of the Revised Code are refunded unless 2350
the member had been a member of the public employees retirement 2351
system and had fewer than eighteen months of total service credit 2352
at the time of death. 2353

(3) In the case of a full-time park district ranger or patrol 2354
trooper, a full-time law enforcement officer of the department of 2355
natural resources, a full-time law enforcement officer of parks, 2356
waterway lands, or reservoir lands under the control of a 2357
municipal corporation, a full-time law enforcement officer of a 2358
conservancy district, a correction officer at an institution under 2359
the control of a county, group of counties, or municipal 2360
corporation, or a member of a retirement system operated by a 2361
municipal corporation who at the time of the member's death was a 2362
full-time law enforcement officer of parks, waterway lands, or 2363
reservoir lands under the control of the municipal corporation, 2364
the member died prior to April 9, 1981, in the case of a benefit 2365
under division (B), (C), or (D) of this section, or prior to 2366
January 1, 1980, in the case of a benefit under division (E) of 2367
this section. 2368

(4) In the case of a full-time department of public safety 2369
enforcement agent who prior to June 30, 1999, was a liquor control 2370
investigator of the department of public safety, the member died 2371
prior to December 23, 1986; 2372

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

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

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

(2) If the benefit will begin on or after the deceased member's retirement eligibility date, it shall be paid under division (F) of this section and shall terminate as provided in that division. A benefit paid to a surviving spouse under division (F) of this section shall be determined in accordance with that division, even if benefits paid to surviving children are terminated as a result.

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

collect the amount in any other manner provided by law. 2404

Section 2. That existing sections 171.04, 742.01, 742.04, 2405
742.10, 742.14, 742.16, 742.30, 742.301, 742.31, 742.32, 742.33, 2406
742.34, 742.35, 742.37, 742.3711, 742.3716, 742.38, 742.39, 2407
742.44, 742.442, 742.443, 742.444, 742.45, 742.63, and 742.64 and 2408
section 742.011 of the Revised Code are hereby repealed. 2409

Section 3. (A) The amendments by this act of sections 742.33, 2410
742.34, and 742.35 of the Revised Code regarding the frequency of 2411
employer payments to the Ohio Police and Fire Pension Fund apply 2412
to police officer employers' contributions and firefighter 2413
employers' contributions due the Fund for employee payrolls paid 2414
on or after the ninety-first day after the effective date of this 2415
section. 2416

(B) Police officer employers' contributions and firefighter 2417
employers' contributions to the Ohio Police and Fire Pension Fund 2418
for employee payrolls paid during the period beginning on the 2419
effective date of this section and ending on the ninety-first day 2420
thereafter are due as follows: 2421

(1) One third of the contributions for that period are due 2422
not later than December 31, 2013. 2423

(2) One third of the contributions for that period are due 2424
not later than December 31, 2014. 2425

(3) One third of the contributions for that period are due 2426
not later than December 31, 2015. 2427

(C) Any applicable penalty determined under section 742.352 2428
of the Revised Code shall be assessed against an employer if the 2429
employer fails to make a payment on or before the date the payment 2430
is due. 2431

Section 4. Sections 1, 2, and 3 of this act take effect 2432

January 7, 2013, except that section 742.161, as enacted by this	2433
act, and division (B) of section 742.31 of the Revised Code, as	2434
amended by this act, take effect one hundred eighty days after the	2435
effective date of this section.	2436