

As Re-referred by the House Rules and Reference Committee

**130th General Assembly
Regular Session
2013-2014**

H. B. No. 442

Representative Butler

Cosponsors: Representatives Adams, J., Bishoff, Blair, Scherer, Terhar

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A B I L L

To amend sections 145.58, 145.584, 742.45, 5505.01, 1
and 5505.28 and to enact sections 145.585, 2
742.452, and 5505.282 of the Revised Code, and to 3
amend the version of section 5505.01 of the 4
Revised Code that is scheduled to take effect 5
January 1, 2015, to provide health insurance 6
benefits for the surviving spouse and dependents 7
of a police officer, correctional officer, or 8
firefighter killed in the line of duty. 9

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

Section 1. That sections 145.58, 145.584, 742.45, 5505.01, 10
and 5505.28 be amended and sections 145.585, 742.452, and 5505.282 11
of the Revised Code be enacted to read as follows: 12

Sec. 145.58. (A) The public employees retirement board shall 13
adopt rules establishing eligibility for any coverage provided 14
under this section and under section 145.585 of the Revised Code. 15
The rules shall conform to the requirements of section 145.585 of 16
the Revised Code, but shall otherwise base eligibility on years 17
and types of service credit earned by members. Eligibility 18
determinations shall be made in accordance with the rules, except 19

that an individual who, as a result of making a false statement in 20
an attempt to secure a benefit under this section, is convicted of 21
violating section 2921.13 of the Revised Code is ineligible for 22
coverage. 23

(B) The board may enter into agreements with insurance 24
companies, health insuring corporations, or government agencies 25
authorized to do business in the state for issuance of a policy or 26
contract of health, medical, hospital, or surgical benefits, or 27
any combination thereof, for eligible individuals receiving age 28
and service retirement or a disability or survivor benefit 29
subscribing to the plan, or for PERS retirants employed under 30
section 145.38 of the Revised Code, for coverage of benefits in 31
accordance with division (C)(2) of section 145.38 of the Revised 32
Code. Notwithstanding any other provision of this chapter, the 33
policy or contract may also include coverage for any eligible 34
individual's spouse and dependent children and for any of the 35
eligible individual's sponsored dependents as the board determines 36
appropriate. If all or any portion of the policy or contract 37
premium is to be paid by any individual receiving age and service 38
retirement or a disability or survivor benefit, the individual 39
shall, by written authorization, instruct the board to deduct the 40
premium agreed to be paid by the individual to the company, 41
corporation, or agency. 42

The board may contract for coverage on the basis of part or 43
all of the cost of the coverage to be paid from appropriate funds 44
of the public employees retirement system. The cost paid from the 45
funds of the system shall be included in the employer's 46
contribution rate provided by sections 145.48 and 145.51 of the 47
Revised Code. The board may by rule provide coverage to 48
individuals who are not eligible under the rules adopted under 49
division (A) of this section if the coverage is provided at no 50
cost to the retirement system. The board shall not pay or 51

reimburse the cost for coverage under this section or section 52
145.584 of the Revised Code for any such individual. 53

The board may provide for self-insurance of risk or level of 54
risk as set forth in the contract with the companies, 55
corporations, or agencies, and may provide through the 56
self-insurance method specific benefits as authorized by rules of 57
the board. 58

(C) ~~The~~ Except as provided in section 145.585 of the Revised 59
Code, the board shall, beginning the month following receipt of 60
satisfactory evidence of the payment for coverage, pay monthly to 61
each recipient of service retirement, or a disability or survivor 62
benefit under the public employees retirement system who is 63
eligible for coverage under part B of the medicare program 64
established under Title XVIII of "The Social Security Act 65
Amendments of 1965," 79 Stat. 301 (1965), 42 U.S.C.A. 1395j, as 66
amended, an amount determined by the board for such coverage, 67
except that the board shall make no such payment to any individual 68
who is not eligible for coverage under the rules adopted under 69
division (A) of this section or pay an amount that exceeds the 70
amount paid by the recipient for the coverage. 71

At the request of the board, the recipient shall certify to 72
the retirement system the amount paid by the recipient for 73
coverage described in this division. 74

(D) The board shall establish by rule requirements for the 75
coordination of any coverage, payment, or benefit provided under 76
this section or ~~section~~ sections 145.584 and 145.585 of the 77
Revised Code with any similar coverage, payment, or benefit made 78
available to the same individual by the Ohio police and fire 79
pension fund, state teachers retirement system, school employees 80
retirement system, or state highway patrol retirement system. 81

(E) The board shall make all other necessary rules pursuant 82

to the purpose and intent of this section. 83

Sec. 145.584. (A) Except as otherwise provided in section 84
145.585 of the Revised Code and in division (B) of this section, 85
the board of the public employees retirement system shall make 86
available to each retirant or disability benefit recipient 87
receiving a monthly allowance or benefit on or after January 1, 88
1968, who has attained the age of sixty-five years, and who is not 89
eligible to receive hospital insurance benefits under the federal 90
old age, survivors, and disability insurance program, hospital 91
insurance coverage substantially equivalent to the federal 92
hospital insurance benefits, Social Security Amendments of 1965, 93
79 Stat. 291, 42 U.S.C.A. 1395c, as amended. This coverage shall 94
also be made available to the spouse, widow, or widower of such 95
retirant or disability benefit recipient provided such spouse, 96
widow, or widower has attained age sixty-five and is not eligible 97
to receive hospital insurance benefits under the federal old age, 98
survivors, and disability insurance program. The widow or widower 99
of a retirant or disability benefit recipient shall be eligible 100
for such coverage only if he or she is the recipient of a monthly 101
allowance or benefit from this system. A portion of the cost of 102
the premium for the spouse may be paid from the appropriate funds 103
of the public employees retirement system. The remainder of the 104
cost shall be paid by the recipient of the allowance or benefit. 105

The cost of such coverage, paid from the funds of the system, 106
shall be included in the employer's rate provided by section 107
145.48 of the Revised Code. The retirement board is authorized to 108
make all necessary rules pursuant to the purpose and intent of 109
this section, and shall contract for such coverage as provided in 110
section 145.58 of the Revised Code. 111

(B) The board need not make the hospital insurance coverage 112
described in division (A) of this section available to any person 113

for whom it is prohibited by section 145.58 of the Revised Code 114
from paying or reimbursing the premium cost of such insurance. 115

Sec. 145.585. (A) As used in this section: 116

(1) "Full-time student" means an individual enrolled in a 117
school in grades kindergarten through twelve or an institution of 118
higher education for at least twelve credit hours or the 119
equivalent per term. 120

(2) "Medicare supplement policy" means a group or individual 121
policy of sickness and accident insurance or a subscriber contract 122
of a health insuring corporation or any other issuer that is 123
advertised, marketed, or designed primarily as a supplement to 124
reimbursements under medicare for the hospital, medical, or 125
surgical expenses of persons eligible for medicare. 126

(3) "Correctional officer" means either of the following: 127

(a) A person who is employed at a correctional institution 128
operated by the department of rehabilitation and correction and 129
whose position consists primarily of duties that require prisoner 130
supervision, direct interaction with prisoners, and responsibility 131
for the safety and security of prisoners and the facility; 132

(b) A county correctional officer as defined in section 133
341.41 of the Revised Code whose position consists primarily of 134
duties that require prisoner supervision, direct interaction with 135
prisoners, and responsibility for the safety and security of 136
prisoners and of the facility. 137

(4) "Surviving dependent" means the surviving dependent of a 138
PERS law enforcement officer or correctional officer who is killed 139
in the line of duty. 140

(5) "Surviving spouse" means the surviving spouse of a PERS 141
law enforcement officer or correctional officer who is killed in 142
the line of duty. 143

(B)(1)(a) The public employees retirement board shall enter 144
into agreements with insurance companies, health insuring 145
corporations, or government agencies authorized to do business in 146
the state for the issuance of a policy or contract of health, 147
medical, hospital, or surgical benefits, or any combination 148
thereof, for surviving dependents and surviving spouses and shall 149
pay any associated premium. Except as provided in division 150
(B)(1)(b) of this section, such benefits and such payments shall 151
not be denied for any reason. 152

(b) For a surviving dependent, such benefits shall be 153
provided and such payments shall be made until the dependent 154
reaches eighteen years of age or, if the dependent is a full-time 155
student, until the dependent reaches twenty-two years of age. 156

(2) The benefits provided under division (B)(1) of this 157
section shall be greater than or equal to any provided by the 158
board under section 145.58 of the Revised Code. 159

(C) For a surviving spouse who becomes eligible for parts A 160
and B of medicare, Title XVIII of the "Social Security Act," 49 161
Stat. 620 (1935), 42 U.S.C. 301, the board shall provide 162
additional health, medical, hospital, and surgical benefits 163
through a medicare supplement policy and shall pay the associated 164
premium. 165

(D)(1) For a surviving spouse who is not eligible for 166
hospital insurance benefits under part A of medicare, the board 167
shall do either of the following: 168

(a) Pay the premium required to enroll the surviving spouse 169
in part A of medicare; 170

(b) Provide coverage equivalent to the hospital benefits 171
provided under part A of medicare and pay the associated premium. 172

(2) In addition to those benefits provided under division 173
(D)(1) of this section, the board shall provide supplemental 174

coverage for those costs not paid by part A, or a part A 175
equivalent provided under division (D)(1)(b) of this section or 176
under section 145.584 of the Revised Code, and part B of medicare 177
through a medicare supplement policy or through equivalent 178
coverage and shall pay any associated premium. 179

(E) In complying with divisions (C) and (D) of this section, 180
the board may choose a medicare supplement policy to provide or to 181
which it shall base the provision of equivalent benefits under 182
division (D)(2) of this section. 183

Sec. 742.45. (A) The board of trustees of the Ohio police and 184
fire pension fund may enter into an agreement with insurance 185
companies, health insuring corporations, or government agencies 186
authorized to do business in the state for issuance of a policy or 187
contract of health, medical, hospital, or surgical benefits, or 188
any combination thereof, for those individuals receiving service 189
or disability pensions or survivor benefits subscribing to the 190
plan. Notwithstanding any other provision of this chapter, the 191
policy or contract may also include coverage for any eligible 192
individual's spouse and dependent children and for any of the 193
eligible individual's sponsored dependents as the board considers 194
appropriate. 195

If all or any portion of the policy or contract premium is to 196
be paid by any individual receiving a service, disability, or 197
survivor pension or benefit, the individual shall, by written 198
authorization, instruct the board to deduct from the individual's 199
benefit the premium agreed to be paid by the individual to the 200
company, corporation, or agency. 201

The board may contract for coverage on the basis of part or 202
all of the cost of the coverage to be paid from appropriate funds 203
of the Ohio police and fire pension fund. The cost paid from the 204
funds of the Ohio police and fire pension fund shall be included 205

in the employer's contribution rates provided by sections 742.33 206
and 742.34 of the Revised Code. 207

The board may provide for self-insurance of risk or level of 208
risk as set forth in the contract with the companies, 209
corporations, or agencies, and may provide through the 210
self-insurance method specific benefits as authorized by the rules 211
of the board. 212

(B) Except as otherwise provided in this division and in 213
section 742.452 of the Revised Code, the board shall, beginning 214
the month following receipt of satisfactory evidence of the 215
payment for coverage, pay monthly to each recipient of service, 216
disability, or survivor benefits under the Ohio police and fire 217
pension fund who is eligible for coverage under part B of the 218
medicare program established under Title XVIII of "The Social 219
Security Amendments of 1965," 79 Stat. 301 (1965), 42 U.S.C.A. 220
1395j, as amended, an amount specified by the board or determined 221
pursuant to a formula established by the board that is not less 222
than ninety-six dollars and forty cents, for such coverage, except 223
that the board shall not pay an amount that exceeds the amount 224
paid by the recipient for the coverage. 225

The board shall pay not more than one monthly premium under 226
this division to an eligible benefit recipient even if the 227
recipient is receiving more than one monthly benefit from the 228
fund. The board shall not pay a monthly premium under this 229
division to an eligible benefit recipient who is receiving 230
reimbursement for the premium from any other source. 231

(C) The board shall establish by rule requirements for the 232
coordination of any coverage, payment, or benefit provided under 233
this section and section 742.452 of the Revised Code with any 234
similar coverage, payment, or benefit made available to the same 235
individual by the public employees retirement system, state 236
teachers retirement system, school employees retirement system, or 237

state highway patrol retirement system. 238

(D) The board shall make all other necessary rules pursuant 239
to the purpose and intent of this section. 240

Sec. 742.452. (A) As used in this section: 241

(1) "Full-time student" means an individual enrolled in a 242
school in grades kindergarten through twelve or an institution of 243
higher education for at least twelve credit hours or the 244
equivalent per term. 245

(2) "Medicare supplement policy" means a group or individual 246
policy of sickness and accident insurance or a subscriber contract 247
of a health insuring corporation or any other issuer that is 248
advertised, marketed, or designed primarily as a supplement to 249
reimbursements under medicare for the hospital, medical, or 250
surgical expenses of persons eligible for medicare. 251

(3) "Surviving dependent" means the surviving dependent of a 252
member of a police department or a member of a fire department who 253
is killed in the line of duty. 254

(4) "Surviving spouse" means the surviving spouse of a member 255
of a police department or a member of a fire department who is 256
killed in the line of duty. 257

(B)(1)(a) The board of trustees of the Ohio police and fire 258
pension fund shall enter into agreements with insurance companies, 259
health insuring corporations, or government agencies authorized to 260
do business in the state for the issuance of a policy or contract 261
of health, medical, hospital, or surgical benefits, or any 262
combination thereof, for surviving dependents and surviving 263
spouses and shall pay any associated premium. Except as provided 264
in division (B)(1)(b) of this section, such benefits and such 265
payments shall not be denied for any reason. 266

(b) For a surviving dependent, such benefits shall be 267

provided and such payments shall be made until the dependent 268
reaches eighteen years of age or, if the dependent is a full-time 269
student, until the dependent reaches twenty-two years of age. 270

(2) The benefits provided under division (B)(1) of this 271
section shall be greater than or equal to any provided by the 272
board under section 742.45 of the Revised Code. 273

(C) For a surviving spouse who becomes eligible for parts A 274
and B of medicare, Title XVIII of the "Social Security Act," 49 275
Stat. 620 (1935), 42 U.S.C. 301, the board shall provide 276
additional health, medical, hospital, and surgical benefits 277
through a medicare supplement policy and shall pay the associated 278
premium. 279

(D)(1) For a surviving spouse who is not eligible for 280
hospital insurance benefits under part A of medicare, the board 281
shall do either of the following: 282

(a) Pay the premium required to enroll the surviving spouse 283
in part A of medicare; 284

(b) Provide coverage equivalent to the hospital benefits 285
provided under part A of medicare and pay the associated premium. 286

(2) In addition to those benefits provided under division 287
(D)(1) of this section, the board shall provide supplemental 288
coverage for those costs not paid by part A, or a part A 289
equivalent provided under division (D)(1)(b) of this section, and 290
part B of medicare through a medicare supplement policy or through 291
equivalent coverage and shall pay any associated premium. 292

(E) In complying with divisions (C) and (D) of this section, 293
the board may choose a medicare supplement policy to provide or to 294
which it shall base the provision of equivalent benefits under 295
division (D)(2) of this section. 296

Sec. 5505.01. As used in this chapter: 297

(A) "Employee" means any qualified employee in the uniform 298
division of the state highway patrol, any qualified employee in 299
the radio division hired prior to November 2, 1989, and any state 300
highway patrol cadet attending training school pursuant to section 301
5503.05 of the Revised Code whose attendance at the school begins 302
on or after June 30, 1991. "Employee" includes the superintendent 303
of the state highway patrol. In all cases of doubt, the state 304
highway patrol retirement board shall determine whether any person 305
is an employee as defined in this division, and the decision of 306
the board is final. 307

(B) "Prior service" means all service rendered as an employee 308
of the state highway patrol prior to September 5, 1941, to the 309
extent credited by the board, provided that in no case shall prior 310
service include service rendered prior to November 15, 1933. 311

(C) "Total service" means all service rendered by an employee 312
to the extent credited by the board. Total service includes all of 313
the following: 314

(1) Contributing service rendered by the employee since last 315
becoming a member of the state highway patrol retirement system; 316

(2) All prior service credit; 317

(3) Restored service credit as provided in this chapter; 318

(4) Military service credit purchased under division (D) of 319
section 5505.16 or section 5505.25 of the Revised Code; 320

(5) Credit granted under division (C) of section 5505.17 or 321
section 5505.201, 5505.40, or 5505.402 of the Revised Code; 322

(6) Credit for any period, not to exceed three years, during 323
which the member was out of service and receiving benefits under 324
Chapters 4121. and 4123. of the Revised Code. 325

(D) "Beneficiary" means any person, except a retirant, who is 326
in receipt of a pension or other benefit payable from funds of the 327

retirement system.	328
(E) "Regular interest" means interest compounded at rates designated from time to time by the retirement board.	329 330
(F) "Plan" means the provisions of this chapter.	331
(G) "Retirement system" or "system" means the state highway patrol retirement system created and established in the plan.	332 333
(H) "Contributing service" means all service rendered by a member since September 4, 1941, for which deductions were made from the member's salary under the plan.	334 335 336
(I) "Retirement board" or "board" means the state highway patrol retirement board provided for in the plan.	337 338
(J) Except as provided in section <u>sections</u> 5505.18 and <u>5505.282</u> of the Revised Code, "member" means any employee included in the membership of the retirement system, whether or not rendering contributing service.	339 340 341 342
(K) "Retirant" means any member who retires with a pension payable from the retirement system.	343 344
(L) "Accumulated contributions" means the sum of the following credited to a member's individual account in the employees' savings fund:	345 346 347
(1) All amounts deducted from the salary of the member;	348
(2) All amounts paid by the member to purchase state highway patrol retirement system service credit pursuant to this chapter or other state law.	349 350 351
(M)(1) Except as provided in division (M)(2) of this section, "final average salary" means the average of the highest salary paid a member during any three consecutive or nonconsecutive years.	352 353 354 355
If a member has less than three years of contributing	356

service, the member's final average salary shall be the average of 357
the annual rates of salary paid to the member during the member's 358
total years of contributing service. 359

(2) If a member is credited with service under division 360
(C)(6) of this section or division (D) of section 5505.16 of the 361
Revised Code, the member's final average salary shall be the 362
average of the highest salary that was paid to the member or would 363
have been paid to the member, had the member been rendering 364
contributing service, during any three consecutive or 365
nonconsecutive years. If that member has less than three years of 366
total service, the member's final average salary shall be the 367
average of the annual rates of salary that were paid to the member 368
or would have been paid to the member during the member's years of 369
total service. 370

(N) "Pension" means an annual amount payable by the 371
retirement system throughout the life of a person or as otherwise 372
provided in the plan. 373

(O) "Pension reserve" means the present value of any pension, 374
or benefit in lieu of any pension, computed upon the basis of 375
mortality and other tables of experience and interest the board 376
shall from time to time adopt. 377

(P) "Deferred pension" means a pension for which an eligible 378
member of the system has made application and which is payable as 379
provided in division (A) or (B) of section 5505.16 of the Revised 380
Code. 381

(Q) "Retirement" means termination as an employee of the 382
state highway patrol, with application having been made to the 383
system for a pension or a deferred pension. 384

(R) "Fiduciary" means any of the following: 385

(1) A person who exercises any discretionary authority or 386
control with respect to the management of the system, or with 387

respect to the management or disposition of its assets;	388
(2) A person who renders investment advice for a fee, direct or indirect, with respect to money or property of the system;	389 390
(3) A person who has any discretionary authority or responsibility in the administration of the system.	391 392
(S)(1) Except as otherwise provided in this division, "salary" means all compensation, wages, and other earnings paid to a member by reason of employment but without regard to whether any of the compensation, wages, or other earnings are treated as deferred income for federal income tax purposes. Salary includes all of the following:	393 394 395 396 397 398
(a) Payments for shift differential, hazard duty, professional achievement, and longevity;	399 400
(b) Payments for occupational injury leave, personal leave, sick leave, bereavement leave, administrative leave, and vacation leave used by the member;	401 402 403
(c) Payments made under a disability leave program sponsored by the state for which the state is required by section 5505.151 of the Revised Code to make periodic employer and employee contributions to the retirement system.	404 405 406 407
(2) "Salary" does not include any of the following:	408
(a) Payments resulting from the conversion of accrued but unused sick leave, personal leave, compensatory time, and vacation leave;	409 410 411
(b) Payments made by the state to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the member or the member's family, or amounts paid by the state to the member in lieu of providing that insurance;	412 413 414 415 416
(c) Payments for overtime work;	417

(d) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the state, use of property or equipment of the state, and reimbursement for job-related expenses authorized by the state including moving and travel expenses and expenses related to professional development;

(e) Payments made to or on behalf of a member that are in excess of the annual compensation that may be taken into account by the retirement system 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;

(f) 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.

(3) The retirement board shall determine by rule whether any compensation, wages, or earnings not enumerated in this division are salary, and its decision shall be final.

(T) "Actuary" means an individual who satisfies all of the following requirements:

(1) Is a member of the American academy of actuaries;

(2) Is an associate or fellow of the society of actuaries;

(3) Has a minimum of five years' experience in providing actuarial services to public retirement plans.

Sec. 5505.28. (A) The state highway patrol retirement board 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 persons receiving pensions and 448
subscribing to the plan. Notwithstanding any other provision of 449
this chapter, the policy or contract may also include coverage for 450
any eligible individual's spouse and dependent children and for 451
any of the individual's sponsored dependents as the board 452
considers appropriate. 453

If all or any portion of the policy or contract premium is to 454
be paid by any individual receiving a service, disability, or 455
survivor pension or benefit, the individual shall, by written 456
authorization, instruct the board to deduct from the individual's 457
pension or benefit the premium agreed to be paid by the individual 458
to the company, corporation, or agency. 459

The board may contract for coverage on the basis of part or 460
all of the cost of the coverage to be paid from appropriate funds 461
of the state highway patrol retirement system. The cost paid from 462
the funds of the system shall be included in the employer's 463
contribution rate as provided by section 5505.15 of the Revised 464
Code. 465

(B) ~~The~~ Except as required under section 5505.282 of the 466
Revised Code, the board shall, beginning the month following 467
receipt of satisfactory evidence of the payment for coverage, pay 468
monthly to each recipient of a pension under the state highway 469
patrol retirement system who is eligible for coverage under part B 470
of the medicare program established under Title XVIII of "The 471
Social Security Amendments of 1965," 79 Stat. 301 (1965), 42 472
U.S.C.A. 1395j, as amended, an amount established by board rule 473
not exceeding the basic premium for such coverage. 474

(C) The board shall establish by rule requirements for the 475
coordination of any coverage, payment, or benefit provided under 476
this section and section 5505.282 of the Revised Code with any 477
similar coverage, payment, or benefit made available to the same 478
individual by the public employees retirement system, Ohio police 479

and fire pension fund, state teachers retirement system, or school 480
employees retirement system. 481

(D) The board shall make all other necessary rules pursuant 482
to the purpose and intent of this section. 483

Sec. 5505.282. (A) As used in this section: 484

(1) "Full-time student" means an individual enrolled in a 485
school in grades kindergarten through twelve or an institution of 486
higher education for at least twelve credit hours or the 487
equivalent per term. 488

(2) "Medicare supplement policy" means a group or individual 489
policy of sickness and accident insurance or a subscriber contract 490
of a health insuring corporation or any other issuer that is 491
advertised, marketed, or designed primarily as a supplement to 492
reimbursements under medicare for the hospital, medical, or 493
surgical expenses of persons eligible for medicare. 494

(3) "Member" means any employee in the uniform division of 495
the state highway patrol and any state highway patrol cadet. 496

(4) "Surviving dependent" means the surviving dependent of a 497
member who is killed in the line of duty. 498

(5) "Surviving spouse" means the surviving spouse of a member 499
who is killed in the line of duty. 500

(B)(1)(a) The state highway patrol retirement board shall 501
enter into an agreement with insurance companies, health insuring 502
corporations, or government agencies authorized to do business in 503
the state for issuance of a policy or contract of health, medical, 504
hospital, and surgical benefits, or any combination thereof, for 505
surviving dependents and surviving spouses and shall pay the 506
associated policy or contract premium. Except as provided in 507
division (B)(1)(b) of this section, such benefits and such 508
payments shall not be denied for any reason. 509

(b) For a surviving dependent, such benefits shall be 510
provided and such payments shall be made until the dependent 511
reaches eighteen years of age or, if the dependent is a full-time 512
student, until the dependent reaches twenty-two years of age. 513

(2) The benefits provided under division (B)(1) of this 514
section shall be greater than or equal to any provided by the 515
board under section 5505.28 of the Revised Code. 516

(C) For a surviving spouse who becomes eligible for parts A 517
and B of medicare, Title XVIII of the "Social Security Act," 49 518
Stat. 620 (1935), 42 U.S.C. 301, the board shall provide 519
additional health, medical, hospital, and surgical benefits 520
through a medicare supplement policy and shall pay the associated 521
premium. 522

(D)(1) For a surviving spouse who is not eligible for 523
hospital insurance benefits under part A of medicare, the board 524
shall do either of the following: 525

(a) Pay the premium required to enroll the surviving spouse 526
in part A of medicare; 527

(b) Provide coverage equivalent to the hospital benefits 528
provided under part A of medicare and pay the associated premium. 529

(2) In addition to those benefits provided under division 530
(D)(1) of this section, the board shall provide supplemental 531
coverage for those costs not paid by part A, or a part A 532
equivalent provided under division (D)(1)(b) of this section, and 533
part B of medicare through a medicare supplement policy or through 534
equivalent coverage and shall pay any associated premium. 535

(E) In complying with divisions (C) and (D) of this section, 536
the board may choose a medicare supplement policy to provide or to 537
which it shall base the provision of equivalent benefits under 538
division (D)(2) of this section. 539

Section 2. That existing sections 145.58, 145.584, 742.45, 5505.01, and 5505.28 of the Revised Code are hereby repealed.

Section 3. That the version of section 5505.01 of the Revised Code that is scheduled to take effect on January 1, 2015, be amended to read as follows:

Sec. 5505.01. As used in this chapter:

(A) "Employee" means any qualified employee in the uniform division of the state highway patrol, any qualified employee in the radio division hired prior to November 2, 1989, and any state highway patrol cadet attending training school pursuant to section 5503.05 of the Revised Code whose attendance at the school begins on or after June 30, 1991. "Employee" includes the superintendent of the state highway patrol. In all cases of doubt, the state highway patrol retirement board shall determine whether any person is an employee as defined in this division, and the decision of the board is final.

(B) "Prior service" means all service rendered as an employee of the state highway patrol prior to September 5, 1941, to the extent credited by the board, provided that in no case shall prior service include service rendered prior to November 15, 1933.

(C) "Total service" means all service rendered by an employee to the extent credited by the board. Total service includes all of the following:

(1) Contributing service rendered by the employee since last becoming a member of the state highway patrol retirement system;

(2) All prior service credit;

(3) Restored service credit as provided in this chapter;

(4) Military service credit purchased under division (D) of

section 5505.16 or section 5505.25 of the Revised Code;	568
(5) Credit granted under division (C) of section 5505.17 or section 5505.201, 5505.40, or 5505.402 of the Revised Code;	569 570
(6) Credit for any period, not to exceed three years, during which the member was out of service and receiving benefits under Chapters 4121. and 4123. of the Revised Code.	571 572 573
(D) "Beneficiary" means any person, except a retirant, who is in receipt of a pension or other benefit payable from funds of the retirement system.	574 575 576
(E) "Regular interest" means interest compounded at rates designated from time to time by the retirement board.	577 578
(F) "Plan" means the provisions of this chapter.	579
(G) "Retirement system" or "system" means the state highway patrol retirement system created and established in the plan.	580 581
(H) "Contributing service" means all service rendered by a member since September 4, 1941, for which deductions were made from the member's salary under the plan.	582 583 584
(I) "Retirement board" or "board" means the state highway patrol retirement board provided for in the plan.	585 586
(J) Except as provided in section <u>sections</u> 5505.18 and <u>5505.282</u> of the Revised Code, "member" means any employee included in the membership of the retirement system, whether or not rendering contributing service.	587 588 589 590
(K) "Retirant" means any member who retires with a pension payable from the retirement system.	591 592
(L) "Accumulated contributions" means the sum of the following credited to a member's individual account in the employees' savings fund:	593 594 595
(1) All amounts deducted from the salary of the member;	596

(2) All amounts paid by the member to purchase state highway patrol retirement system service credit pursuant to this chapter or other state law.

(M)(1) Except as provided in division (M)(2) of this section, "final average salary" means the average of the highest salary paid a member during any five consecutive or nonconsecutive years.

If a member has less than five years of contributing service, the member's final average salary shall be the average of the annual rates of salary paid to the member during the member's total years of contributing service.

(2) If a member is credited with service under division (C)(6) of this section or division (D) of section 5505.16 of the Revised Code, the member's final average salary shall be the average of the highest salary that was paid to the member or would have been paid to the member, had the member been rendering contributing service, during any five consecutive or nonconsecutive years. If that member has less than five years of total service, the member's final average salary shall be the average of the annual rates of salary that were paid to the member or would have been paid to the member during the member's years of total service.

(N) "Pension" means an annual amount payable by the retirement system throughout the life of a person or as otherwise provided in the plan.

(O) "Pension reserve" means the present value of any pension, or benefit in lieu of any pension, computed upon the basis of mortality and other tables of experience and interest the board shall from time to time adopt.

(P) "Deferred pension" means a pension for which an eligible member of the system has made application and which is payable as provided in division (A) or (B) of section 5505.16 of the Revised

Code.	628
(Q) "Retirement" means termination as an employee of the state highway patrol, with application having been made to the system for a pension or a deferred pension.	629 630 631
(R) "Fiduciary" means any of the following:	632
(1) A person who exercises any discretionary authority or control with respect to the management of the system, or with respect to the management or disposition of its assets;	633 634 635
(2) A person who renders investment advice for a fee, direct or indirect, with respect to money or property of the system;	636 637
(3) A person who has any discretionary authority or responsibility in the administration of the system.	638 639
(S)(1) Except as otherwise provided in this division, "salary" means all compensation, wages, and other earnings paid to a member by reason of employment but without regard to whether any of the compensation, wages, or other earnings are treated as deferred income for federal income tax purposes. Salary includes all of the following:	640 641 642 643 644 645
(a) Payments for shift differential, hazard duty, professional achievement, and longevity;	646 647
(b) Payments for occupational injury leave, personal leave, sick leave, bereavement leave, administrative leave, and vacation leave used by the member;	648 649 650
(c) Payments made under a disability leave program sponsored by the state for which the state is required by section 5505.151 of the Revised Code to make periodic employer and employee contributions to the retirement system.	651 652 653 654
(2) "Salary" does not include any of the following:	655
(a) Payments resulting from the conversion of accrued but unused sick leave, personal leave, compensatory time, and vacation	656 657

leave; 658

(b) Payments made by the state to provide life insurance, 659
sickness, accident, endowment, health, medical, hospital, dental, 660
or surgical coverage, or other insurance for the member or the 661
member's family, or amounts paid by the state to the member in 662
lieu of providing that insurance; 663

(c) Payments for overtime work; 664

(d) Incidental benefits, including lodging, food, laundry, 665
parking, or services furnished by the state, use of property or 666
equipment of the state, and reimbursement for job-related expenses 667
authorized by the state including moving and travel expenses and 668
expenses related to professional development; 669

(e) Payments made to or on behalf of a member that are in 670
excess of the annual compensation that may be taken into account 671
by the retirement system under division (a)(17) of section 401 of 672
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 673
401 (a)(17), as amended; 674

(f) Payments made under division (B), (C), or (E) of section 675
5923.05 of the Revised Code, Section 4 of Substitute Senate Bill 676
No. 3 of the 119th general assembly, Section 3 of Amended 677
Substitute Senate Bill No. 164 of the 124th general assembly, or 678
Amended Substitute House Bill No. 405 of the 124th general 679
assembly. 680

(3) The retirement board shall determine by rule whether any 681
compensation, wages, or earnings not enumerated in this division 682
are salary, and its decision shall be final. 683

(T) "Actuary" means an individual who satisfies all of the 684
following requirements: 685

(1) Is a member of the American academy of actuaries; 686

(2) Is an associate or fellow of the society of actuaries; 687

(3) Has a minimum of five years' experience in providing 688
actuarial services to public retirement plans. 689

Section 4. That the existing version of section 5505.01 of 690
the Revised Code that is scheduled to take effect on January 1, 691
2015, is hereby repealed. 692

Section 5. Sections 3 and 4 of this act take effect January 693
1, 2015. 694