

**As Introduced**

**130th General Assembly  
Regular Session  
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**H. B. No. 521**

**Representative Cera**

**Cosponsor: Representative Fedor**

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**A B I L L**

To amend section 3307.01 of the Revised Code to 1  
include in the membership of the State Teachers 2  
Retirement System certain teachers performing 3  
services entities providing computer-based 4  
instruction to students by contract with a school. 5

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

**Section 1.** That section 3307.01 of the Revised Code be 6  
amended to read as follows: 7

**Sec. 3307.01.** As used in this chapter: 8

(A) "Employer" means the board of education, school district, 9  
governing authority of any community school established under 10  
Chapter 3314. of the Revised Code, a science, technology, 11  
engineering, and mathematics school established under Chapter 12  
3326. of the Revised Code, college, university, institution, or 13  
other agency within the state by which a teacher is employed and 14  
paid. 15

(B) "Teacher" means all of the following: 16

(1) Any person paid from public funds and employed in the 17  
public schools of the state under any type of contract described 18

in section 3311.77 or 3319.08 of the Revised Code in a position 19  
for which the person is required to have a license issued pursuant 20  
to sections 3319.22 to 3319.31 of the Revised Code; 21

(2) Any person employed as a teacher by a community school or 22  
a science, technology, engineering, and mathematics school 23  
pursuant to Chapter 3314. or 3326. of the Revised Code; 24

(3) Any person having a license issued pursuant to sections 25  
3319.22 to 3319.31 of the Revised Code and employed in a public 26  
school in this state in an educational position, as determined by 27  
the state board of education, under programs provided for by 28  
federal acts or regulations and financed in whole or in part from 29  
federal funds, but for which no licensure requirements for the 30  
position can be made under the provisions of such federal acts or 31  
regulations; 32

(4) Any person having a license issued pursuant to sections 33  
3319.22 to 3319.31 of the Revised Code and performing services 34  
that are funded under section 3317.06 of the Revised Code and 35  
provided to students attending nonpublic schools, without regard 36  
to whether the services are performed in a public school and 37  
whether the person is employed under a contract with a third 38  
party; 39

(5) Any other teacher or faculty member employed in any 40  
school, college, university, institution, or other agency wholly 41  
controlled and managed, and supported in whole or in part, by the 42  
state or any political subdivision thereof, including Central 43  
state university, Cleveland state university, and the university 44  
of Toledo; 45

(6) The educational employees of the department of education, 46  
as determined by the state superintendent of public instruction; 47

(7) Any person having a license issued pursuant to sections 48  
3319.22 to 3319.31 of the Revised Code and performing teaching 49

services for an entity providing internet- or computer-based 50  
instruction or distance learning programs to students by contract 51  
with a school district, the governing authority of a community 52  
school established under Chapter 3314. of the Revised Code, or the 53  
governing body of a science, technology, engineering, and 54  
mathematics school established under Chapter 3326. of the Revised 55  
Code. 56

In all cases of doubt, the state teachers retirement board 57  
shall determine whether any person is a teacher, and its decision 58  
shall be final. 59

"Teacher" does not include any eligible employee of a public 60  
institution of higher education, as defined in section 3305.01 of 61  
the Revised Code, who elects to participate in an alternative 62  
retirement plan established under Chapter 3305. of the Revised 63  
Code. 64

(C) "Member" means any person included in the membership of 65  
the state teachers retirement system, which shall consist of all 66  
teachers and contributors as defined in divisions (B) and (D) of 67  
this section and all disability benefit recipients, as defined in 68  
section 3307.50 of the Revised Code. However, for purposes of this 69  
chapter, the following persons shall not be considered members: 70

(1) A student, intern, or resident who is not a member while 71  
employed part-time by a school, college, or university at which 72  
the student, intern, or resident is regularly attending classes; 73

(2) A person denied membership pursuant to section 3307.24 of 74  
the Revised Code; 75

(3) An other system retirant, as defined in section 3307.35 76  
of the Revised Code, or a superannuate; 77

(4) An individual employed in a program established pursuant 78  
to the "Job Training Partnership Act," 96 Stat. 1322 (1982), 29 79  
U.S.C.A. 1501; 80

(5) The surviving spouse of a member or retirant if the 81  
surviving spouse's only connection to the retirement system is an 82  
account in an STRS defined contribution plan. 83

(D) "Contributor" means any person who has an account in the 84  
teachers' savings fund or defined contribution fund, except that 85  
"contributor" does not mean a member or retirant's surviving 86  
spouse with an account in an STRS defined contribution plan. 87

(E) "Beneficiary" means any person eligible to receive, or in 88  
receipt of, a retirement allowance or other benefit provided by 89  
this chapter. 90

(F) "Year" means the year beginning the first day of July and 91  
ending with the thirtieth day of June next following, except that 92  
for the purpose of determining final average salary under the plan 93  
described in sections 3307.50 to 3307.79 of the Revised Code, 94  
"year" may mean the contract year. 95

(G) "Local district pension system" means any school teachers 96  
pension fund created in any school district of the state in 97  
accordance with the laws of the state prior to September 1, 1920. 98

(H) "Employer contribution" means the amount paid by an 99  
employer, as determined by the employer rate, including the normal 100  
and deficiency rates, contributions, and funds wherever used in 101  
this chapter. 102

(I) "Five years of service credit" means employment covered 103  
under this chapter and employment covered under a former 104  
retirement plan operated, recognized, or endorsed by a college, 105  
institute, university, or political subdivision of this state 106  
prior to coverage under this chapter. 107

(J) "Actuary" means an actuarial professional contracted with 108  
or employed by the state teachers retirement board, who shall be 109  
either of the following: 110

(1) A member of the American academy of actuaries;	111
(2) A firm, partnership, or corporation of which at least one person is a member of the American academy of actuaries.	112 113
(K) "Fiduciary" means a person who does any of the following:	114
(1) 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;	115 116 117
(2) Renders investment advice for a fee, direct or indirect, with respect to money or property of the system;	118 119
(3) Has any discretionary authority or responsibility in the administration of the system.	120 121
(L)(1) Except as provided in this division, "compensation" means all salary, wages, and other earnings paid to a teacher by reason of the teacher's employment, including compensation paid pursuant to a supplemental contract. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the teachers' savings fund or defined contribution fund under section 3307.26 of the Revised Code and without regard to whether any of the salary, wages, or other earnings are treated as deferred income for federal income tax purposes.	122 123 124 125 126 127 128 129 130 131
(2) Compensation does not include any of the following:	132
(a) Payments for accrued but unused sick leave or personal leave, including payments made under a plan established pursuant to section 124.39 of the Revised Code or any other plan established by the employer;	133 134 135 136
(b) Payments made for accrued but unused vacation leave, including payments made pursuant to section 124.13 of the Revised Code or a plan established by the employer;	137 138 139
(c) Payments made for vacation pay covering concurrent	140

periods for which other salary, compensation, or benefits under 141  
this chapter or Chapter 145. or 3309. of the Revised Code are 142  
paid; 143

(d) Amounts paid by the employer to provide life insurance, 144  
sickness, accident, endowment, health, medical, hospital, dental, 145  
or surgical coverage, or other insurance for the teacher or the 146  
teacher's family, or amounts paid by the employer to the teacher 147  
in lieu of providing the insurance; 148

(e) Incidental benefits, including lodging, food, laundry, 149  
parking, or services furnished by the employer, use of the 150  
employer's property or equipment, and reimbursement for 151  
job-related expenses authorized by the employer, including moving 152  
and travel expenses and expenses related to professional 153  
development; 154

(f) Payments made by the employer in exchange for a member's 155  
waiver of a right to receive any payment, amount, or benefit 156  
described in division (L)(2) of this section; 157

(g) Payments by the employer for services not actually 158  
rendered; 159

(h) Any amount paid by the employer as a retroactive increase 160  
in salary, wages, or other earnings, unless the increase is one of 161  
the following: 162

(i) A retroactive increase paid to a member employed by a 163  
school district board of education in a position that requires a 164  
license designated for teaching and not designated for being an 165  
administrator issued under section 3319.22 of the Revised Code 166  
that is paid in accordance with uniform criteria applicable to all 167  
members employed by the board in positions requiring the licenses; 168

(ii) A retroactive increase paid to a member employed by a 169  
school district board of education in a position that requires a 170  
license designated for being an administrator issued under section 171

3319.22 of the Revised Code that is paid in accordance with 172  
uniform criteria applicable to all members employed by the board 173  
in positions requiring the licenses; 174

(iii) A retroactive increase paid to a member employed by a 175  
school district board of education as a superintendent that is 176  
also paid as described in division (L)(2)(h)(i) of this section; 177

(iv) A retroactive increase paid to a member employed by an 178  
employer other than a school district board of education in 179  
accordance with uniform criteria applicable to all members 180  
employed by the employer. 181

(i) Payments made to or on behalf of a teacher that are in 182  
excess of the annual compensation that may be taken into account 183  
by the retirement system under division (a)(17) of section 401 of 184  
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 185  
401(a)(17), as amended. For a teacher who first establishes 186  
membership before July 1, 1996, the annual compensation that may 187  
be taken into account by the retirement system shall be determined 188  
under division (d)(3) of section 13212 of the "Omnibus Budget 189  
Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472. 190

(j) Payments made under division (B), (C), or (E) of section 191  
5923.05 of the Revised Code, Section 4 of Substitute Senate Bill 192  
No. 3 of the 119th general assembly, Section 3 of Amended 193  
Substitute Senate Bill No. 164 of the 124th general assembly, or 194  
Amended Substitute House Bill No. 405 of the 124th general 195  
assembly; 196

(k) Anything of value received by the teacher that is based 197  
on or attributable to retirement or an agreement to retire; 198

(l) Any amount paid by the employer as a retroactive payment 199  
of earnings, damages, or back pay pursuant to a court order, 200  
court-adopted settlement agreement, or other settlement agreement, 201  
unless the retirement system receives both of the following: 202

(i) Teacher and employer contributions under sections 3307.26 and 3307.28 of the Revised Code, plus interest compounded annually at a rate determined by the board, for each year or portion of a year for which amounts are paid under the order or agreement;	203 204 205 206
(ii) Teacher and employer contributions under sections 3307.26 and 3307.28 of the Revised Code, plus interest compounded annually at a rate determined by the board, for each year or portion of a year not subject to division (L)(2)(1)(i) of this section for which the board determines the teacher was improperly paid, regardless of the teacher's ability to recover on such amounts improperly paid.	207 208 209 210 211 212 213
(3) The retirement board shall determine both of the following:	214 215
(a) Whether particular forms of earnings are included in any of the categories enumerated in this division;	216 217
(b) Whether any form of earnings not enumerated in this division is to be included in compensation.	218 219
Decisions of the board made under this division shall be final.	220 221
(M) "Superannuate" means both of the following:	222
(1) A former teacher receiving from the system a retirement allowance under section 3307.58 or 3307.59 of the Revised Code;	223 224
(2) A former teacher receiving a benefit from the system under a plan established under section 3307.81 of the Revised Code, except that "superannuate" does not include a former teacher who is receiving a benefit based on disability under a plan established under section 3307.81 of the Revised Code.	225 226 227 228 229
For purposes of sections 3307.35 and 3307.353 of the Revised Code, "superannuate" also means a former teacher receiving from the system a combined service retirement benefit paid in	230 231 232



accordance with section 3307.57 of the Revised Code, regardless of 233  
which retirement system is paying the benefit. 234

(N) "STRS defined benefit plan" means the plan described in 235  
sections 3307.50 to 3307.79 of the Revised Code. 236

(O) "STRS defined contribution plan" means the plans 237  
established under section 3307.81 of the Revised Code and includes 238  
the STRS combined plan under that section. 239

**Section 2.** That existing section 3307.01 of the Revised Code 240  
is hereby repealed. 241