

# AN ACT

To amend sections 145.01, 145.2911, 145.2912, 145.362, 145.384, 145.40, 145.43, 145.45, 742.105, 742.37, 742.3711, 742.47, 742.50, 742.63, 3305.052, 3305.06, 3307.01, 3307.15, 3307.35, 3307.42, 3307.48, 3307.501, 3307.53, 3307.562, 3307.58, 3307.63, 3307.66, 3307.67, 3307.71, 3307.763, 3307.764, 3307.77, 3307.78, 3309.01, 3309.013, 3309.30, 3309.392, 3309.42, 3309.474, 3309.75, 3309.76, 5505.01, 5505.04, 5505.16, 5505.17, 5505.18, 5505.19, 5505.21, 5505.29, 5505.30, 5505.51, 5505.52, and 5505.59; to enact sections 145.222, 145.334, 742.091, 742.17, 3307.131, 3307.354, 3307.514, 3309.212, and 5505.35; and to repeal sections 171.07, 3305.061, 3305.062, 3309.342, 3309.371, 3309.372, 3309.373, and 3309.54 of the Revised Code to revise the law governing the state's public retirement systems.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 145.01, 145.2911, 145.2912, 145.362, 145.384, 145.40, 145.43, 145.45, 742.105, 742.37, 742.3711, 742.47, 742.50, 742.63, 3305.052, 3305.06, 3307.01, 3307.15, 3307.35, 3307.42, 3307.48, 3307.501, 3307.53, 3307.562, 3307.58, 3307.63, 3307.66, 3307.67, 3307.71, 3307.763, 3307.764, 3307.77, 3307.78, 3309.01, 3309.013, 3309.30, 3309.392, 3309.42, 3309.474, 3309.75, 3309.76, 5505.01, 5505.04, 5505.16, 5505.17, 5505.18, 5505.19, 5505.21, 5505.29, 5505.30, 5505.51, 5505.52, and 5505.59 be amended and sections 145.222, 145.334, 742.091, 742.17, 3307.131, 3307.354, 3307.514, 3309.212, and 5505.35 of the Revised Code be enacted to read as follows:

Sec. 145.01. As used in this chapter:

(A) "Public employee" means:

(1) Any person holding an office, not elective, under the state or any county, township, municipal corporation, park district, conservancy district, sanitary district, health district, metropolitan housing authority, state retirement board, Ohio history connection, public library, county law library, union cemetery, joint hospital, institutional commissary, state university, or board, bureau, commission, council, committee, authority, or administrative body as the same are, or have been, created by action of the general assembly or by the legislative authority of any of the units of local government named in division (A)(1) of this section, or employed and paid in whole or in part by the state or any of the authorities named in division (A)(1) of this section in any capacity not covered by section 742.01, 3307.01, 3309.01, or 5505.01 of the Revised Code.

(2) A person who is a member of the public employees retirement system and who continues to perform the same or similar duties under the direction of a contractor who has contracted to take over what before the date of the contract was a publicly operated function. The governmental unit

with which the contract has been made shall be deemed the employer for the purposes of administering this chapter.

(3) Any person who is an employee of a public employer, notwithstanding that the person's compensation for that employment is derived from funds of a person or entity other than the employer. Credit for such service shall be included as total service credit, provided that the employee makes the payments required by this chapter, and the employer makes the payments required by sections 145.48 and 145.51 of the Revised Code.

(4) A person who elects in accordance with section 145.015 of the Revised Code to remain a contributing member of the public employees retirement system.

(5) A person who is an employee of the legal rights service on September 30, 2012, and continues to be employed by the nonprofit entity established under Section 319.20 of Am. Sub. H.B. 153 of the 129th general assembly. The nonprofit entity is the employer for the purpose of this chapter.

In all cases of doubt, the public employees retirement board shall determine under section 145.036, 145.037, or 145.038 of the Revised Code whether any person is a public employee, and its decision is final.

(B) "Member" means any public employee, other than a public employee excluded or exempted from membership in the retirement system by section 145.03, 145.031, 145.032, 145.033, 145.034, 145.035, or 145.38 of the Revised Code. "Member" includes a PERS retirant who becomes a member under division (C) of section 145.38 of the Revised Code. "Member" also includes a disability benefit recipient.

(C) "Head of the department" means the elective or appointive head of the several executive, judicial, and administrative departments, institutions, boards, and commissions of the state and local government as the same are created and defined by the laws of this state or, in case of a charter government, by that charter.

(D) "Employer" or "public employer" means the state or any county, township, municipal corporation, park district, conservancy district, sanitary district, health district, metropolitan housing authority, state retirement board, Ohio history connection, public library, county law library, union cemetery, joint hospital, institutional commissary, state medical university, state university, or board, bureau, commission, council, committee, authority, or administrative body as the same are, or have been, created by action of the general assembly or by the legislative authority of any of the units of local government named in this division not covered by section 742.01, 3307.01, 3309.01, or 5505.01 of the Revised Code. In addition, "employer" means the employer of any public employee.

(E) "Prior military service" also means all service credited for active duty with the armed forces of the United States as provided in section 145.30 of the Revised Code.

(F) "Contributor" means any person who has an account in the employees' savings fund created by section 145.23 of the Revised Code. When used in the sections listed in division (B) of section 145.82 of the Revised Code, "contributor" includes any person participating in a PERS defined contribution plan.

(G) "Beneficiary" or "beneficiaries" means the estate or a person or persons who, as the result of the death of a member, contributor, or retirant, qualify for or are receiving some right or benefit under this chapter.

(H)(1) "Total service credit," except as provided in section 145.37 of the Revised Code, means all service credited to a member of the retirement system since last becoming a member, including restored service credit as provided by section 145.31 of the Revised Code; credit purchased under sections 145.293 and 145.299 of the Revised Code; all the member's military service credit computed as provided in this chapter; all service credit established pursuant to section 145.297 of the Revised Code; and any other service credited under this chapter. For the exclusive purpose of satisfying the service credit requirement and of determining eligibility for benefits under sections 145.32, 145.33, 145.331, 145.332, 145.35, 145.36, and 145.361 of the Revised Code, "five or more years of total service credit" means sixty or more calendar months of contributing service in this system.

(2) "One and one-half years of contributing service credit," as used in division (B) of section 145.45 of the Revised Code, also means eighteen or more calendar months of employment by a municipal corporation that formerly operated its own retirement plan for its employees or a part of its employees, provided that all employees of that municipal retirement plan who have eighteen or more months of such employment, upon establishing membership in the public employees retirement system, shall make a payment of the contributions they would have paid had they been members of this system for the eighteen months of employment preceding the date membership was established. When that payment has been made by all such employee members, a corresponding payment shall be paid into the employers' accumulation fund by that municipal corporation as the employer of the employees.

~~(3) Where a member also is a member of the state teachers retirement system or the school employees retirement system, or both, except in cases of retirement on a combined basis pursuant to section 145.37 of the Revised Code or as provided in section 145.383 of the Revised Code, service credit for any period shall be credited on the basis of the ratio that contributions to the public employees retirement system bear to total contributions in all state retirement systems.~~

~~(4)~~ Not more than one year of credit may be given for any period of twelve months.

~~(5)~~ ~~(4)~~ "Ohio service credit" means credit for service that was rendered to the state or any of its political subdivisions or any employer.

(I) "Regular interest" means interest at any rates for the respective funds and accounts as the public employees retirement board may determine from time to time.

(J) "Accumulated contributions" means the sum of all amounts credited to a contributor's individual account in the employees' savings fund together with any interest credited to the contributor's account under section 145.471 or 145.472 of the Revised Code.

(K)(1) "Final average salary" means the greater of the following:

(a) The sum of the member's earnable salaries for the appropriate number of calendar years of contributing service, determined under section 145.017 of the Revised Code, in which the member's earnable salary was highest, divided by the same number of calendar years or, if the member has fewer than the appropriate number of calendar years of contributing service, the total of the member's earnable salary for all years of contributing service divided by the number of calendar years of the member's contributing service;

(b) The sum of a member's earnable salaries for the appropriate number of consecutive months, determined under section 145.017 of the Revised Code, that were the member's last months

of service, up to and including the last month, divided by the appropriate number of years or, if the time between the first and final months of service is less than the appropriate number of consecutive months, the total of the member's earnable salary for all months of contributing service divided by the number of years between the first and final months of contributing service, including any fraction of a year, except that the member's final average salary shall not exceed the member's highest earnable salary for any twelve consecutive months.

(2) If contributions were made in only one calendar year, "final average salary" means the member's total earnable salary.

(L) "Annuity" means payments for life derived from contributions made by a contributor and paid from the annuity and pension reserve fund as provided in this chapter. All annuities shall be paid in twelve equal monthly installments.

(M) "Annuity reserve" means the present value, computed upon the basis of the mortality and other tables adopted by the board, of all payments to be made on account of any annuity, or benefit in lieu of any annuity, granted to a retiree as provided in this chapter.

(N)(1) "Disability retirement" means retirement as provided in section 145.36 of the Revised Code.

(2) "Disability allowance" means an allowance paid on account of disability under section 145.361 of the Revised Code.

(3) "Disability benefit" means a benefit paid as disability retirement under section 145.36 of the Revised Code, as a disability allowance under section 145.361 of the Revised Code, or as a disability benefit under section 145.37 of the Revised Code.

(4) "Disability benefit recipient" means a member who is receiving a disability benefit.

(O) "Age and service retirement" means retirement as provided in sections 145.32, 145.33, 145.331, 145.332, 145.37, and 145.46 and former section 145.34 of the Revised Code.

(P) "Pensions" means annual payments for life derived from contributions made by the employer that at the time of retirement are credited into the annuity and pension reserve fund from the employers' accumulation fund and paid from the annuity and pension reserve fund as provided in this chapter. All pensions shall be paid in twelve equal monthly installments.

(Q) "Retirement allowance" means the pension plus that portion of the benefit derived from contributions made by the member.

(R)(1) Except as otherwise provided in division (R) of this section, "earnable salary" means all salary, wages, and other earnings paid to a contributor by reason of employment in a position covered by the retirement system. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the employees' savings fund under section 145.47 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. "Earnable salary" includes the following:

(a) Payments made by the employer in lieu of salary, wages, or other earnings for sick leave, personal leave, or vacation used by the contributor;

(b) Payments made by the employer for the conversion of sick leave, personal leave, and vacation leave accrued, but not used if the payment is made during the year in which the leave is accrued, except that payments made pursuant to section 124.383 or 124.386 of the Revised Code are

not earnable salary;

(c) Allowances paid by the employer for maintenance, consisting of housing, laundry, and meals, as certified to the retirement board by the employer or the head of the department that employs the contributor;

(d) Fees and commissions paid under section 507.09 of the Revised Code;

(e) Payments that are made under a disability leave program sponsored by the employer and for which the employer is required by section 145.296 of the Revised Code to make periodic employer and employee contributions;

(f) Amounts included pursuant to former division (K)(3) and former division (Y) of this section and section 145.2916 of the Revised Code.

(2) "Earnable salary" does not include any of the following:

(a) Fees and commissions, other than those paid under section 507.09 of the Revised Code, paid as sole compensation for personal services and fees and commissions for special services over and above services for which the contributor receives a salary;

(b) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the contributor or the contributor's family, or amounts paid by the employer to the contributor in lieu of providing the insurance;

(c) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, or use of the employer's property or equipment, or amounts paid by the employer to the contributor in lieu of providing the incidental benefits;

(d) Reimbursement for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development;

(e) Payments for accrued but unused sick leave, personal leave, or vacation that are made at any time other than in the year in which the sick leave, personal leave, or vacation was accrued;

(f) Payments made to or on behalf of a contributor 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;

(g) 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;

(h) Anything of value received by the contributor that is based on or attributable to retirement or an agreement to retire, except that payments made on or before January 1, 1989, that are based on or attributable to an agreement to retire shall be included in earnable salary if both of the following apply:

(i) The payments are made in accordance with contract provisions that were in effect prior to January 1, 1986;

(ii) The employer pays the retirement system an amount specified by the retirement board equal to the additional liability resulting from the payments.

(i) The portion of any amount included in section 145.2916 of the Revised Code that

represents employer contributions.

(3) The retirement board shall determine by rule whether any compensation not enumerated in division (R) of this section is earnable salary, and its decision shall be final.

(S) "Pension reserve" means the present value, computed upon the basis of the mortality and other tables adopted by the board, of all payments to be made on account of any retirement allowance or benefit in lieu of any retirement allowance, granted to a member or beneficiary under this chapter.

(T) "Contributing service" means both of the following:

(1) All service credited to a member of the system since January 1, 1935, for which contributions are made as required by sections 145.47, 145.48, and 145.483 of the Revised Code. In any year subsequent to 1934, credit for any service shall be allowed in accordance with section 145.016 of the Revised Code.

(2) Service credit received by election of the member under section 145.814 of the Revised Code.

(U) "State retirement board" means the public employees retirement board, the school employees retirement board, or the state teachers retirement board.

(V) "Retirant" means any former member who retires and is receiving a monthly allowance as provided in sections 145.32, 145.33, 145.331, 145.332, and 145.46 and former section 145.34 of the Revised Code.

(W) "Employer contribution" means the amount paid by an employer as determined under section 145.48 of the Revised Code.

(X) "Public service terminates" means the last day for which a public employee is compensated for services performed for an employer or the date of the employee's death, whichever occurs first.

(Y) "Five years of service credit," for the exclusive purpose of satisfying the service credit requirements and of determining eligibility under section 145.33 or 145.332 of the Revised Code, means employment covered under this chapter or under a former retirement plan operated, recognized, or endorsed by the employer prior to coverage under this chapter or under a combination of the coverage.

(Z) "Deputy sheriff" means any person who is commissioned and employed as a full-time peace officer by the sheriff of any county, and has been so employed since on or before December 31, 1965; any person who is or has been commissioned and employed as a peace officer by the sheriff of any county since January 1, 1966, and who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code; or any person deputized by the sheriff of any county and employed pursuant to section 2301.12 of the Revised Code as a criminal bailiff or court constable who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code.

(AA) "Township constable or police officer in a township police department or district" means any person who is commissioned and employed as a full-time peace officer pursuant to Chapter 505. or 509. of the Revised Code, who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code.

(BB) "Drug agent" means any person who is either of the following:

(1) Employed full time as a narcotics agent by a county narcotics agency created pursuant to section 307.15 of the Revised Code and has received a certificate attesting to the satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code;

(2) Employed full time as an undercover drug agent as defined in section 109.79 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(CC) "Department of public safety enforcement agent" means a full-time employee of the department of public safety who is designated under section 5502.14 of the Revised Code as an enforcement agent and who is in compliance with section 109.77 of the Revised Code.

(DD) "Natural resources law enforcement staff officer" means a full-time employee of the department of natural resources who is designated a natural resources law enforcement staff officer under section 1501.013 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(EE) "Forest-fire investigator" means a full-time employee of the department of natural resources who is appointed a forest-fire investigator under section 1503.09 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(FF) "Natural resources officer" means a full-time employee of the department of natural resources who is appointed as a natural resources officer under section 1501.24 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(GG) "Wildlife officer" means a full-time employee of the department of natural resources who is designated a wildlife officer under section 1531.13 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(HH) "Park district police officer" means a full-time employee of a park district who is designated pursuant to section 511.232 or 1545.13 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(II) "Conservancy district officer" means a full-time employee of a conservancy district who is designated pursuant to section 6101.75 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(JJ) "Municipal police officer" means a member of the organized police department of a municipal corporation who is employed full time, is in compliance with section 109.77 of the Revised Code, and is not a member of the Ohio police and fire pension fund.

(KK) "Veterans' home police officer" means any person who is employed at a veterans' home as a police officer pursuant to section 5907.02 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(LL) "Special police officer for a mental health institution" means any person who is designated as such pursuant to section 5119.08 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(MM) "Special police officer for an institution for persons with intellectual disabilities" means any person who is designated as such pursuant to section 5123.13 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(NN) "State university law enforcement officer" means any person who is employed full time as a state university law enforcement officer pursuant to section 3345.04 of the Revised Code and

who is in compliance with section 109.77 of the Revised Code.

(OO) "House sergeant at arms" means any person appointed by the speaker of the house of representatives under division (B)(1) of section 101.311 of the Revised Code who has arrest authority under division (E)(1) of that section.

(PP) "Assistant house sergeant at arms" means any person appointed by the house sergeant at arms under division (C)(1) of section 101.311 of the Revised Code.

(QQ) "Regional transit authority police officer" means a person who is employed full time as a regional transit authority police officer under division (Y) of section 306.35 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(RR) "State highway patrol police officer" means a special police officer employed full time and designated by the superintendent of the state highway patrol pursuant to section 5503.09 of the Revised Code or a person serving full time as a special police officer pursuant to that section on a permanent basis on October 21, 1997, who is in compliance with section 109.77 of the Revised Code.

(SS) "Municipal public safety director" means a person who serves full time as the public safety director of a municipal corporation with the duty of directing the activities of the municipal corporation's police department and fire department.

(TT) "Bureau of criminal identification and investigation investigator" means a person who is in compliance with section 109.77 of the Revised Code and is employed full time as an investigator, as defined in section 109.541 of the Revised Code, of the bureau of criminal identification and investigation commissioned by the superintendent of the bureau as a special agent for the purpose of assisting law enforcement officers or providing emergency assistance to peace officers pursuant to authority granted under that section.

(UU) "Gaming agent" means a person who is in compliance with section 109.77 of the Revised Code and is employed full time as a gaming agent with the Ohio casino control commission pursuant to section 3772.03 of the Revised Code.

(VV) "Department of taxation investigator" means a person employed full time with the department of taxation to whom both of the following apply:

(1) The person has been delegated investigation powers pursuant to section 5743.45 of the Revised Code for the enforcement of Chapters 5728., 5735., 5739., 5741., 5743., and 5747. of the Revised Code.

(2) The person is in compliance with section 109.77 of the Revised Code.

(WW) "Special police officer for a port authority" means a person who is in compliance with section 109.77 of the Revised Code and is employed full time as a special police officer with a port authority under section 4582.04 or 4582.28 of the Revised Code.

(XX) "Special police officer for a municipal airport" means a person to whom both of the following apply:

(1) The person is employed full time as a special police officer with a municipal corporation at a municipal airport or other municipal air navigation facility that meets both of the following requirements:

(a) The airport or navigation facility has scheduled operations, as defined in 14 C.F.R. 110.2, as amended.



(b) The airport or navigation facility is required to be under a security program and is governed by aviation security rules of the transportation security administration of the United States department of transportation as provided in 49 C.F.R. parts 1542 and 1544, as amended.

(2) The person is in compliance with section 109.77 of the Revised Code.

(YY) Notwithstanding section 2901.01 of the Revised Code, "PERS law enforcement officer" means a sheriff or any of the following whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state: a deputy sheriff, township constable or police officer in a township police department or district, drug agent, department of public safety enforcement agent, natural resources law enforcement staff officer, wildlife officer, forest-fire investigator, natural resources officer, park district police officer, conservancy district officer, veterans' home police officer, special police officer for a mental health institution, special police officer for an institution for persons with developmental disabilities, state university law enforcement officer, municipal police officer, house sergeant at arms, assistant house sergeant at arms, regional transit authority police officer, or state highway patrol police officer. "PERS-

"PERS law enforcement officer" also includes a person employed as a bureau of criminal identification and investigation investigator, gaming agent, department of taxation investigator, special police officer for a port authority, or special police officer for a municipal airport who commences employment in any of those positions on or after the effective date of this amendment or makes the election described in section 145.334 of the Revised Code.

"PERS law enforcement officer" also includes a person serving as a municipal public safety director at any time during the period from September 29, 2005, to March 24, 2009, if the duties of that service were to preserve the peace, protect life and property, and enforce the laws of this state.

~~(UU)-(ZZ)~~ "Hamilton county municipal court bailiff" means a person appointed by the clerk of courts of the Hamilton county municipal court under division (A)(3) of section 1901.32 of the Revised Code who is employed full time as a bailiff or deputy bailiff, who has received a certificate attesting to the person's satisfactory completion of the peace officer basic training described in division (D)(1) of section 109.77 of the Revised Code.

~~(VV)-(AAA)~~ "PERS public safety officer" means a Hamilton county municipal court bailiff, or any of the following whose primary duties are other than to preserve the peace, protect life and property, and enforce the laws of this state: a deputy sheriff, township constable or police officer in a township police department or district, drug agent, department of public safety enforcement agent, natural resources law enforcement staff officer, wildlife officer, forest-fire investigator, natural resources officer, park district police officer, conservancy district officer, veterans' home police officer, special police officer for a mental health institution, special police officer for an institution for persons with developmental disabilities, state university law enforcement officer, municipal police officer, house sergeant at arms, assistant house sergeant at arms, regional transit authority police officer, or state highway patrol police officer. "PERS-

"PERS public safety officer" also includes a person employed as a bureau of criminal identification and investigation investigator, gaming agent, department of taxation investigator, special police officer for a port authority, or special police officer for a municipal airport who commences employment in any of those positions on or after the effective date of this amendment or makes the election described in section 145.334 of the Revised Code.

"PERS public safety officer" also includes a person serving as a municipal public safety director at any time during the period from September 29, 2005, to March 24, 2009, if the duties of that service were other than to preserve the peace, protect life and property, and enforce the laws of this state.

~~(WW)~~~~(BBB)~~ "Fiduciary" means a person who does any of the following:

(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;

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

(3) Has any discretionary authority or responsibility in the administration of the system.

~~(XX)~~~~(CCC)~~ "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.

~~(YY)~~~~(DDD)~~ "PERS defined benefit plan" means the plan described in sections 145.201 to 145.79 of the Revised Code.

~~(ZZ)~~~~(EEE)~~ "PERS defined contribution plans" means the plan or plans established under section 145.81 of the Revised Code.

Sec. 145.222. (A) As used in this section:

(1) "Compensation" means both of the following:

(a) In the case of a public employees retirement system member, the member's earnable salary;

(b) In the case of an electing employee, the amount that would be the electing employee's earnable salary if the electing employee was a member of the retirement system.

(2) "Compensation ratio" means the ratio for the most recent full fiscal year for which the information is available of the total compensation of all electing employees to the sum of the total compensation of all the retirement system's members in the PERS defined benefit plan and the total compensation of all electing employees.

(3) "Electing employee" means a participant in an alternative retirement plan provided pursuant to Chapter 3305. of the Revised Code who would otherwise be a member of the retirement system.

(4) "Historical liability" means the portion of the retirement system's total unfunded actuarial accrued pension liability attributed to the difference between the following:

(a) The cumulative contributions received under division (D) of section 3305.06 of the Revised Code on behalf of electing employees since the establishment of the alternative retirement plan;

(b) The cumulative contributions toward the unfunded actuarial accrued liability of the retirement system that would have been made if the electing employees had been members of the retirement system in the PERS defined benefit plan.

(B) The public employees retirement board shall contract with an independent actuary to complete an actuarial study to determine the percentage of an electing employee's compensation to

be contributed by a public institution of higher education under division (D) of section 3305.06 of the Revised Code. The initial study must be completed and submitted by the board to the department of higher education not later than December 31, 2016. A subsequent study must be completed and submitted not later than the last day of December of every fifth year thereafter.

(C) For the initial study required under this section, the actuary shall determine the percentage described in division (B) of this section as follows:

(1) The actuary shall calculate a percentage necessary to amortize the historical liability over an indefinite period.

(2) The actuary shall calculate a percentage necessary to amortize over a thirty-year period the amount resulting from multiplying the compensation ratio by the difference between the following:

(a) The unfunded actuarial accrued pension liability of the PERS defined benefit plan;

(b) The historical liability.

(3) The percentage to be contributed under division (D) of section 3305.06 of the Revised Code shall be one-fourth of the sum of the percentages calculated under divisions (C)(1) and (2) of this section, not to exceed four and one-half per cent.

(4) To make the calculations and determinations required under divisions (C)(1) and (2) of this section, the actuary shall use the most recent annual actuarial valuation under section 145.22 of the Revised Code that is available at the time the study is conducted.

(D) For any study conducted after the initial study required under this section, the actuary shall determine the percentage described in division (B) of this section as follows:

(1) The actuary shall calculate a percentage necessary to amortize over a thirty-year period the amount resulting from multiplying the compensation ratio by the difference between the following:

(a) The unfunded actuarial accrued pension liability of the PERS defined benefit plan under the annual actuarial valuation under section 145.22 of the Revised Code that is most recent at the time the study is conducted;

(b) The historical liability determined under division (C) of this section.

(2) The percentage to be contributed under division (D) of section 3305.06 of the Revised Code shall be one-fourth of the sum of the percentages calculated under divisions (C)(1) and (D)(1) of this section but not less than one-fourth of the percentage determined under division (C)(1) of this section, except that the percentage shall not exceed four and one-half per cent.

Sec. 145.2911. (A) If the conditions described in division (B) of section 145.2910 of the Revised Code are met, a member of the public employees retirement system who is not receiving a pension or benefit from the public employees retirement system is eligible to obtain credit for service as a member of the Cincinnati retirement system under this section.

(B) A member of the public employees retirement system who has contributions on deposit with, but is no longer contributing to, the Cincinnati retirement system shall, in computing years of service credit, be given credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if all of the following conditions are met:

(1) The member's service credit in the public employees retirement system is greater than the amount of credit that would be obtained under this division.

(2) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

~~(2)-(3)~~ The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that the credit has been obtained.

~~(3)-(4)~~ For each year of service, the Cincinnati retirement system transfers to the public employees retirement system the sum of the following:

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

(b) An amount equal to the lesser of the employer's contributions to the Cincinnati retirement system or the appropriate employer contributions under section 145.48 or 145.49 of the Revised Code;

(c) Interest on the amounts specified in divisions (B)~~(3)~~~~(4)~~(a) and (b) of this section from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the transfer is made.

(C) A member of the public employees retirement system with at least eighteen months of contributing service credit with the public employees retirement system who has received a refund of the member's contributions to the Cincinnati retirement system may obtain credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if all of the following conditions are met:

(1) The member's service credit in the public employees retirement system is greater than the amount of credit that would be obtained under this division.

(2) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

~~(2)-(3)~~ The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that the credit has been obtained.

~~(3)-(4)~~ For each year of service, the public employees retirement system receives the sum of the following:

(a) An amount, paid by the member, equal to the sum of the following:

(i) The amount refunded by the Cincinnati retirement system to the member for that year for contributions and payments for military service, with interest at a rate established by the public employees retirement board on that amount from the date of the refund to the date of payment;

(ii) The amount of interest, if any, the member received when the refund was made that is attributable to the year of service.

(b) An amount, transferred by the Cincinnati retirement system to the public employees retirement system, equal to the sum of the following:

(i) Interest on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;

(ii) An amount equal to the lesser of the employer's contributions to the Cincinnati retirement system or the appropriate employer contribution under section 145.48 or 145.49 of the Revised Code, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

(D) The amount transferred under division (C)~~(3)(4)~~(b)(i) of this section shall not include any amount of interest the Cincinnati retirement system paid to the person when it made the refund.

(E) On receipt of payment from the member under division (C)~~(3)(4)~~(a) of this section, the public employees retirement system shall notify the Cincinnati retirement system. On receipt of the notice, the Cincinnati retirement system shall transfer the amount described in division (C)~~(3)(4)~~(b) of this section.

(F) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall be calculated at the lesser of the actuarial assumption rate for that year of the public employees retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

(G) At the request of the public employees retirement system, the Cincinnati retirement system shall certify to the public employees retirement system a copy of the records of the service and contributions of a member of the public employees retirement system who seeks service credit under this section.

(H) Service credit purchased or otherwise obtained under this section shall be considered the equivalent of Ohio service credit.

The public employees retirement system shall withdraw the credit and refund all amounts paid or transferred under this section if either of the following occurs:

(1) The member fails to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that credit has been obtained under this section.

(2) The member's application for a disability benefit is denied.

(I) A member may choose to purchase only part of the credit the member is eligible to purchase under division (C) of this section, subject to rules of the public employees retirement board.

(J) A member is ineligible to purchase or otherwise obtain credit under this section for the service to be used in calculation of any retirement benefit currently being paid or payable to the member in the future.

Sec. 145.2912. (A) If the conditions described in division (B) of section 145.2910 of the Revised Code are met and a person who is a member or former member of the public employees retirement system but not a current contributor and who is not receiving a pension or benefit from the public employees retirement system elects to receive credit under the Cincinnati retirement system for service for which the person contributed to the public employees retirement system or purchased or obtained as military service credit, the public employees retirement system shall transfer the amounts specified in divisions (A)~~(3)(4)~~(a) and (b) of this section to the Cincinnati retirement system. A person may obtain credit if all of the following conditions are met:

(1) The member's service credit in the Cincinnati retirement system is greater than the amount of credit that would be obtained under this division.

(2) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

~~(2)-(3)~~ The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the ~~public employees Cincinnati~~ retirement system that the credit has been obtained.

~~(3)~~(4)(a) If the person has contributions on deposit with the public employees retirement system, the public employees retirement system, for each year of service credit, transfers to the Cincinnati retirement system the sum of the following:

(i) An amount equal to the person's contributions to the public employees retirement system and payments made by the member for military service credit;

(ii) An amount equal to the lesser of the employer's contributions to the public employees retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system at the time the credit was earned;

(iii) Interest on the amounts specified in divisions (A)~~(3)~~(4)(a)(i) and (ii) of this section for the period from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the transfer was made.

(b) If the person has received a refund of accumulated contributions to the public employees retirement system, the public employees retirement system, for each year of service credit, transfers to the Cincinnati retirement system the sum of the following:

(i) Interest on the amount refunded to the former member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;

(ii) An amount equal to the lesser of the employer's contributions to the public employees retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

(B) The amount transferred under division (A)~~(3)~~(4)(b) of this section shall not include any amount of the employer's contributions or interest on employee contributions the person received under section 145.40 of the Revised Code.

(C) On receipt of notice from the Cincinnati retirement system that the Cincinnati retirement system has received payment from a person described in division (A)~~(3)~~(4)(b) of this section, the public employees retirement system shall transfer the amount described in that division.

(D) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall be calculated at the lesser of the actuarial assumption rate for that year of the public employees retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

(E) The transfer of any amount under this section cancels an equivalent amount of service credit.

(F) At the request of the Cincinnati retirement system, the public employees retirement system shall certify to the Cincinnati retirement system a copy of the records of the service and contributions of a member or former member of the public employees retirement system who elects to receive service credit under the Cincinnati retirement system.

Sec. 145.334. A member who, on the effective date of this section, meets the definition of bureau of criminal identification and investigation investigator, gaming agent, department of taxation investigator, special police officer for a port authority, or special police officer for a municipal airport in section 145.01 of the Revised Code may make the election to be considered a PERS law

enforcement officer or PERS public safety officer by giving notice to the public employees retirement system on a form provided by the public employees retirement board. To be valid, the notice must be received by the retirement system not later than ninety days after the effective date of this section. The election, once made, causes the member to be considered a PERS law enforcement officer or PERS public safety officer and is irrevocable.

Service credit earned by a member of the public employees retirement system before the first day of the first month following the retirement system's receipt of the notice of election shall not be considered service credit as a PERS law enforcement officer or PERS public safety officer.

Sec. 145.362. A disability benefit recipient whose application for a disability benefit was received by the public employees retirement system before January 7, 2013, shall, regardless of when the disability occurred, retain membership status and shall be considered on leave of absence from employment during the first five years following the effective date of a disability benefit, notwithstanding any contrary provisions in this chapter.

A disability benefit recipient whose application for a disability benefit is received by the system on or after January 7, 2013, shall, regardless of when the disability occurred, retain membership status and shall be considered on leave of absence from employment during the first three years following the effective date of a disability benefit, except that, if the member is receiving rehabilitative services acceptable to the board's examining physician, the board may permit the recipient to retain membership status and be considered on leave of absence from employment for up to five years following the effective date of a disability benefit.

The public employees retirement board shall require any disability benefit recipient to undergo ~~an annual~~ a periodic medical examination, except that the as determined by the board's medical consultant or as specified in rules adopted by the board. The board may waive the medical examination if the board's medical consultant certifies that the recipient's disability is ongoing or for any other reason specified in rules adopted by the board. If any disability benefit recipient refuses to submit to a medical examination, the recipient's disability benefit shall be suspended until withdrawal of the refusal. Should the refusal continue for one year, all the recipient's rights in and to the disability benefit shall be terminated as of the effective date of the original suspension.

On completion of the examination by the board's examining physician, the physician shall report to the board's medical consultant and certify whether the disability benefit recipient meets the applicable standard for termination of a disability benefit. If the examining physician certifies that the recipient meets the applicable standard for termination of a disability benefit and the medical consultant concurs, the medical consultant shall certify to the board that the recipient meets the applicable standard for termination.

(A) Regardless of when the disability occurred, if the recipient's application for a disability benefit was received by the system before January 7, 2013, or, if on or after that date, the recipient has been receiving the benefit for less than three years or is receiving rehabilitative services acceptable to the board's examining physician and considered on leave of absence, or, if, at the time contributing service terminated, the recipient was a PERS law enforcement officer, the standard for termination is that the recipient is no longer physically and mentally incapable of resuming the service from which the recipient was found disabled.

(B) Regardless of when the disability occurred, if the recipient's application for a disability

benefit is received by the system on or after January 7, 2013, the recipient has been receiving the benefit for three years or longer, the recipient was not a PERS law enforcement officer at the time contributing service terminated, and the recipient is not receiving rehabilitative services acceptable to the board's examining physician, the standard for termination is that the recipient is not physically or mentally incapable of performing the duties of any position that meets all of the following criteria:

(1) Replaces not less than seventy-five per cent of the member's final average salary, adjusted each year by the actual average increase in the consumer price index prepared by the United States bureau of labor statistics (U.S. city average for urban wage earners and clerical workers: "all items 1982-1984=100");

(2) Is reasonably to be found in the member's regional job market;

(3) Is one that the member is qualified for by experience or education.

If the board concurs in the report that the disability benefit recipient meets the applicable standard for termination of a disability benefit, the payment of the disability benefit shall be terminated not later than three months after the date of the board's concurrence or upon employment as a public employee. If the leave of absence has not expired, the retirement board shall certify to the disability benefit recipient's last employer before being found disabled that the recipient is no longer physically and mentally incapable of resuming service that is the same or similar to that from which the recipient was found disabled. The employer shall restore the recipient to the recipient's previous position and salary or to a position and salary similar thereto, unless the recipient was dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance, or conviction of a felony.

Each disability benefit recipient shall file with the board an annual statement of earnings, current medical information on the recipient's condition, and any other information required in rules adopted by the board. The board may waive the requirement that a disability benefit recipient file an annual statement of earnings or current medical information if the board's medical consultant certifies that the recipient's disability is ongoing.

The board shall annually examine the information submitted by the recipient. If a disability benefit recipient ~~refuses~~fails to file the statement or information, the disability benefit shall be suspended until the statement and information are filed. If the ~~refusal~~failure continues for one year, the recipient's right to the disability benefit shall be terminated as of the effective date of the original suspension.

If a disability benefit recipient is restored to service by, or elected to an elective office with, an employer covered by this chapter, the recipient's disability benefit shall cease.

The board may terminate a disability benefit at the request of the recipient if the board's medical consultant determines that the recipient is no longer disabled.

If disability retirement under section 145.36 of the Revised Code is terminated for any reason, the annuity and pension reserves at that time in the annuity and pension reserve fund shall be transferred to the employees' savings fund and the employers' accumulation fund, respectively. If the total disability benefit paid is less than the amount of the accumulated contributions of the member transferred to the annuity and pension reserve fund at the time of the member's disability retirement, the difference shall be transferred from the annuity and pension reserve fund to another fund as may be required. In determining the amount of a member's account following the termination of disability retirement for any reason, the total amount paid shall be charged against the member's refundable



account.

If a disability allowance paid under section 145.361 of the Revised Code is terminated for any reason, the reserve on the allowance at that time in the annuity and pension reserve fund shall be transferred from that fund to the employers' accumulation fund.

If a former disability benefit recipient again becomes a contributor, other than as an other system retirant under section 145.38 of the Revised Code, to this system, the state teachers retirement system, or the school employees retirement system, and completes an additional two years of service credit, the former disability benefit recipient shall be entitled to full service credit, not exceeding five years' service credit, for the period as a disability benefit recipient, except that if the board adopts a rule requiring payment for the service credit it shall be granted only if the former disability benefit recipient pays an amount determined under the rule. The rule shall not require payment of more than the additional liability to the retirement system resulting from granting the credit. The former recipient may choose to purchase only part of the credit in any one payment.

If any employer employs any member who is receiving a disability benefit, the employer shall file notice of employment with the retirement board, designating the date of employment. In case the notice is not filed, the total amount of the benefit paid during the period of employment prior to notice shall be charged to and paid by the employer.

Sec. 145.384. (A) As used in this section, "PERS retirant" means a PERS retirant who is not subject to division (C) of section 145.38 of the Revised Code. For purposes of this section, "PERS retirant" also includes both of the following:

- (1) A member who retired under section 145.383 of the Revised Code;
- (2) A retirant whose retirement allowance resumed under section 145.385 of the Revised Code.

(B)(1) An other system retirant or PERS retirant who has made contributions under section 145.38 or 145.383 of the Revised Code or, in the case of a retirant described in division (A)(2) of this section, section 145.47 of the Revised Code may file an application with the public employees retirement system to receive either a benefit, as provided in division (B)(2) of this section, or payment of the retirant's contributions made under those sections, as provided in division (H) of this section.

(2) A benefit under this section shall consist of an annuity having a reserve equal to the amount of the retirant's accumulated contributions for the period of employment, other than the contributions excluded pursuant to division (B)(4)(a) or (b) of section 145.38 of the Revised Code, and an amount of the employer's contributions determined by the board.

(a) Unless, as described in division (I) of this section, the application is accompanied by a statement of the spouse's consent to another form of payment or the board waives the requirement of spousal consent, a PERS retirant or other system retirant who is married at the time of application for a benefit under this section shall receive a monthly annuity under which the actuarial equivalent of the retirant's single life annuity is paid in a lesser amount for life and one-half of the lesser amount continues after the retirant's death to the surviving spouse.

(b) A PERS retirant or other system retirant who is not subject to division (B)(2)(a) of this section shall elect either to receive the benefit as a monthly annuity or a lump sum payment discounted to the present value using a rate of interest determined by the board. A retirant who elects

to receive a monthly annuity shall select one of the following as the plan of payment:

- (i) The retirant's single life annuity;
- (ii) The actuarial equivalent of the retirant's single life annuity in an equal or lesser amount for life and continuing after death to a surviving beneficiary designated at the time the plan of payment is selected.

If a retirant who is eligible to select a plan of payment under division (B)(2)(b) of this section fails to do so, the benefit shall be paid as a monthly annuity under the plan of payment specified in rules adopted by the public employees retirement board.

(c) Notwithstanding divisions (B)(2)(a) and (b) of this section, if a monthly annuity would be less than twenty-five dollars per month, the retirant shall receive a lump sum payment.

(C)(1) The death of a spouse or other designated beneficiary under a plan of payment described in division (B)(2) of this section cancels that plan of payment. The PERS retirant or other system retirant shall receive the equivalent of the retirant's single life annuity, as determined by the board, effective the first day of the month following the date of death.

(2) On divorce, annulment, or marriage dissolution, a PERS retirant or other system retirant receiving a benefit described in division (B)(2) of this section under which the beneficiary is the spouse may, with the written consent of the spouse or pursuant to an order of the court with jurisdiction over the termination of the marriage, elect to cancel the plan and receive the equivalent of the retirant's single life annuity as determined by the board. The election shall be made on a form provided by the board and shall be effective the month following its receipt by the board.

(D) Following a marriage or remarriage, a PERS retirant or other system retirant who is receiving a benefit described in division (B)(2)(b)(i) of this section may elect a new plan of payment under division (B)(2)(b) of this section based on the actuarial equivalent of the retirant's single life annuity as determined by the board.

If the marriage or remarriage occurs on or after June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage.

The plan elected under this division shall be effective on the date of receipt by the board of an application on a form approved by the board, but any change in the amount of the benefit shall commence on the first day of the month following the effective date of the plan.

(E) A benefit payable under division (B)(2) of this section shall commence on the latest of the following:

- (1) The last day for which compensation for all employment subject to section 145.38, 145.383, or 145.385 of the Revised Code was paid;
- (2) Attainment by the PERS retirant or other system retirant of age sixty-five;
- (3) If the PERS retirant or other system retirant was previously employed under section 145.38, 145.383, or 145.385 of the Revised Code and is receiving or previously received a benefit under this section, completion of a period of twelve months since the effective date of the last benefit under this section;

(4) Ninety days prior to receipt by the board of the member's completed application for retirement;

(5) A date specified by the retirant.

(F)(1) If a PERS retirant or other system retirant dies while employed in employment subject

to section 145.38, 145.383, or 145.385 of the Revised Code, a lump sum payment shall be paid to the retirant's beneficiary under division (G) of this section. The lump sum shall be calculated in accordance with division (H) of this section if the retirant was under age sixty-five at the time of death. It shall be calculated in accordance with division (B)(2) of this section if the retirant was age sixty-five or older at the time of death.

(2) If at the time of death a PERS retirant or other system retirant receiving a monthly annuity under division (B)(2)(b)(i) of this section has received less than the retirant would have received as a lump sum payment, the difference between the amount received and the amount that would have been received as a lump sum payment shall be paid to the retirant's beneficiary under division (G) of this section.

(3) If a beneficiary receiving a monthly annuity under division (B)(2) of this section dies and, at the time of the beneficiary's death, the total of the amounts paid to the retirant and beneficiary are less than the amount the retirant would have received as a lump sum payment, the difference between the total of the amounts received by the retirant and beneficiary and the amount that the retirant would have received as a lump sum payment shall be paid to the beneficiary's estate.

(G) A PERS retirant or other system retirant employed under section 145.38, 145.383, or 145.385 of the Revised Code may designate one or more persons as beneficiary to receive any benefits payable under division (B)(2)(b) of this section due to death. The designation shall be in writing duly executed on a form provided by the public employees retirement board, signed by the PERS retirant or other system retirant, and filed with the board prior to death. The last designation of a beneficiary revokes all previous designations. The PERS retirant's or other system retirant's marriage, divorce, marriage dissolution, legal separation, withdrawal of account, birth of a child, or adoption of a child revokes all previous designations. If there is no designated beneficiary or the beneficiary is not located within ninety days, the beneficiary shall be determined in the following order of precedence:

- (1) Surviving spouse;
- (2) Children, share and share alike;
- (3) Parents, share and share alike;
- (4) Estate.

If any benefit payable under this section due to the death of a PERS retirant or other system retirant is not claimed by a beneficiary within five years after the death, the amount payable shall be transferred to the income fund and thereafter paid to the beneficiary or the estate of the PERS retirant or other system retirant on application to the board.

(H)(1) A PERS retirant or other system retirant who applies under division (B)(1) of this section for payment of the retirant's contributions and is unmarried or is married and, unless the board has waived the requirement of spousal consent, includes with the application a statement of the spouse's consent to the payment, shall be paid the contributions made under section 145.38 or 145.383 of the Revised Code or, in the case of a retirant described in division (A)(2) of this section, section 145.47 of the Revised Code, plus interest as provided in section 145.471 of the Revised Code, if the following conditions are met:

(a) The retirant has not attained sixty-five years of age and has terminated employment subject to section 145.38, 145.383, or 145.385 of the Revised Code for any cause other than death or

the receipt of a benefit under this section.

(b) ~~Three-Two~~ months have elapsed since the termination of the retirant's employment subject to section 145.38, 145.383, or 145.385 of the Revised Code, other than employment exempted from contribution pursuant to section 145.03 of the Revised Code.

(c) The retirant has not returned to public service, other than service exempted from contribution pursuant to section 145.03 of the Revised Code, during the ~~three-month~~ two-month period.

(2) Payment of a retirant's contributions cancels the retirant's right to a benefit under division (B)(2) of this section.

(I) A statement of a spouse's consent under division (B)(2) of this section to the form of a benefit or under division (H) of this section to a payment of contributions is valid only if signed by the spouse and witnessed by a notary public. The board may waive the requirement of spousal consent if the spouse is incapacitated or cannot be located, or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

(J) No amount received under this section shall be included in determining an additional benefit under section 145.323 of the Revised Code or any other post-retirement benefit increase.

Sec. 145.40. (A)(1) Subject to the provisions of section 145.57 of the Revised Code and except as provided in division (B) of this section, if a member elects to become exempt from contribution to the public employees retirement system pursuant to section 145.03 of the Revised Code or ceases to be a public employee for any cause other than death, retirement, receipt of a disability benefit, or current employment in a position in which the member has elected to participate in an alternative retirement plan under section 3305.05 or 3305.051 of the Revised Code, upon application the public employees retirement board shall pay the member the member's accumulated contributions, plus any applicable amount calculated under section 145.401 of the Revised Code, provided that both the following apply:

(a) ~~Three-Two~~ months have elapsed since the member's service subject to this chapter, other than service exempted from contribution pursuant to section 145.03 of the Revised Code, was terminated;

(b) The member has not returned to service subject to this chapter, other than service exempted from contribution pursuant to section 145.03 of the Revised Code, during that ~~three-month~~ two-month period.

The payment of such accumulated contributions shall cancel the total service credit of such member in the public employees retirement system.

(2) A member described in division (A)(1) of this section who is married at the time of application for payment and is eligible for age and service retirement under section 145.32, 145.33, 145.331, or 145.332 of the Revised Code or would be eligible for age and service retirement under any of those sections but for a forfeiture ordered under division (A) or (B) of section 2929.192 of the Revised Code shall submit with the application a written statement by the member's spouse attesting that the spouse consents to the payment of the member's accumulated contributions. Consent shall be valid only if it is signed and witnessed by a notary public.

The board may waive the requirement of consent if the spouse is incapacitated or cannot be

located, or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

(B) This division applies to any member who is employed in a position in which the member has made an election under section 3305.05 or 3305.051 of the Revised Code and due to the election ceases to be a public employee for purposes of that position.

Subject to section 145.57 of the Revised Code, the public employees retirement system shall do the following:

(1) On receipt of a certified copy of a form evidencing an election under section 3305.05 or 3305.051 of the Revised Code, pay to the appropriate provider, in accordance with section 3305.052 of the Revised Code, the amount described in section 3305.052 of the Revised Code;

(2) If a member has accumulated contributions, in addition to those subject to division (B)(1) of this section, standing to the credit of the member's individual account and is not otherwise employed in a position in which the member is considered a public employee for the purposes of that position, pay, to the provider the member selected pursuant to section 3305.05 or 3305.051 of the Revised Code, the member's accumulated contributions. The payment shall be made on the member's application.

(C) Payment of a member's accumulated contributions under division (B) of this section cancels the member's total service credit in the public employees retirement system. A member whose accumulated contributions are paid to a provider pursuant to division (B) of this section is forever barred from claiming or purchasing service credit under the public employees retirement system for the period of employment attributable to those contributions.

Sec. 145.43. (A) As used in this section and in section 145.45 of the Revised Code:

(1) "Child" means a biological or legally adopted child of a deceased member. If a court hearing for an interlocutory decree for adoption was held prior to the member's death, "child" includes the child who was the subject of the hearing notwithstanding the fact that the final decree of adoption, adjudging the surviving spouse as the adoptive parent, is made subsequent to the member's death.

(2) "Parent" is a parent or legally adoptive parent of a deceased member.

(3) "Dependent" means a beneficiary who receives one-half of the beneficiary's support from a member during the twelve months prior to the member's death.

(4) "Surviving spouse" means an individual who establishes a valid marriage to a member at the time of the member's death by marriage certificate or pursuant to division (E) of this section.

(5) "Survivor" means a surviving spouse, child, or parent.

(6) "Accumulated contributions" has the meaning given in section 145.01 of the Revised Code, except that, notwithstanding that section, it does not include additional amounts deposited in the employees' savings fund pursuant to the version of division (C) of section 145.23 of the Revised Code as it existed immediately prior to April 6, 2007, or pursuant to section 145.62 of the Revised Code.

(B) Except as provided in division (C)(1) of section 145.45 of the Revised Code, should a member die before age and service retirement, the member's accumulated contributions and any applicable amount calculated under section 145.401 of the Revised Code, shall be paid to the person or persons the member has designated under section 145.431 of the Revised Code. A member may

designate two or more persons as beneficiaries to be paid the accumulated account in a lump sum. Subject to rules adopted by the public employees retirement board, a member who designates two or more persons as beneficiaries shall specify the percentage of the lump sum that each beneficiary is to be paid. If the member has not specified the percentages, the lump sum shall be divided equally among the beneficiaries.

The last designation of any beneficiary revokes all previous designations. The member's marriage, divorce, marriage dissolution, legal separation, or withdrawal of account, or the birth of the member's child, or adoption of a child, shall constitute an automatic revocation of the member's previous designation. If a deceased member was also a member of the school employees retirement system or the state teachers retirement system and a survivor benefit may be paid under section 145.37, 3307.57, or 3309.35 of the Revised Code, the beneficiary last established among the systems shall be the sole beneficiary in all the systems.

If the accumulated contributions of a deceased member are not claimed by a beneficiary or by the estate of the deceased member within five years after the death, the contributions shall remain in the employees' savings fund or may be transferred to the income fund and thereafter shall be paid to the beneficiary or to the member's estate upon application to the board. The board shall formulate and adopt the necessary rules governing all designations of beneficiaries.

(C) Except as provided in division (C)(1) of section 145.45 of the Revised Code, if a member dies before age and service retirement and is not survived by a designated beneficiary, the following shall qualify, with all attendant rights and privileges, in the following order of precedence, the member's:

- (1) Surviving spouse;
- (2) Children, share and share alike;
- (3) A dependent parent, if that parent takes survivor benefits under division (B) of section 145.45 of the Revised Code;
- (4) Parents, share and share alike;
- (5) Estate.

If the beneficiary is deceased or is not located within ninety days, the beneficiary ceases to qualify for any benefit and the beneficiary next in order of precedence shall qualify as a beneficiary.

Any payment made to a beneficiary as determined by the board shall be a full discharge and release to the board from any future claims.

(D) Any amount due a retirant or disability benefit recipient receiving a monthly benefit and unpaid to the retirant or recipient at death shall be paid to the beneficiary designated in writing duly executed on a form provided by the board, signed by the retirant or recipient, and filed with the board. If no such designation has been filed, or if the designated beneficiary is not located within ninety days, any amounts payable under this chapter due to the death of the retirant or recipient shall be paid in the following order of precedence to the retirant's or recipient's:

- (1) Surviving spouse;
- (2) Children, share and share alike;
- (3) Parents, share and share alike;
- (4) Estate.

The payment shall be a full discharge and release to the board from any future claim for the

payment.

Any amount due a beneficiary receiving a monthly benefit and unpaid to the beneficiary at the beneficiary's death shall be paid to the beneficiary's estate.

(E) If the validity of marriage cannot be established to the satisfaction of the board for the purpose of disbursing any amount due under this section or section 145.45 of the Revised Code, the board may accept a decision rendered by a court having jurisdiction in the state in which the member was domiciled at the time of death that the relationship constituted a valid marriage at the time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing the distribution of the member's intestate personal property.

(F) As used in this division, "recipient" means an individual who is receiving or may be eligible to receive an allowance or benefit under this chapter based on the individual's service to a public employer.

If the death of a member, a recipient, or any individual who would be eligible to receive an allowance or benefit under this chapter by virtue of the death of a member or recipient is caused by one of the following beneficiaries, no amount due under this chapter to the beneficiary shall be paid to the beneficiary in the absence of a court order to the contrary filed with the board:

(1) A beneficiary who is convicted of, pleads guilty to, or is found not guilty by reason of insanity of a violation of or complicity in the violation of either of the following:

(a) Section 2903.01, 2903.02, or 2903.03 of the Revised Code;

(b) An existing or former law of any other state, the United States, or a foreign nation that is substantially equivalent to section 2903.01, 2903.02, or 2903.03 of the Revised Code.

(2) A beneficiary who is indicted for a violation of or complicity in the violation of the sections or laws described in division (F)(1)(a) or (b) of this section and is adjudicated incompetent to stand trial;

(3) A beneficiary who is a juvenile found to be a delinquent child by reason of committing an act that, if committed by an adult, would be a violation of or complicity in the violation of the sections or laws described in division (F)(1)(a) or (b) of this section.

Sec. 145.45. Except as provided in division (C)(1) of this section, in lieu of accepting the payment of the accumulated account of a member who dies before service retirement, a beneficiary, as determined in this section or section 145.43 of the Revised Code, may elect to forfeit the accumulated contributions and to substitute certain other benefits under division (A) or (B) of this section.

(A)(1) If a deceased member was eligible for a service retirement benefit as provided in section 145.33, 145.331, or 145.332 of the Revised Code, a surviving spouse or other sole dependent beneficiary may elect to receive a monthly benefit computed as a joint-life plan under which the spouse or beneficiary receives one hundred per cent of the actuarial equivalent of the deceased member's lesser retirement allowance payable for the member's life, which the member would have received had the member retired on the last day of the month of death and had the member at that time selected such a plan. Payment shall begin with the month subsequent to the member's death, except that a surviving spouse who is less than sixty-five years old may defer receipt of such benefit. Upon receipt, the benefit shall be calculated based upon the spouse's age at the time of first payment, and shall accrue regular interest during the time of deferral.

(2) Beginning on a date selected by the public employees retirement board, which shall be not later than July 1, 2004, a surviving spouse or other sole dependent beneficiary may elect, in lieu of a monthly payment under division (A)(1) of this section, a plan of payment consisting of both of the following:

(a) A lump sum in an amount the surviving spouse or other sole dependent beneficiary designates that constitutes a portion of the allowance that would be payable under division (A)(1) of this section;

(b) The remainder of that allowance in monthly payments.

The total amount paid as a lump sum and a monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected.

The lump sum amount designated by the surviving spouse or other sole dependent beneficiary under division (A)(2)(a) of this section shall be not less than six times and not more than thirty-six times the monthly amount that would be payable to the surviving spouse or other sole dependent beneficiary under division (A)(1) of this section and shall not result in a monthly payment that is less than fifty per cent of that monthly amount.

(B) If a deceased member had, except as provided in division (B)(7) of this section, at least one and one-half years of contributing service credit, with, except as provided in division (B)(7) of this section, at least one-quarter year of contributing service credit within the two and one-half years prior to the date of death, or was receiving at the time of death a disability benefit as provided in section 145.36, 145.361, or 145.37 of the Revised Code, qualified survivors who elect to receive monthly benefits shall receive the greater of the benefits provided in division (B)(1)(a) or (b) and (4) of this section as allocated in accordance with division (B)(5) of this section.

(1)(a) Number of Qualified survivors affecting the benefit	Annual Benefit as a Per Cent of Decedent's Final Average Salary	Or Monthly Benefit shall not be less than
1	25%	\$250
2	40	400
3	50	500
4	55	500
5 or more	60	500

(b) Years of Service	Annual Benefit as a Per Cent of Member's Final Average Salary
20	29%
21	33



22	37
23	41
24	45
25	48
26	51
27	54
28	57
29 or more	60

(2) Benefits shall begin as qualified survivors meet eligibility requirements as follows:

(a) A qualified spouse is the surviving spouse of the deceased member, who is age sixty-two, or regardless of age meets one of the following qualifications:

(i) Except as provided in division (B)(7) of this section, the deceased member had ten or more years of Ohio service credit.

(ii) The spouse is caring for a qualified child.

(iii) The spouse is adjudged physically or mentally incompetent.

A spouse of a member who died prior to August 27, 1970, whose eligibility was determined at the member's death, and who is physically or mentally incompetent on or after August 20, 1976, shall be paid the monthly benefit which that person would otherwise receive when qualified by age.

(b) A qualified child is any child of the deceased member who has never been married and to whom one of the following applies:

(i) ~~Is under age eighteen, or under age twenty-two if the child is attending an institution of learning or training pursuant to a program designed to complete in each school year the equivalent of at least two-thirds of the full-time curriculum requirements of such institution and as further determined by board policy;~~

(ii) Regardless of age, is adjudged physically or mentally incompetent at the time of the member's death.

(c) A qualified parent is a dependent parent aged sixty-five or older or regardless of age if physically or mentally incompetent, a dependent parent whose eligibility was determined by the member's death prior to August 20, 1976, and who is physically or mentally incompetent on or after August 20, 1976, shall be paid the monthly benefit for which that person would otherwise qualify.

(3) "Physically or mentally incompetent" as used in this section may be determined by a court of jurisdiction, or by a physician appointed by the retirement board. Incapability of making a living because of a physically or mentally disabling condition shall meet the qualifications of this division.

(4) Benefits to a qualified survivor shall terminate upon ceasing to meet eligibility requirements as provided in this division, a first marriage, abandonment, adoption, or during active military service. Benefits to a deceased member's surviving spouse that were terminated under a former version of this section that required termination due to remarriage and were not resumed prior to September 16, 1998, shall resume on the first day of the month immediately following receipt by the board of an application on a form provided by the board.

Benefits to a qualified child who is at least eighteen years of age but under twenty-two years of age that under a former version of this section never commenced or were terminated due to a lack of attendance at an institution of learning or training and not commenced or resumed before the effective date of this amendment shall commence or resume on the first day of the month immediately following receipt by the board of an application on a form provided by the board if the application is received on or before the date that is one year after the effective date of this amendment. These benefits terminate on the child attaining twenty-two years of age.

Upon the death of any subsequent spouse who was a member of the public employees retirement system, state teachers retirement system, or school employees retirement system, the surviving spouse of such member may elect to continue receiving benefits under this division, or to receive survivor's benefits, based upon the subsequent spouse's membership in one or more of the systems, for which such surviving spouse is eligible under this section or section 3307.66 or 3309.45 of the Revised Code. If the surviving spouse elects to continue receiving benefits under this division, such election shall not preclude the payment of benefits under this division to any other qualified survivor.

Benefits shall begin or resume on the first day of the month following the attainment of eligibility and shall terminate on the first day of the month following loss of eligibility.

(5)(a) If a benefit is payable under division (B)(1)(a) of this section, benefits to a qualified spouse shall be paid in the amount determined for the first qualifying survivor in division (B)(1)(a) of this section. All other qualifying survivors shall share equally in the benefit or remaining portion thereof.

(b) All qualifying survivors shall share equally in a benefit payable under division (B)(1)(b) of this section, except that if there is a surviving spouse, the surviving spouse shall receive not less than the amount determined for the first qualifying survivor in division (B)(1)(a) of this section.

(6) The beneficiary of a member who is also a member of the state teachers retirement system or of the school employees retirement system, must forfeit the member's accumulated contributions in those systems and in the public employees retirement system, if the beneficiary takes a survivor benefit. Such benefit shall be exclusively governed by section 145.37 of the Revised Code.

(7) The following restrictions do not apply if the deceased member was contributing toward benefits under section 145.332 of the Revised Code at the time of death:

(a) That the deceased member have had at least one and one-half years of contributing service credit, with at least one-quarter year of contributing service within the two and one-half years prior to the date of death;

(b) If the deceased member was killed in the line of duty, that the deceased member have had ten or more years of Ohio service credit as described in division (B)(2)(a)(i) of this section.

For the purposes of division (B)(7)(b) of this section, "killed in the line of duty," means either that death occurred in the line of duty or that death occurred as a result of injury sustained in the line of duty.

(C)(1) Regardless of whether the member is survived by a spouse or designated beneficiary, if the public employees retirement system receives notice that a deceased member described in division (A) or (B) of this section has one or more qualified children, all persons who are qualified survivors under division (B) of this section shall receive monthly benefits as provided in division (B)

of this section.

If, after determining the monthly benefits to be paid under division (B) of this section, the system receives notice that there is a qualified survivor who was not considered when the determination was made, the system shall, notwithstanding section 145.561 of the Revised Code, recalculate the monthly benefits with that qualified survivor included, even if the benefits to qualified survivors already receiving benefits are reduced as a result. The benefits shall be calculated as if the qualified survivor who is the subject of the notice became eligible on the date the notice was received and shall be paid to qualified survivors effective on the first day of the first month following the system's receipt of the notice.

If the retirement system did not receive notice that a deceased member has one or more qualified children prior to making payment under section 145.43 of the Revised Code to a beneficiary as determined by the retirement system, the payment is a full discharge and release of the system from any future claims under this section or section 145.43 of the Revised Code.

(2) If benefits under division (C)(1) of this section to all persons, or to all persons other than a surviving spouse or other sole beneficiary, terminate, there are no children under the age of twenty-two years, and the surviving spouse or beneficiary qualifies for benefits under division (A) of this section, the surviving spouse or beneficiary may elect to receive benefits under division (A) of this section. The benefits shall be effective on the first day of the month immediately following the termination.

(D) The final average salary used in the calculation of a benefit payable pursuant to division (A) or (B) of this section to a survivor or beneficiary of a disability benefit recipient shall be adjusted for each year between the disability benefit's effective date and the recipient's date of death by the lesser of three per cent or the actual average percentage increase in the consumer price index prepared by the United States bureau of labor statistics (U.S. city average for urban wage earners and clerical workers: "all items 1982-84=100").

(E) If the survivor benefits due and paid under this section are in a total amount less than the member's accumulated account that was transferred from the public employees' savings fund to the survivors' benefit fund, then the difference between the total amount of the benefits paid shall be paid to the beneficiary under section 145.43 of the Revised Code.

Sec. 742.091. Any action brought against the Ohio police and fire pension fund or the Ohio police and fire pension fund board of trustees or its officers, employees, or board members in their official capacities shall be brought in the appropriate court in Franklin county, Ohio.

Sec. 742.105. The Ohio police and fire pension fund board of trustees shall appoint a committee to oversee the selection of an internal auditor. The committee shall select one or more persons for employment as an internal auditor. The board shall employ the person or persons selected by the committee.

The committee shall consist of the following board members: one retirant member, one employee member, and one other member. The committee shall annually prepare and submit to the Ohio retirement study council a report of its actions during the preceding year.

Sec. 742.17. An application or election made under this chapter shall be submitted to the Ohio police and fire pension fund in the form and manner specified by the fund. The fund shall determine whether an application or election is complete and properly submitted. Its determination is

final.

If the fund determines that an application or election is incomplete or not properly submitted, it may give the person who submitted the application or election the opportunity to correct any deficiency or may reject the application or election and require that it be resubmitted. The fund shall give written notice of the rejection to the person who submitted the application or election.

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

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

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

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

(1) A member of the fund who has twenty-five years of service credit and has attained the requisite age may elect to retire. The requisite age is forty-eight for a member whose membership began before July 2, 2013, and fifty-two for a member whose membership began on or after that date.

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

The percentage shall be the sum of two and one-half per cent for each of the first twenty

years of service credit, plus two per cent for each of the twenty-first to twenty-fifth years of service credit, plus one and one-half per cent for each year in excess of twenty-five years of service credit. The annual pension shall not exceed seventy-two per cent of the member's average annual salary.

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

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

(2) A member of the fund who has fifteen or more years of service credit and who voluntarily resigns or is discharged from the department for any reason other than dishonesty, cowardice, intemperate habits, or conviction of a felony, shall receive an annual pension, payable in twelve monthly installments, in an amount equal to one and one-half per cent of the member's average annual salary multiplied by the number of full years of the member's service credit. If, as of July 2, 2013, the member had fifteen or more years of service credit, the average annual salary shall be determined using three years of contributions. If, as of that date, the member had less than fifteen years of service credit, the average annual salary shall be determined using five years of contributions.

If a member's membership began before July 2, 2013, the pension payments shall not commence until the member has attained the age of forty-eight years and until twenty-five years have elapsed from the date on which the member became a full-time regular police officer or firefighter. Pension payments shall not commence for a member whose membership began on or after July 2, 2013, until the member has attained the age of fifty-two years and until twenty-five years have elapsed from the date on which the member became a full-time regular police officer or firefighter.

(3) A member of the fund who has fifteen or more years of service credit and who has attained sixty-two years of age, may retire from the department and, upon notifying the board in writing of the election to retire, shall receive an annual pension, payable in twelve monthly installments, in an amount equal to a percentage of the member's average annual salary. If, as of July 2, 2013, the member had fifteen or more years of service credit, the average annual salary shall be determined using three years of contributions. If, as of that date, the member had less than fifteen years of service credit, the average annual salary shall be determined using five years of contributions. The percentage shall be the sum of two and one-half per cent for each of the first twenty years of service credit, plus two per cent for each of the twenty-first to twenty-fifth years of service credit, plus one and one-half per cent for each year in excess of twenty-five years of service credit. The annual pension shall not exceed seventy-two per cent of the member's average annual salary.

(4) A member of the fund whose membership began on or after July 2, 2013, and who has

twenty-five years of service credit and has attained forty-eight years of age may elect to retire. Upon notifying the board in writing of the election, the member shall receive an annual pension, payable in twelve monthly installments, in an amount determined under division (C)(1) of this section except that the amount shall be reduced to be the actuarial equivalent, as determined by the fund's actuary, of the amount payable had the member retired at fifty-two years of age.

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

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

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

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

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

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

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

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

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

The pension shall commence on the first day of the month immediately following receipt by

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

~~(E)(1) Each~~ (a) Except as provided in division (E)(2) of this section, before January 1, 2017, each surviving child of a deceased member of the fund shall receive a monthly pension until the child attains the age of eighteen years, or marries, whichever event occurs first. A pension under this division, however, shall continue to be payable to a child under age twenty-two who is a student in and attending an institution of learning or training pursuant to a program designed to complete in each school year the equivalent of at least two-thirds of the full-time curriculum requirements of the institution, as determined by the board.

(b) Except as provided in division (E)(2) of this section, effective January 1, 2017, each surviving child of a deceased member of the fund shall receive a monthly pension until the child attains twenty-two years of age or marries, whichever event occurs first.

Benefits to a surviving child who is at least eighteen years of age but under twenty-two years of age that under a former version of this section never commenced or were terminated due to a lack of attendance at an institution of learning or training and not commenced or resumed before January 1, 2017, shall commence or resume on the first day of the month immediately following receipt by the board of an application on a form provided by the board if the application is received on or before December 31, 2017. These benefits terminate on the child attaining twenty-two years of age.

(2) If any surviving child, regardless of age at the time of the member's death, because of physical or mental disability, is totally dependent upon the deceased member for support at the time of death, the child shall receive a monthly pension under this division during the child's natural life or until the child has recovered from the disability.

~~(2)-(3)~~ An eligible surviving child shall receive a monthly pension as follows:

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

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

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

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

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

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

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

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

(G)(1) Subject to the provisions of section 742.461 of the Revised Code, a member of the fund who voluntarily resigns or is removed from active service in a police or fire department is entitled to receive an amount equal to the sums deducted from the member's salary and credited to the member's account in the fund, ~~except that a~~ if all of the following apply:

(a) The member is not receiving a disability benefit or service pension is not entitled to receive any return of contributions to from the fund;

(b) Two months have elapsed since the member's active service in a police or fire department was terminated;

(c) The member has not returned to active service in a police or fire department during that two-month period.

The payment of such accumulated contributions shall cancel the member's total service credit in the Ohio police and fire pension fund.

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

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

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

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

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

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

(5) A member of the fund, including a survivor of a member, who is receiving a pension in accordance with the rules governing the granting of pensions and benefits in force on April 1, 1947, that provide an increase in the original pension from time to time pursuant to changes in the salaries



of active members, shall not be eligible for the benefits provided in this division.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(L) On and after July 24, 1986:

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

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

Sec. 742.3711. (A) On application for retirement as provided in section 742.37 or 742.39 of the Revised Code, a member of the fund may elect to receive a retirement allowance payable throughout the member's life, or may elect, on the application for retirement, to receive the actuarial equivalent of the member's retirement allowance in a lesser amount payable for life and continuing after death to a surviving designated beneficiary under one of the following optional plans, provided the amount payable to the beneficiary shall not exceed the amount payable to the retiring member of the fund, and is certified by the actuary engaged by the board of trustees of the Ohio police and fire pension fund to be the actuarial equivalent of the member's retirement allowance and is approved by the board.

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

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

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

Should the member's designated beneficiary die prior to the expiration of the guarantee period, then for the purpose of completing payment for the remainder of the guarantee period, the present value of such payments shall be paid to the estate of the beneficiary last receiving.

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

(B)(1) The death of a spouse designated as beneficiary or the death of any other designated beneficiary following a member's retirement or election under section 742.44 of the Revised Code to participate in the deferred retirement option plan shall cancel the portion of the optional plan of payment providing continuing lifetime benefits to the deceased designated beneficiary. The member of the fund shall receive the actuarial equivalent of the member's single lifetime benefit, as

determined by the board, based on the number of remaining beneficiaries, with no change in the amount payable to any remaining beneficiary. The change shall be effective the month following receipt by the board of notice of the death.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The request to cancel the optional plan shall be made on a form provided by the fund and shall be valid only if the completed form includes a signed statement of the designated beneficiary's

understanding of and consent to the cancellation. The signature shall be verified by the trustees of the fund prior to their acceptance of the cancellation.

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

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

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

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

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

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

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

Sec. 742.47. Except as provided in sections 742.461, ~~742.462~~, 742.463, 742.464, 3105.171, 3105.65, and 3115.501 and Chapters 3119., 3121., 3123., and 3125. of the Revised Code, sums of money due or to become due to any individual from the Ohio police and fire pension fund are not liable to attachment, garnishment, the operation of bankruptcy or insolvency laws, levy, or seizure under any legal or equitable process or any other process of law whatsoever, whether those sums remain with the treasurer of the fund or any officer or agent of the board of trustees of the fund or are in the course of transmission to the individual entitled to them, but shall inure wholly to the benefit of that individual.

Sec. 742.50. As used in this section, "member's contribution" means the total amount deducted from the salary of a member of the Ohio police and fire pension fund and credited to the member's account in the fund.

If a member of the fund dies before receiving pension and benefit payments from the fund in an amount equal to the member's contribution and leaves no surviving spouse, surviving children, or dependent parent eligible for monthly pension payments under section 742.37 of the Revised Code,

the board of trustees of the Ohio police and fire pension fund shall pay to the estate of such deceased member an amount equal to the member's contribution, less the total amount received by such member as benefit or pension payments from such fund.

If a member who dies before receiving pension and benefit payments from the fund in an amount equal to the member's contribution leaves one or more survivors eligible for monthly pension payments under section 742.37 of the Revised Code but the total amount paid all survivors under that section is less than the member's contribution, the fund shall pay to the survivors or their estates, in equal shares, an amount equal to the member's contribution, less the total amount received by the member and all survivors as benefit or pension payments from the fund.

If the accumulated contributions of a deceased member are not claimed by a survivor, or by the estate of the deceased member or survivor, within seven years, they shall be transferred to the guarantee fund and thereafter paid to such survivor or to the estate of the member or survivor upon application to the board.

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

(A) As used in this section:

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

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

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

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

(i) A county sheriff or deputy sheriff;

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

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

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

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

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

(vii) A full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of a municipal corporation;

(viii) A full-time law enforcement officer of a conservancy district;

(ix) A correction officer at an institution under the control of a county, a group of counties, a municipal corporation, or the department of rehabilitation and correction;

(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;  
(xiii) A gaming agent, as defined in section 3772.01 of the Revised Code;  
(xiv) An employee of the department of taxation who has been delegated investigation powers pursuant to section 5743.45 of the Revised Code for the enforcement of Chapters 5728., 5735., 5739., 5741., 5743., and 5747. 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 rehabilitation and correction, a police officer employed by a township or municipal corporation, a firefighter employed by the state, an instrumentality of the state, a municipal corporation, a township, a joint fire district, or another political subdivision, a full-time park district ranger or patrol trooper, a full-time law enforcement officer of the department of natural resources, a full-time department of public safety enforcement agent, a full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of a municipal corporation, a full-time law enforcement officer of a conservancy district, and a state university law enforcement officer.

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

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

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

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

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

(9) "Department of natural resources law enforcement officer" includes a forest officer designated pursuant to section 1503.29 of the Revised Code, a preserve officer designated pursuant to

section 1517.10 of the Revised Code, a wildlife officer designated pursuant to section 1531.13 of the Revised Code, a park officer designated pursuant to section 1541.10 of the Revised Code, and a state watercraft officer designated pursuant to section 1547.521 of the Revised Code.

(10) "Retirement eligibility date" means the last day of the month in which a deceased member would have first become eligible, had the member lived, for the retirement pension provided under section 145.332, Chapter 145., 521., or 741., division (C)(1) of section 742.37, or division (A)(1) of section 5505.17 of the Revised Code or provided by a retirement system operated by a municipal corporation.

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

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

(a) Death in the line of duty;

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

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

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

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

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

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

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

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

(2)(a) If there is a surviving spouse and more than one child, the spouse shall receive an



amount each month equal to one-third of the full death benefit amount and the children shall receive an amount, equally divided among them, equal to two-thirds of the full death benefit amount.

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

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

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

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

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

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

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

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

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

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

(2) 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 deceased member would have received prior to the member's retirement 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 increases the deceased member would have received prior to the retirement eligibility date. If there is more than one remaining eligible child, the benefit shall be divided equally among the eligible children.

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

~~(H) A (1) Except as provided in division (H)(3) of this section, before January 1, 2017, a death benefit paid to a surviving child under division (C), (D), or (G) of this section shall terminate on the earlier of the death of the child or, unless one of the following is the case, when the child reaches attaining age eighteen; unless the~~

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

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

(2) Except as provided in division (H)(3) of this section, effective January 1, 2017, a death benefit paid to a surviving child under division (C), (D), or (G) of this section shall terminate on the earlier of the death of the child, the child attaining twenty-two years of age, or marriage.

Benefits to a surviving child who is at least eighteen years of age but under twenty-two years of age that under a former version of this section never commenced or were terminated due to a lack of attendance at an institution of learning or training and not commenced or resumed before January 1, 2017, shall commence or resume on the first day of the month immediately following receipt by

the board of an application on a form provided by the board if the application is received on or before December 31, 2017. These benefits terminate on the child attaining twenty-two years of age.

(3) If, regardless of age, a surviving child who at the time of the member's death because of physical or mental disability is totally dependent upon the deceased member for support at the time of death, the death benefit shall terminate on the child's death or when the child has recovered from the disability.

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

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

(1) The person fails to exercise the right to a monthly survivor benefit under division (A) or (B) of section 145.45, division (D), (E), or (F) of section 742.37, or division (A)(3), (4), or (6) of section 5505.17 of the Revised Code; to a monthly survivor benefit from a retirement system operated by a municipal corporation; or to a retirement allowance under section 742.3714 of the Revised Code.

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

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

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

(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. 3305.052. (A) The state retirement system that covers the position held by an employee of a public institution of higher education who makes an election under division (B)(2) or (3) of section 3305.05 or division (B) of section 3305.051 of the Revised Code to participate in the public institution's alternative retirement plan shall, not later than thirty days after the date on which the certified copy of the employee's election is filed with the state retirement system under that section, do one of the following:

(1) If the employee was participating in a defined benefit plan as provided in sections 145.201 to 145.79, sections 3307.50 to 3307.79, or sections 3309.18 to 3309.76 of the Revised Code, pay to the provider of the investment option selected by the employee any employee and employer contributions made to the retirement system by or on behalf of that employee for the period beginning on the employee's starting day of employment and ending on the day before the day on which contributions commence under an alternative retirement plan, less the amount due the retirement system pursuant to division (D) of section 3305.06 ~~or 3305.062~~ of the Revised Code for that period.

(2) If the employee was participating in a defined contribution plan as provided in section 145.81, 3307.81, or 3309.81 of the Revised Code, pay to the provider of the investment option selected by the employee the amount on deposit in the employee's individual account for the period beginning on the employee's starting day of employment and ending on the day before the day on which contributions commence under an alternative retirement plan.

(B) The state retirement system that covers the position held by an employee of a public institution of higher education who makes an election under division (B)(1) of section 3305.05 or division (C) of section 3305.051 of the Revised Code to participate in the public institution's alternative retirement plan shall, not later than thirty days after the date on which a certified copy of the employee's election is filed with the state retirement system under that section, do one of the following:

(1) If the employee was participating in a defined benefit plan as provided in sections 145.201 to 145.79, sections 3307.50 to 3307.79, or sections 3309.18 to 3309.70 of the Revised Code, pay to the provider of the investment option selected by the employee any employee and employer contributions made to the retirement system by or on behalf of that employee for any period commencing after the date on which the election becomes irrevocable under division (C)(1) of section 3305.05 of the Revised Code or the applicable date described in division (C)(2)(a) or (b) of section 3305.051 of the Revised Code and ending on the day before the day on which contributions commence under an alternative retirement plan, less the amount due the retirement system pursuant to division (D) of section 3305.06 ~~or 3305.062~~ of the Revised Code for that period.

(2) If the employee was participating in a defined contribution plan as provided in section 145.81, 3307.81, or 3309.81 of the Revised Code, pay to the provider of the investment option selected by the employee the amount on deposit in the employee's individual account for the period commencing after the date on which the election becomes irrevocable under division (C)(1) of

section 3305.05 of the Revised Code and ending on the day before the day on which contributions commence under an alternative retirement plan.

Sec. 3305.06. (A) Each electing employee shall contribute an amount, which shall be a certain percentage of the employee's compensation, to the provider of the investment option the employee has selected. This percentage shall be the percentage the electing employee would have otherwise been required to contribute to the state retirement system that applies to the employee's position, except that the percentage shall not be less than three per cent. Employee contributions under this division may be treated as employer contributions in accordance with Internal Revenue Code 414(h).

(B) Each public institution of higher education employing an electing employee shall contribute a percentage of the employee's compensation to the provider of the investment option the employee has selected. This percentage shall be equal to the percentage that the public institution of higher education would otherwise contribute on behalf of that employee to the state retirement system that would otherwise cover that employee's position, less the percentage contributed by the public institution of higher education under division (D) of this section.

(C)(1) In no event shall the amount contributed by the electing employee pursuant to division (A) of this section and on the electing employee's behalf pursuant to division (B) of this section be less than the amount necessary to qualify the plan as a state retirement system pursuant to Internal Revenue Code 3121(b)(7) and the regulations adopted thereunder.

(2) The full amount of the electing employee's contribution under division (A) of this section and the full amount of the employer's contribution made on behalf of that employee under division (B) of this section shall be paid to the appropriate provider for application to the electing employee's investment option.

(D) Each public institution of higher education employing an electing employee shall contribute on behalf of that employee to the state retirement system that otherwise applies to the electing employee's position a percentage of the electing employee's compensation to mitigate any negative financial impact of the alternative retirement program on the state retirement system. The percentage shall be six per cent, ~~except that the percentage may be adjusted by the Ohio retirement study council to reflect the determinations made~~ determined by the actuarial studies study conducted under section ~~171.07-145.222, 3307.514, or 3309.212~~ of the Revised Code, as applicable. Any adjustment shall become effective on the first day of the second month following submission of the actuarial study to the Ohio board of regents under section 171.07 of the Revised Code.

~~Contributions on behalf of an electing employee shall continue in accordance with this division until the occurrence of the following:~~

~~(1) If the electing employee would be subject to Chapter 145. of the Revised Code had the employee not made an election pursuant to section 3305.05 or 3305.051 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 145.58 or 145.584 of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 145.22 of the Revised Code;~~

~~(2) If the electing employee would be subject to Chapter 3307. of the Revised Code had the employee not made an election pursuant to section 3305.05 or 3305.051 of the Revised Code, until~~

~~the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 3307.39 of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 3307.51 of the Revised Code;~~

~~(3) If the electing employee would be subject to Chapter 3309. of the Revised Code had the employee not made an election pursuant to section 3305.05 or 3305.051 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 3309.375 or 3309.69 of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 3309.21 of the Revised Code.~~

Sec. 3307.01. As used in this chapter:

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

(B)(1) "Teacher" means all of the following:

(a) Any person paid from public funds and employed in the public schools of the state under any type of contract described in section 3311.77 or 3319.08 of the Revised Code in a position for which the person is required to have a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code;

(b) Except as provided in division (B)(2)(b) or (c) of this section, any person employed as a teacher or faculty member in a community school or a science, technology, engineering, and mathematics school pursuant to Chapter 3314. or 3326. of the Revised Code;

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

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

(e) The educational employees of the department of education, as determined by the state superintendent of public instruction.

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

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

(a) Any eligible employee of a public institution of higher education, as defined in section 3305.01 of the Revised Code, who elects to participate in an alternative retirement plan established under Chapter 3305. of the Revised Code;

(b) Any person employed by a community school operator, as defined in section 3314.02 of the Revised Code, if on or before February 1, 2016, the school's operator was withholding and paying

employee and employer taxes pursuant to 26 U.S.C. 3101(a) and 3111(a) for persons employed in the school as teachers, unless the person had contributing service in a community school in the state within one year prior to the later of February 1, 2016, or the date on which the operator for the first time withholds and pays employee and employer taxes pursuant to 26 U.S.C. 3101(a) and 3111(a) for that person;

(c) Any person who would otherwise be a teacher under division (B)(2)(b) of this section who terminates employment with a community school operator and has no contributing service in a community school in the state for a period of at least one year from the date of termination of employment.

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) A member of the American academy of actuaries;

(2) A firm, partnership, or corporation of which at least one person is a member of the

American academy of actuaries.

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

(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;

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

(3) Has any discretionary authority or responsibility in the administration of the system.

(L)(1)(a) 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.

(b) Except as provided in division (L)(1)(c) of this section, "compensation" includes amounts paid by an employer as a retroactive payment of earnings, damages, or back pay pursuant to a court order, court-adopted settlement agreement, or other settlement agreement if the retirement system receives both of the following:

(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 state teachers retirement board, for each year or portion of a year for which amounts are paid under the order or agreement;

(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)(1)(b)(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.

(c) If any portion of an amount paid by an employer as a retroactive payment of earnings, damages, or back pay is for an amount, benefit, or payment described in division (L)(2) of this section, that portion of the amount is not compensation under this section.

(2) Compensation does not include any of the following:

(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;

(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;

(c) Payments made for vacation pay covering concurrent periods for which other salary, compensation, or benefits under this chapter or Chapter 145. or 3309. of the Revised Code are paid;

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

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



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

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

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

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

(ii) A retroactive increase paid to a member employed by a school district board of education in a position that requires a license designated for being an administrator issued under section 3319.22 of the Revised Code that is paid in accordance with uniform criteria applicable to all members employed by the board in positions requiring the licenses;

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

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

(i) Payments made to or on behalf of a teacher 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. For a teacher who first establishes membership before July 1, 1996, the annual compensation that may be taken into account by the retirement system shall be determined under division (d)(3) of section 13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472.

(j) 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;

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

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

~~(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;~~

~~(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)(l)(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.~~

(3) The retirement board shall determine both of the following:

(a) Whether particular forms of earnings are included in any of the categories enumerated in

this division;

(b) Whether any form of earnings not enumerated in this division is to be included in compensation.

Decisions of the board made under this division shall be final.

(M) "Superannuate" means both of the following:

(1) A former teacher receiving from the system a retirement allowance under section 3307.58 or 3307.59 of the Revised Code;

(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.

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

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

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

(P) "Faculty" means the teaching staff of a university, college, or school, including any academic administrators.

Sec. 3307.131. Any action brought against the state teachers retirement system or the state teachers retirement board or its officers, employees, or board members in their official capacities shall be brought in the appropriate court in Franklin county, Ohio.

Sec. 3307.15. (A) The members of the state teachers retirement board shall be the trustees of the funds created by section 3307.14 of the Revised Code. The board shall have full power to invest the funds. The board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the system; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

To facilitate investment of the funds, the board may establish a partnership, trust, limited liability company, corporation, including a corporation exempt from taxation under the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as amended, or any other legal entity authorized to transact business in this state.

(B) In exercising its fiduciary responsibility with respect to the investment of the funds, it shall be the intent of the board to give consideration to investments that enhance the general welfare of the state and its citizens where the investments offer quality, return, and safety comparable to other investments currently available to the board. In fulfilling this intent, equal consideration shall also be

given to investments otherwise qualifying under this section that involve minority owned and controlled firms and firms owned and controlled by women, either alone or in joint venture with other firms.

The board shall adopt, in regular meeting, policies, objectives, or criteria for the operation of the investment program that include asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, and performance evaluation guidelines. In adopting policies and criteria for the selection of agents with whom the board may contract for the administration of the funds, the board shall comply with sections 3307.152 and 3307.154 of the Revised Code and shall also give equal consideration to minority owned and controlled firms, firms owned and controlled by women, and ventures involving minority owned and controlled firms and firms owned and controlled by women that otherwise meet the policies and criteria established by the board. Amendments and additions to the policies and criteria shall be adopted in regular meeting. The board shall publish its policies, objectives, and criteria under this provision no less often than annually and shall make copies available to interested parties.

When reporting on the performance of investments, the board shall comply with the performance presentation standards established by the ~~association for investment management and research~~ CFA institute.

(C) All bonds, notes, certificates, stocks, or other evidences of investments purchased by the board shall be delivered to the treasurer of state, who is hereby designated as custodian thereof, or to the treasurer of state's authorized agent, and the treasurer of state or the agent shall collect the principal, interest, dividends, and distributions that become due and payable and place them when so collected into the custodial funds. Evidences of title of the investments may be deposited by the treasurer of state for safekeeping with an authorized agent, selected by the treasurer of state, who is a qualified trustee under section 135.18 of the Revised Code. The treasurer of state shall pay for the investments purchased by the board on receipt of written or electronic instructions from the board or the board's designated agent authorizing the purchase and pending receipt of the evidence of title of the investment by the treasurer of state or the treasurer of state's authorized agent. The board may sell investments held by the board, and the treasurer of state or the treasurer of state's authorized agent shall accept payment from the purchaser and deliver evidence of title of the investment to the purchaser on receipt of written or electronic instructions from the board or the board's designated agent authorizing the sale, and pending receipt of the moneys for the investments. The amount received shall be placed into the custodial funds. The board and the treasurer of state may enter into agreements to establish procedures for the purchase and sale of investments under this division and the custody of the investments.

(D) No purchase or sale of any investment shall be made under this section except as authorized by the board.

(E) Any statement of financial position distributed by the board shall include the fair value, as of the statement date, of all investments held by the board under this section.

Sec. 3307.35. (A) As used in this section and section 3307.352 of the Revised Code, "other system retirant" means either of the following:

(1) A member or former member of the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, state highway patrol retirement system, or

Cincinnati retirement system who is receiving from a system of which the retiree is a member or former member age and service or commuted age and service retirement, a benefit, allowance, or distribution under a plan established under section 145.81 or 3309.81 of the Revised Code, or a disability benefit;

(2) A person who is participating or has participated in an alternative retirement plan established under Chapter 3305. of the Revised Code and is receiving a benefit, allowance, or distribution under the plan.

(B) Subject to this section and section 3307.353 of the Revised Code, a superannuate or other system retiree may be employed as a teacher.

(C) A superannuate or other system retiree employed in accordance with this section shall contribute to the state teachers retirement system in accordance with section 3307.26 of the Revised Code and the employer shall contribute in accordance with sections 3307.28 and 3307.31 of the Revised Code. Such contributions shall be received as specified in section 3307.14 of the Revised Code. A superannuate or other system retiree employed as a teacher is not a member of the state teachers retirement system, does not have any of the rights, privileges, or obligations of membership, except as provided in this section, and is not eligible to receive health, medical, hospital, or surgical benefits under section 3307.39 of the Revised Code for employment subject to this section.

(D) The employer that employs a superannuate or other system retiree shall notify the state teachers retirement board of the employment not later than the end of the month in which the employment commences. Any overpayment of benefits to a superannuate by the retirement system resulting from an employer's failure to give timely notice may be charged to the employer and may be certified and deducted as provided in section 3307.31 of the Revised Code.

(E) On receipt of notice from an employer that a person who is an other system retiree has been employed, the state teachers retirement system shall notify the state retirement system of which the other system retiree was a member of such employment.

(F) A superannuate or other system retiree who has received an allowance or benefit for less than two months when employment subject to this section or section 3305.05 of the Revised Code commences shall forfeit the allowance or benefit for any month the superannuate or retiree is employed prior to the expiration of such period. The allowance or benefit forfeited each month shall be equal to the monthly amount the superannuate or other system retiree is eligible to receive under a single lifetime benefit plan of payment described in division (A) of section 3307.60 of the Revised Code. Contributions shall be made to the retirement system from the first day of such employment, but service and contributions for that period shall not be used in the calculation of any benefit payable to the superannuate or other system retiree, and those contributions shall be refunded on the superannuate's or retiree's death or termination of the employment. Contributions made on compensation earned after the expiration of such period shall be used in calculation of the benefit or payment due under section 3307.352 of the Revised Code.

For purposes of this division, "employment" does not include uncompensated volunteer work if the position is different from the superannuate's or other system retiree's position with the employer by which the superannuate or retiree was employed at the time of retirement.

(G) On receipt of notice from the Ohio police and fire pension fund, public employees retirement system, ~~or school employees retirement system,~~ or Cincinnati retirement system of the re-

employment of a superannuate, the state teachers retirement system shall not pay, or if paid shall recover, the amount to be forfeited by the superannuate in accordance with section 145.38, 742.26, or 3309.341 of the Revised Code or any requirement of the Cincinnati retirement system.

(H) If the disability benefit of an other system retirant employed under this section is terminated, the retirant shall become a member of the state teachers retirement system, effective on the first day of the month next following the termination, with all the rights, privileges, and obligations of membership. If the retirant, after the termination of the retirant's disability benefit, earns two years of service credit under this retirement system or under the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, or state highway patrol retirement system, the retirant's prior contributions as an other system retirant under this section shall be included in the retirant's total service credit, as defined in section 3307.50 of the Revised Code, as a state teachers retirement system member, and the retirant shall forfeit all rights and benefits of this section. Not more than one year of credit may be given for any period of twelve months.

(I) This section does not affect the receipt of benefits by or eligibility for benefits of any person who on August 20, 1976, was receiving a disability benefit or service retirement pension or allowance from a state or municipal retirement system in Ohio and was a member of any other state or municipal retirement system of this state.

(J) The state teachers retirement board may make the necessary rules to carry into effect this section and to prevent the abuse of the rights and privileges thereunder.

Sec. 3307.354. The state teachers retirement board may establish a plan under which any contributions described in section 3307.352 of the Revised Code are invested at the direction of a superannuate or other system retirant in accordance with investment options established by the board.

If the board establishes a plan, the state teachers retirement system shall transfer a superannuate's or other system retirant's contributions to the plan.

Sec. 3307.42. (A) Except as provided in section 3307.373 of the Revised Code, the granting to any person of an allowance, annuity, pension, or other benefit under the STRS defined benefit plan, or the granting of a benefit under an STRS defined contribution plan, pursuant to an action of the state teachers' retirement board vests a right in such person, so long as the person remains the beneficiary of any of the funds established by section 3307.14 of the Revised Code, to receive the allowance, annuity, pension, or benefit at the rate fixed at the time of granting the allowance, annuity, pension, or benefit. Such right shall also be vested with equal effect in the beneficiary of a grant heretofore made from any of the funds named in section 3307.14 of the Revised Code.

(B)(1) The state teachers retirement system may suspend the benefit of a person receiving a benefit under section 3307.58 or 3307.59 of the Revised Code, a disability benefit under section 3307.63 or 3307.631 of the Revised Code, a survivor benefit under section 3307.66 of the Revised Code, any payment under section 3307.352 of the Revised Code, a benefit under section 3307.60 of the Revised Code as a beneficiary, or a benefit under an STRS defined contribution plan under either of the following circumstances:

(a) The retirement system has good cause to believe that the person receiving benefits is incapacitated and no other person or entity has legal authority to act or receive benefits on the person's behalf.

(b) The retirement system learns that the person receiving benefits is missing, and no person provides evidence satisfactory to the system that the person is alive and is entitled to receive benefits.

(2) Benefits shall resume on presentation of evidence satisfactory to the board ~~that the~~ of any of the following:

(a) The person is no longer incapacitated or;

(b) Another person or entity has legal authority to act or receive benefits on the person's behalf;

(c) The person is alive and entitled to receive benefits. Any

missed payments shall be paid in a single lump sum payment.

(3) A benefit suspended under division (B)(1)(b) of this section shall be terminated on presentation to the board of a decree of presumed death. Notwithstanding section 2121.04 of the Revised Code, the termination shall be retroactive to the date the benefit was suspended.

Sec. 3307.48. (A) As used in this section, "disability benefit recipient" means a recipient of a disability benefit under any of the following:

(1) Section 3307.63 of the Revised Code;

(2) Section 3307.631 of the Revised Code;

(3) The STRS combined plan.

(B) A disability benefit recipient, notwithstanding section 3319.13 of the Revised Code, shall retain membership in the state teachers retirement system and shall be considered on leave of absence during the first five years following the effective date of a disability benefit.

(C) The state teachers retirement board shall require any disability benefit recipient to submit to an annual medical examination by a physician selected by the board, except that the board may forgo the medical examination if the board's physician determines that the recipient's disability is ongoing or may require additional examinations if the board's physician determines that additional information should be obtained. If a disability benefit recipient ~~refuses~~ fails to submit to a medical examination, the recipient's disability benefit shall be suspended until the ~~recipient withdraws the refusal~~ examination has occurred. If the ~~refusal~~ failure continues for one year or the disability benefit is terminated for any reason during the one-year period, all the recipient's rights under and to the disability benefit shall be terminated as of the effective date of the original suspension.

After the examination, the examiner shall report and certify to the board whether the disability benefit recipient is no longer physically and mentally incapable of resuming the service from which the recipient was found disabled. If the board concurs in a report by the examining physician that the disability benefit recipient is no longer incapable, the board shall order termination of payment of a disability benefit ~~not later than the following thirty-first day of August or as follows:~~

(1) Immediately upon employment as a teacher prior thereto;

(2) If the leave of absence has not expired and the recipient is not employed as a teacher, the later of the last day of the third month following the board's termination or the following thirty-first day of August;

(3) If the leave of absence has expired and the recipient is not employed as a teacher, the last day of the third month following the board's termination.

The board shall provide notice to the recipient of the board's order. At the request of the recipient, a hearing on the order shall be conducted in accordance with procedures established by the

board. If the leave of absence has not expired, the board shall so certify to the disability benefit recipient's last employer before being found disabled that the recipient is no longer physically and mentally incapable of resuming service that is the same or similar to that from which the recipient was found disabled. If the recipient was under contract at the time the recipient was found disabled, the employer by the first day of the next succeeding year shall restore the recipient to the recipient's previous position and salary or to a position and salary similar thereto, unless the recipient was dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance, or conviction of a felony.

(D) An individual receiving a disability benefit from the system shall be ineligible to perform any teaching service, as defined by the board. A disability benefit shall immediately terminate if the disability benefit recipient performs any teaching service in this state or elsewhere. The board shall notify the recipient that the benefit is terminated. The recipient may submit, not later than thirty days after the date the notice is sent, to the board information specifying that the disability recipient did not perform teaching services while receiving disability benefits along with any supporting evidence available to the recipient. The board shall review the information and any accompanying evidence to determine whether the individual performed teaching services. The board may designate an individual to review the information and submit a recommendation to the board. The board shall determine whether the benefit was correctly terminated. If not, the benefit shall be reinstated and any missed payments paid to the recipient. The board's decision is final.

(E) If any employer should employ or reemploy a disability benefit recipient prior to the termination of a disability benefit, the employer shall file notice of employment with the board designating the date of the employment. If the disability benefit recipient received a disability benefit and performed teaching services for all or any part of the same month, the recipient shall repay to the annuity and pension reserve fund the amount of the disability benefit received by the recipient from the beginning of employment.

(F) Each disability benefit recipient shall file with the board an annual statement of earnings, current medical information on the recipient's condition, and any other information required in rules adopted by the board. The board may waive the requirement that a disability benefit recipient file an annual statement of earnings or current medical information if the board's physician certifies that the recipient's disability is ongoing.

The board shall annually examine the information submitted by the recipient. If a disability benefit recipient ~~refuses~~fails to file the statement or information, the disability benefit shall be suspended until the statement and information are filed. If the ~~refusal~~failure continues for one year or the disability benefit is terminated for any reason during the one-year period, the recipient's right to the disability benefit shall be terminated as of the effective date of the original suspension.

(G) A disability benefit ~~also~~ may be terminated by the board at the request of the disability benefit recipient.

(H) If disability retirement under section 3307.63 of the Revised Code is terminated for any reason, the annuity and pension reserves at that time in the annuity and pension reserve fund shall be transferred to the teachers' savings fund and the employers' trust fund, respectively. If the total disability benefit paid was less than the amount of the accumulated contributions of the member transferred to the annuity and pension reserve fund at the time of the member's disability retirement,

then the difference shall be transferred from the annuity and pension reserve fund to another fund as required. In determining the amount of a member's account following the termination of disability retirement for any reason, the total amount paid shall be charged against the member's refundable account.

(I) If a disability allowance paid under section 3307.631 of the Revised Code is terminated for any reason, the reserve on the allowance at that time in the annuity and pension reserve fund shall be transferred from that fund to the employers' trust fund.

If a (J) A former disability benefit recipient shall receive credit for the period as a disability benefit recipient if either of the following occurs:

(1) The former disability recipient again becomes a contributor, other than as an other system retirant under section 3307.35 of the Revised Code, to this retirement system, in the STRS defined benefit plan or to the school employees retirement system, or the public employees retirement system in the PERS defined benefit plan, and completes at least two additional years of service credit, the former disability benefit recipient shall receive credit for the period as a disability benefit recipient.

(2) The former disability benefit recipient again becomes a contributor, other than as an other system retirant under section 3307.35 of the Revised Code, to this retirement system in the STRS defined contribution plan and completes at least two additional years of service credit.

Credit may be received for more than one period of leave as a disability benefit recipient, except that for credit received on or after July 1, 2013, the total number of years received shall not exceed the lesser of the years of contributing service following the termination of disability benefits or five years of total service credit.

Sec. 3307.501. (A) As used in this section, "percentage increase" means the percentage that an increase in compensation is of the compensation paid prior to the increase.

(B) Notwithstanding division (L) of section 3307.01 of the Revised Code, for For the purpose of determining final average salary under this section, "compensation" has the same meaning as in that division section 3307.01 of the Revised Code, except that it does not include any amount resulting from a percentage increase paid to a member during the member's two highest years of compensation that, and any partial year of compensation as determined under divisions (C)(1) and (2) of this section to which the percentage increase also applies, if the percentage increase exceeds the greater of the following:

(1) The highest percentage increase in compensation paid to the member during any of the three years immediately preceding the earlier of the member's two highest years of compensation and any subsequent partial year of compensation used in calculating the member's final average salary;

(2) A percentage increase paid to the member as part of an increase generally applicable to members employed by the employer. An increase shall be considered generally applicable if it is paid to members employed by a school district board of education in positions requiring a license issued under section 3319.22 of the Revised Code in accordance with uniform criteria applicable to all such members or if paid to members employed by an employer other than a school district board of education in accordance with uniform criteria applicable to all such members.

(C) The state teachers retirement board shall determine the final average salary of a member as follows:

(1) For benefits beginning before August 1, 2015, by dividing the sum of the member's



annual compensation for the three highest years of compensation for which the member made contributions plus any amount determined under division (E) of this section by three, except that if the member has a partial year of contributing service in the year the member's employment terminates and the compensation for the partial year is at a rate higher than the rate of compensation for any one of the member's highest three years of compensation, the board shall substitute the compensation for the partial year for the compensation for the same portion of the lowest of the member's three highest years of compensation;

(2) For benefits beginning on or after August 1, 2015, by dividing the sum of the member's annual compensation for the five highest years of compensation for which the member made contributions plus any amount determined under division (E) of this section by five, except that if the member has a partial year of contributing service in the year the member's employment terminates and the compensation for the partial year is at a rate higher than the rate of compensation for any one of the member's highest five years of compensation, the board shall substitute the compensation for the partial year for the compensation for the same portion of the lowest of the member's five highest years of compensation.

If a member has less than the requisite years of contributing membership, the member's final average salary shall be the member's total compensation for the period of contributing membership plus any amount determined under division (E) of this section divided by the total years, including any portion of a year, of contributing service.

For the purpose of calculating benefits payable to a member qualifying for service credit under division (I) of section 3307.01 of the Revised Code, the board shall calculate the member's final average salary by dividing the member's total compensation as a teacher covered under this chapter plus any amount determined under division (E) of this section by the total number of years, including any portion of a year, of contributing membership during that period. If contributions were made for less than twelve months, the member's final average salary is the total amount of compensation paid to the member during all periods of contributions under this chapter.

(D) Contributions made by a member ~~and an employer~~ on amounts that, pursuant to division (B) of this section, are not compensation or are not included, pursuant to division (E) of this section, for the purpose of determining final average salary shall be treated as additional deposits to the member's account under section 3307.26 of the Revised Code and used to provide additional annuity income.

(E) The state teachers retirement board shall adopt rules establishing criteria and procedures for administering this division.

The board shall notify each applicant for retirement of any amount excluded from the applicant's compensation in accordance with division (B) of this section and of the procedures established by the board for requesting a hearing on this exclusion.

Any applicant for retirement who has had any amount excluded from the applicant's compensation in accordance with division (B) of this section may request a hearing on this exclusion. Upon receiving such a request, the board shall determine in accordance with its criteria and procedures whether, for good cause as determined by the board, all or any portion of any amount excluded from the applicant's compensation in accordance with division (B) of this section, up to a maximum of seventy-five hundred dollars, is to be included in the determination of final average

salary under division (C) of this section. Any determination of the board under this division shall be final.

Sec. 3307.514. (A) As used in this section:

(1) "Compensation" has the same meaning as in section 3307.01 of the Revised Code except that in the case of an electing employee, "compensation" means the amount that would be the electing employee's compensation if the electing employee was a member of the state teachers retirement system.

(2) "Compensation ratio" means the ratio for the most recent full fiscal year for which the information is available of the total compensation of all electing employees to the sum of the total compensation of all the retirement system's members in the STRS defined benefit plan and the total compensation of all electing employees.

(3) "Electing employee" means a participant in an alternative retirement plan provided pursuant to Chapter 3305. of the Revised Code who would otherwise be a member of the retirement system.

(4) "Historical liability" means the portion of the retirement system's total unfunded actuarial accrued pension liability attributed to the difference between the following:

(a) The cumulative contributions received under division (D) of section 3305.06 of the Revised Code on behalf of electing employees since the establishment of the alternative retirement plan;

(b) The cumulative contributions toward the unfunded actuarial accrued liability of the retirement system that would have been made if the electing employees had been members of the retirement system in the STRS defined benefit plan.

(B) The state teachers retirement board shall contract with an independent actuary to complete an actuarial study to determine the percentage of an electing employee's compensation to be contributed by a public institution of higher education under division (D) of section 3305.06 of the Revised Code. The initial study must be completed and submitted by the board to the department of higher education not later than December 31, 2016. A subsequent study must be completed and submitted not later than the last day of December of every fifth year thereafter.

(C) For the initial study required under this section, the actuary shall determine the percentage described in division (B) of this section as follows:

(1) The actuary shall calculate a percentage necessary to amortize the historical liability over an indefinite period.

(2) The actuary shall calculate a percentage necessary to amortize over a thirty-year period the amount resulting from multiplying the compensation ratio by the difference between the following:

(a) The unfunded actuarial accrued pension liability of the STRS defined benefit plan;

(b) The historical liability.

(3) The percentage to be contributed under division (D) of section 3305.06 of the Revised Code shall be one-fourth of the sum of the percentages calculated under divisions (C)(1) and (2) of this section, not to exceed four and one-half per cent.

(4) To make the calculations and determinations required under divisions (C)(1) and (2) of this section, the actuary shall use the most recent annual actuarial valuation under section 3307.51 of

the Revised Code that is available at the time the study is conducted.

(D) For any study conducted after the initial study required under this section, the actuary shall determine the percentage described in division (B) of this section as follows:

(1) The actuary shall calculate a percentage necessary to amortize over a thirty-year period the amount resulting from multiplying the compensation ratio by the difference between the following:

(a) The unfunded actuarial accrued pension liability of the STRS defined benefit plan under the annual actuarial valuation under section 3307.51 of the Revised Code that is most recent at the time the study is conducted;

(b) The historical liability determined under division (C) of this section.

(2) The percentage to be contributed under division (D) of section 3305.06 of the Revised Code shall be one-fourth of the sum of the percentages calculated under divisions (C)(1) and (D)(1) of this section but not less than one-fourth of the percentage determined under division (C)(1) of this section, except that the percentage shall not exceed four and one-half per cent.

Sec. 3307.53. The state teachers retirement board shall credit a year of service to any teacher participating in the STRS defined benefit plan who is employed on a full-time basis in a school district for the number of months the regular day schools of such district are in session in said district within any year. The board shall adopt appropriate rules and regulations for the determination of credit for less than a complete year of service, and shall be the final authority in determining the number of years of service credit. The board shall credit not more than one year for all service rendered in any year.

~~If concurrent contributions are made to two or more retirement systems, except in the case of retirement as provided in section 3307.351 of the Revised Code, service credit shall be on the basis of the ratio that contributions to this system bear to the total contributions in all such systems.~~

The board shall adopt rules for the purpose of determining the number of years or partial years of service credit to be granted to a member under section 3307.25 of the Revised Code. The amount of service credit shall be based on the member's length of participation in and contribution to an STRS defined contribution plan. The board shall be the final authority in determining the amount of service credit.

Sec. 3307.562. (A) As used in this section and section 3307.66 of the Revised Code:

(1) "Child" means a biological or legally adopted child of a deceased member. If a court hearing for an interlocutory decree for adoption was held prior to the member's death, "child" includes the child who was the subject of the hearing if a final decree of adoption adjudging the member's spouse as the adoptive parent is made subsequent to the member's death.

(2) "Parent" is a parent or legally adoptive parent of a deceased member.

(3) "Dependent" means a beneficiary who receives one-half of the beneficiary's support from a member during the twelve months prior to the member's death.

(4) "Surviving spouse" means an individual who establishes a valid marriage to a member at the time of the member's death by marriage certificate or pursuant to division (E) of this section.

(5) "Survivor" means a spouse, child, or dependent parent.

(B) Except as provided in division (B) of section 3307.563 or division (G)(1) of section 3307.66 of the Revised Code, should a member who is participating in the STRS defined benefit plan

die before service retirement, the member's accumulated contributions, plus an amount calculated in accordance with section 3307.563 of the Revised Code, and any amounts owed and unpaid to a disability benefit recipient shall be paid to such beneficiaries as the member has nominated by written designation signed by the member and received by the state teachers retirement board prior to death. A member may designate two or more persons as beneficiaries to be paid the amount determined under this division. On and after July 1, 2013, and subject to rules adopted by the board, a member who designates two or more persons as beneficiaries shall specify the percentage of the amount that each beneficiary is to be paid. If the member has not specified the percentages, the amount shall be divided equally among the designated beneficiaries. If a designated beneficiary is deceased, the amount allocated to the deceased beneficiary shall be allocated to the remaining beneficiaries based on each remaining beneficiary's initial percentage. The nomination of beneficiary shall be on a form provided by the retirement board. The last nomination of any beneficiary revokes all previous nominations. The member's marriage, divorce, marriage dissolution, legal separation, or withdrawal of account, or the birth of the member's child, or the member's adoption of a child, shall constitute an automatic revocation of the member's previous designation. If a deceased member was also a member of the public employees retirement system or the school employees retirement system, the beneficiary last established among the systems shall be the sole beneficiary in all the systems.

Any beneficiary ineligible for monthly survivor benefits as provided by section 3307.66 of the Revised Code may waive in writing all claim to any benefits and such waiver shall thereby put in effect the succession of beneficiaries under division (C) of this section, provided the beneficiary thereunder is immediately eligible and agrees in writing to accept survivor benefits as provided by section 3307.66 of the Revised Code. If the accumulated contributions of a deceased member are not claimed by a beneficiary, or by the estate of the deceased member, within ten years, they shall be transferred to the guarantee fund and thereafter paid to such beneficiary or to the member's estate upon application to the board. The board shall formulate and adopt rules governing all designations of beneficiaries.

(C) Except as provided in division (G)(1) of section 3307.66 of the Revised Code, if a member dies before service retirement and is not survived by a designated beneficiary, any beneficiaries shall qualify, in the following order of precedence, with all attendant rights and privileges:

- (1) Surviving spouse;
- (2) Children, share and share alike;
- (3) A dependent parent, if that parent elects to take survivor benefits under division (C)(2) of section 3307.66 of the Revised Code;
- (4) Parents, share and share alike;
- (5) Estate.

If any survivor dies before payment is made under this section or is not located prior to the ninety-first day after the board receives notification of the member's death, the survivor next in order of precedence shall qualify as a beneficiary, provided that benefits under division (C)(2) of section 3307.66 of the Revised Code are elected. In the event that the beneficiary originally determined is subsequently located, the beneficiary may qualify for benefits under division (C)(2) of section 3307.66 of the Revised Code upon meeting the conditions of eligibility set forth in division (B) of

that section, but in no case earlier than the first day of the month following application by such beneficiary. Any payment made to a beneficiary as determined by the board shall be a full discharge and release to the board from any future claims.

(D)(1) Any amount due any person, as an annuitant, receiving a monthly benefit, and unpaid to the annuitant at death, shall be paid to the beneficiary named by written designation signed by the annuitant and received by the state teachers retirement board prior to death. If no such designation has been filed, or if the beneficiary designated is deceased or is not located prior to the ninety-first day after the board receives notification of the annuitant's death, such amount shall be paid, in the following order of precedence to the annuitant's:

- (a) Surviving spouse;
- (b) Children, share and share alike;
- (c) Parents, share and share alike;
- (d) Estate.

(2) If there is no beneficiary under division (D)(1) of this section, an amount not exceeding the cost of the annuitant's burial expenses may be paid to the person responsible for the burial expenses.

For purposes of this division an "annuitant" is the last person who received a monthly benefit pursuant to the plan of payment selected by the former member. Such payment shall be a full discharge and release to the board from any future claim for such payment.

(E) If the validity of marriage cannot be established to the satisfaction of the board for the purpose of disbursing any amount due under this section or section 3307.66 of the Revised Code, the board may accept a decision rendered by a court having jurisdiction in the state in which the member was domiciled at the time of death that the relationship constituted a valid marriage at the time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing the distribution of the member's intestate personal property.

(F) As used in this division, "recipient" means an individual who is receiving or may be eligible to receive an allowance or benefit under this chapter based on the individual's service to an employer.

If the death of a member, a recipient, or any individual who would be eligible to receive an allowance or benefit under this chapter by virtue of the death of a member or recipient is caused by one of the following beneficiaries, no amount due under this chapter to the beneficiary shall be paid to the beneficiary in the absence of a court order to the contrary filed with the board:

(1) A beneficiary who is convicted of, pleads guilty to, or is found not guilty by reason of insanity of a violation of or complicity in the violation of either of the following:

- (a) Section 2903.01, 2903.02, or 2903.03 of the Revised Code;
- (b) An existing or former law of any other state, the United States, or a foreign nation that is substantially equivalent to section 2903.01, 2903.02, or 2903.03 of the Revised Code;

(2) A beneficiary who is indicted for a violation of or complicity in the violation of the sections or laws described in division (F)(1)(a) or (b) of this section and is adjudicated incompetent to stand trial;

(3) A beneficiary who is a juvenile found to be a delinquent child by reason of committing an act that, if committed by an adult, would be a violation of or complicity in the violation of the

sections or laws described in division (F)(1)(a) or (b) of this section.

Sec. 3307.58. (A) As used in this section, "qualifying service credit" means ~~credit~~ all of the following:

~~(1) Credit~~ (1) Credit earned under section 3307.53 or for which contributions were made under section 145.47 or 3309.47 of the Revised Code;

~~credit~~ (2) Credit restored under section 145.31, 3307.71, or 3309.26 of the Revised Code;

~~credit~~ (3) Credit purchased under section 145.302, 3307.752, or 3309.022, or division (D) of section 5505.16 of the Revised Code, or obtained under section 742.521 of the Revised Code; ~~and credit~~

(4) Credit obtained under section 3307.761, 3307.763, or 3307.765 of the Revised Code other than military service credit as defined in section 3307.761 of the Revised Code, except that "qualifying service credit" includes credit obtained under section 3307.761, 3307.763, or 3307.765 of the Revised Code that was initially purchased under division (D) of section 5505.16 of the Revised Code or obtained under section 742.521 of the Revised Code.

(B) Any member participating in the STRS defined benefit plan who has attained the applicable combination of age and service credit shall be granted service retirement after filing with the state teachers retirement board a completed application on a form approved by the board.

(1) Except as provided in division (B)(3) of this section, a member is eligible to retire under this division if any of the following is the case:

(a) The member has five or more years of qualifying service credit and has attained age sixty-five;

(b) The member is applying for service retirement following termination of a disability benefit received under section 3307.63 or 3307.631 of the Revised Code and has five or more years of total service credit;

(c) The member meets one of the following requirements:

(i) Before August 1, 2015, has thirty or more years of service credit at any age;

(ii) On or after August 1, 2015, but before August 1, 2017, has thirty-one or more years of service credit at any age;

(iii) On or after August 1, 2017, but before August 1, 2019, has thirty-two or more years of service credit at any age;

(iv) On or after August 1, 2019, but before August 1, 2021, has thirty-three or more years of service credit at any age;

(v) On or after August 1, 2021, but before August 1, 2023, has thirty-four or more years of service credit at any age;

(vi) On or after August 1, 2023, but before August 1, 2026, has thirty-five or more years of service credit at any age;

(vii) On or after August 1, 2026, has thirty-five or more years of service credit and has attained age sixty.

(2) Except as provided in division (B)(3) of this section, a member is eligible to retire under this division if any of the following is the case:

(a) The member has five or more years of qualifying service credit and has attained age sixty;

(b) The member is applying for service retirement following termination of a disability

benefit received under section 3307.63 or 3307.631 of the Revised Code and has five or more years of total service credit;

(c) The member meets one of the following requirements:

(i) Before August 1, 2015, has twenty-five or more years of service credit and has attained age fifty-five;

(ii) On or after August 1, 2015, but before August 1, 2017, has twenty-six or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;

(iii) On or after August 1, 2017, but before August 1, 2019, has twenty-seven or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;

(iv) On or after after August 1, 2019, but before August 1, 2021, has twenty-eight or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;

(v) On or after August 1, 2021, but before August 1, 2023, has twenty-nine or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;

(vi) On or after August 1, 2023, has thirty or more years of service credit at any age.

(3) The board may adjust the retirement eligibility requirements of this section if the board's actuary, in its annual actuarial valuation required by section 3307.51 of the Revised Code or in other evaluations conducted under that section, determines that an adjustment does not materially impair the fiscal integrity of the retirement system or is necessary to preserve the fiscal integrity of the system.

(C) Service retirement shall be effective not earlier than the first day of the month next following the later of:

(1) The last day for which compensation was paid; or

(2) The attainment of minimum age and service credit eligibility for benefits provided under this section.

(D)(1) Except as provided in division (E) of this section, the annual single lifetime benefit of a member whose retirement effective date is before August 1, 2013, shall be the greater of the amounts determined by the member's Ohio service credit multiplied by one of the following:

(a) Eighty-six dollars;

(b) The sum of the following amounts:

(i) For each of the first thirty years of Ohio service credit, two and two-tenths per cent of the member's final average salary or, subject to the limitation described in division (D)(1)(c) of this section, two and five-tenths per cent of the member's final average salary if the member has thirty-five or more years of service credit under section 3307.48, 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.765, 3307.77, or 3307.771 of the Revised Code, division (A)(2) or (B) of former section 3307.513 of the Revised Code, former section 3307.514 of the Revised Code, section 3307.72 of the Revised Code earned after July 1, 1978, or any combination of service credit under those sections;

(ii) For each year or fraction of a year of Ohio service credit in excess of thirty years, two and two-tenths per cent of the member's final average salary or, subject to the limitation described in division (D)(1)(c) of this section, if the member has more than thirty years service credit under

section 3307.48, 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.765, 3307.77, or 3307.771 of the Revised Code, division (A)(2) or (B) of former section 3307.513 of the Revised Code, former section 3307.514 of the Revised Code, section 3307.72 of the Revised Code earned after July 1, 1978, or any combination of service credit under those sections, the per cent of final average salary shown in the following schedule for each corresponding year or fraction of a year of service credit under those sections that is in excess of thirty years:

Year of Service Credit	Per Cent for that Year	Year of Service Credit	Per Cent for that Year
30.01 - 31.00	2.5%	35.01 - 36.00	3.0%
31.01 - 32.00	2.6	36.01 - 37.00	3.1
32.01 - 33.00	2.7	37.01 - 38.00	3.2
33.01 - 34.00	2.8	38.01 - 39.00	3.3
34.01 - 35.00	2.9		

For purposes of this schedule, years of service credit shall be rounded to the nearest one-hundredth of a year.

(c) For purposes of division (D)(1) of this section, a percentage of final average salary in excess of two and two-tenths per cent shall be applied to service credit under section 3307.57 of the Revised Code only if the service credit was established under section 145.30, 145.301, 145.302, 145.47, 145.483, 3309.02, 3309.021, 3309.022, or 3309.47 of the Revised Code or restored under section 145.31 or 3309.26 of the Revised Code.

(2)(a) Except as provided in division (E) of this section, the annual single lifetime benefit of a member whose retirement effective date is on or after August 1, 2013, but before August 1, 2015, shall be the amount determined by the member's Ohio service credit multiplied by the sum of the following amounts:

(i) For each of the first thirty years of Ohio service credit, two and two-tenths per cent of the member's final average salary or, subject to the limitation described in division (D)(2)(b) of this section, two and five-tenths per cent of the member's final average salary if the member has thirty-five or more years of service credit under section 3307.48, 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.765, 3307.77, or 3307.771 of the Revised Code, division (A)(2) or (B) of former section 3307.513 of the Revised Code, former section 3307.514 of the Revised Code, section 3307.72 of the Revised Code earned after July 1, 1978, or any combination of service credit under those sections;

(ii) For each year or fraction of a year of Ohio service credit in excess of thirty years, two and two-tenths per cent of the member's final average salary or, subject to the limitation described in division (D)(2)(b) of this section, if the member has more than thirty years service credit under section 3307.48, 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.765,



3307.77, or 3307.771 of the Revised Code, division (A)(2) or (B) of former section 3307.513 of the Revised Code, former section 3307.514 of the Revised Code, section 3307.72 of the Revised Code earned after July 1, 1978, or any combination of service credit under those sections, the per cent of final average salary shown in the following schedule for each corresponding year or fraction of a year of service credit under those sections that is in excess of thirty years:

Year of Service Credit	Per Cent for that Year	Year of Service Credit	Per Cent for that Year
30.01 - 31.00	2.5%	35.01 - 36.00	3.0%
31.01 - 32.00	2.6	36.01 - 37.00	3.1
32.01 - 33.00	2.7	37.01 - 38.00	3.2
33.01 - 34.00	2.8	38.01 - 39.00	3.3
34.01 - 35.00	2.9		

For purposes of this schedule, years of service credit shall be rounded to the nearest one-hundredth of a year.

(b) For purposes of division (D)(2)(a)(ii) of this section, a percentage of final average salary in excess of two and two-tenths per cent shall be applied to service credit under section 3307.57 of the Revised Code only if the service credit was established under section 145.30, 145.301, 145.302, 145.47, 145.483, 3309.02, 3309.021, 3309.022, or 3309.47 of the Revised Code or restored under section 145.31 or 3309.26 of the Revised Code.

(3) Except as provided in division (E) of this section, the annual single lifetime benefit of a member whose retirement effective date is on or after August 1, 2015, shall be the amount determined by the member's service credit multiplied by two and two-tenths per cent of the member's final average salary.

(E)(1) The annual single lifetime benefit of a member described in division (B)(2) of this section whose service retirement is effective before August 1, 2015, shall be adjusted by the greater per cent shown in the following schedule opposite the member's attained age or Ohio service credit.

Attained Age	or	Years of Ohio Service Credit	Per Cent of Base Amount
58		25	75%
59		26	80
60		27	85
61			88

	28	90
62		91
63		94
	29	95
64		97
65	30 or more	100

(2) The annual single lifetime benefit of a member described in division (B)(2) of this section whose service retirement is effective on or after August 1, 2015, shall be reduced by a percentage determined by the board's actuary for each year the member retires before attaining the applicable age and service credit specified in division (B)(1) of this section. The board's actuary may use an actuarially based average percentage reduction for this purpose.

(F) Notwithstanding any other provision of this section, on application, a member who, as of July 1, 2015, has five or more years of Ohio service credit and has attained age sixty, has twenty-five or more years of Ohio service credit and has attained age fifty-five, or has thirty or more years of Ohio service credit shall be granted service retirement according to former section 3307.58 of the Revised Code as in effect immediately prior to January 7, 2013. The member's benefit shall be the greater of the amount the member would have been eligible for had the member retired effective July 1, 2015, or the amount determined under division (D)(3) of this section.

(G) The annual single lifetime benefit determined under division (D) or (E) of this section shall not exceed the lesser of one hundred per cent of the final average salary or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

(H) The annual single lifetime benefit of a member whose retirement effective date is before August 1, 2013, shall be the greater of the amounts determined under division (D)(1) or (E)(1) of this section as appropriate or under this division. The benefit shall not exceed the lesser of the sum of the following amounts or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended:

- (1) An annuity with a reserve equal to the member's accumulated contributions;
- (2) A pension equal to the amount in division (H)(1) of this section;
- (3) An additional pension of forty dollars annually multiplied by the number of years of prior and military service credit, except years of credit purchased under section 3307.751 or 3307.752 of the Revised Code.

(I) If a member's disability benefit was terminated under section 3307.48 of the Revised Code and the member's retirement under this section is effective on the first day of the month following the last day for which the disability benefit was paid, the member's annual single lifetime benefit determined under division (D) or (E) of this section shall be increased by a percentage equal to the total of any percentage increases the member received under section 3307.67 of the Revised Code, plus any additional amount the member received under this chapter while receiving the disability benefit. The increase shall be based on the plan of payment selected by the member under section 3307.60 of the Revised Code. However, the benefit used to calculate any future increases under

section 3307.67 of the Revised Code shall be based on the plan of payment selected by the member, plus any additional amount added to the benefit determined under this division that established a new base benefit to the member.

(J) Benefits determined under this section shall be paid as provided in section 3307.60 of the Revised Code.

Sec. 3307.63. A member participating in the STRS defined benefit plan who has elected disability coverage under this section, has not attained age sixty, and is determined by the state teachers retirement board under section 3307.62 of the Revised Code to qualify for a disability benefit shall be retired on disability under this section.

Upon disability retirement, a member shall receive an annual amount that shall consist of:

(A) An annuity having a reserve equal to the amount of the member's accumulated contributions at that time;

(B) A pension that shall be the difference between the annuity and an annual amount determined by multiplying the number of years of Ohio service credit of such member, and in addition the number of years and fraction of a year between the effective date of the member's disability retirement and the date the member attained age sixty, assuming continuous service, ~~by eighty-six dollars, or by two per cent of the member's final average salary, whichever is greater.~~ Such disability retirement shall not be less than thirty per cent nor more than seventy-five per cent of the member's final average salary, except that it shall not exceed any limit to which the retirement system is subject under section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

If the member is not receiving a disability benefit under section 3307.57 of the Revised Code, but is receiving a disability benefit from either the public employees retirement system or the school employees retirement system, then such member shall not be eligible for service credit based upon the number of years and fractions thereof between the date of disability and the date the member attained age sixty as otherwise provided in this section.

A disability retirant under this section whose disability retirement has been terminated, when eligible, may apply for service retirement provided by section 3307.58 of the Revised Code.

Sec. 3307.66. (A) As used in this section:

(1) "Physically or mentally incompetent" means incapable of earning a living because of a physically or mentally disabling condition. Physical or mental incompetency may be determined by a court or by a doctor of medicine or osteopathic medicine appointed by the state teachers retirement board.

(2) "Qualifying service credit" has the same meaning as in section 3307.58 of the Revised Code.

(B) For the purposes of this section:

(1) A qualified spouse is the surviving spouse of a deceased member of the state teachers retirement system participating in the STRS defined benefit plan who is one of the following:

(a) Sixty-two years of age or older or any age if the deceased member had ten or more years of Ohio service credit;

(b) Caring for a qualified child;

(c) Adjudged physically or mentally incompetent at the time of the member's death and has

remained continuously incompetent;

(d) Any age if the deceased member was eligible for a service retirement allowance as provided in section 3307.58 of the Revised Code and the surviving spouse elects to receive a benefit under division (C)(1) of this section.

(2) A qualified child is a person who is the child of a deceased member participating in the STRS defined benefit plan to whom both of the following apply:

(a) Never married;

(b) Meets ~~one~~ either of the following age-related requirements:

(i) Is under age ~~eighteen~~;

~~(ii) Is under age twenty-two if attending an institution of learning or training pursuant to a program designed to complete in each school year the equivalent of at least two-thirds of the full-time curriculum requirements of such institution and as further determined by board policy;~~

~~(iii) (i) Is any age if adjudged physically or mentally incompetent, if the person became incompetent prior to attainment of age eighteen or prior to age twenty-two if attending an institution of learning or training described in division (B)(2)(b)(ii) of this section, and has remained continuously incompetent.~~

(3) A qualified parent is a dependent parent of a deceased member participating in the STRS defined benefit plan who is age sixty-five or older.

(4) A person is a "qualified survivor" if the person qualifies as a surviving spouse, child, or dependent parent.

(C) Except as provided in division (G)(1) of this section, in lieu of accepting the payment of the accumulated account of a member participating in the STRS defined benefit plan who dies before service retirement, a beneficiary, as determined in section 3307.562 of the Revised Code, may elect to forfeit the accumulated account and to substitute benefits under this division.

(1) If a deceased member was eligible for a service retirement allowance as provided in section 3307.58 or 3307.59 of the Revised Code, a surviving spouse or an individual designated as the member's sole beneficiary pursuant to division (B) of section 3307.562 of the Revised Code who was a qualified child or dependent parent of the member or received one-half or more of support from the member during the twelve-month period preceding the member's death may elect to receive a monthly benefit computed as the joint-survivor allowance designated as option 1 in section 3307.60 of the Revised Code, which the member would have received had the member retired on the last day of the month of death and had the member at that time selected such joint-survivor plan.

(2)(a) A surviving spouse or other qualified survivor may elect to receive monthly benefits under division (C)(2) of this section if any of the following apply:

(i) The deceased member had service credit on account on June 30, 2013, and had completed at least one and one-half years of qualifying service credit, with at least one-quarter year of qualifying service credit within the two and one-half years prior to the date of death, or, if the member did not have service credit on account on June 30, 2013, had completed at least five years of qualifying service credit and died not later than one year after the date contributing service terminated.

(ii) The member was receiving at the time of death a disability benefit as provided in section 3307.63 or 3307.631 of the Revised Code.

(iii) The member was receiving, within twelve months prior to the date of death, a disability benefit as provided in section 3307.63 or 3307.631 of the Revised Code and was contributing under this chapter or Chapter 145. or 3309. of the Revised Code at the time of death.

(b) The surviving spouse or other qualified survivor shall elect one of the following methods of calculating benefits elected under division (C)(2) of this section, which shall, except as provided in division (G)(1) of this section, remain in effect without regard to any change in the number of qualified survivors:

		Or
(i) Number of qualified survivors	Annual benefit as a per cent of member's final average salary	<del>Monthly benefit shall not be less than</del>
1	25%	<del>\$96</del>
2	40	<del>186</del>
3	50	<del>236</del>
4	55	<del>236</del>
5 or more	60	<del>236</del>
	Annual benefit as a per cent of member's final average salary	
(ii) Years of service	final average salary	
20	29%	
21	33	
22	37	
23	41	
24	45	
25	48	
26	51	
27	54	
28	57	
29 or more	60	

(3)(a) If at the time of death the deceased member was receiving a disability benefit under section 3307.63 or 3307.631 of the Revised Code, the benefit elected under division (C)(1) or (2) of this section shall be increased by a percentage equal to the total of any percentage increases the member received under section 3307.67 of the Revised Code, plus any additional amount the member received under this chapter while receiving the disability benefit. The increase shall be based

on the benefit determined under division (C)(1) or (2) of this section. ~~However, the~~ The benefit used to calculate any future increases under section 3307.67 of the Revised Code shall be the benefit determined under division (C)(1) or (2) of this section, plus any additional amounts added to the benefit determined under this division that established a new base benefit to the deceased member.

(b) If eligibility for a benefit under division (C)(1) or (2) of this section is not established until more than one year after the member's death, the annual benefit shall be increased by a percentage equal to the total of the percentage increases that would have been made under section 3307.67 of the Revised Code, plus any additional amount that would have been paid under this chapter had the benefit begun in the year in which the member died. However, the benefit used to calculate any future increases under section 3307.67 of the Revised Code shall be the benefit determined under division (C)(1) or (2) of this section, plus any additional amounts added to the benefit determined under this division that established a new base benefit to the deceased member.

(D) If a benefit is calculated pursuant to division (C)(2)(b)(i) of this section, benefits to a surviving spouse shall be paid in the amount determined for the first qualifying survivor in division (C)(2)(b)(i) of this section, ~~but shall not be less than one hundred six dollars per month if the deceased member had ten or more years of qualifying service credit.~~ All other qualifying survivors shall share equally in the benefit or remaining portion thereof.

If a benefit is calculated pursuant to division (C)(2)(b)(ii) of this section and is payable to more than one qualified survivor, the benefit shall be apportioned equally among the qualified survivors, except that if there is a surviving spouse, the portion of the benefit allocated to the surviving spouse shall be as follows:

Number of survivors	Spouse's share of total benefit
2	62.5%
3	50.0%
4	45.45%
5 or more	41.67%

(E) A qualified survivor shall file with the board an application for benefits payable under this section. Payments shall begin on whichever of the following applies:

(1) If application is received not later than one year after the date of the member's death, benefits shall begin on the first day of the month following the date of death.

(2) If application is received later than one year from the date of death, benefits shall begin on the first day of the month immediately following receipt of application by the board.

Benefits to a qualified survivor shall terminate upon a first marriage, abandonment, or adoption. The termination of benefits is effective on the first day of the month following the day the person ceases to be a qualified survivor. Benefits to a deceased member's surviving spouse that were terminated under a former version of this section that required termination due to remarriage and were not resumed prior to ~~the effective date of this amendment~~ September 16, 1998, shall resume on the first day of the month immediately following receipt by the board of an application on a form provided by the board.

Benefits to a qualified child who is at least eighteen years of age but under twenty-two years of age that under a former version of this section never commenced or were terminated due to a lack of attendance at an institution of learning or training and not commenced or resumed before the effective date of this amendment shall commence or resume on the first day of the month immediately following receipt by the board of an application on a form provided by the board, if the application is received on or before the fifteenth day of a month. These benefits terminate on the child attaining twenty-two years of age.

Upon the death of any subsequent spouse who was a member of the public employees retirement system, state teachers retirement system, or school employees retirement system, the surviving spouse of such member may elect to continue receiving benefits under this division, or to receive survivor's benefits, based upon the subsequent spouse's membership in one or more of the systems, for which such surviving spouse is eligible under this section or section 145.45 or 3309.45 of the Revised Code. If the surviving spouse elects to continue receiving benefits under this division, such election shall not preclude the payment of benefits under this division to any other qualified survivor.

(F) The beneficiary of a member who is also a member of the public employees retirement system, or the school employees retirement system, must forfeit the member's accumulated contributions in those systems, if the beneficiary elects to receive a benefit under division (C) of this section. Such benefit shall be exclusively governed by section 3307.57 of the Revised Code.

(G)(1) Regardless of whether the member is survived by a spouse or designated beneficiary, if the state teachers retirement system receives notice that a deceased member described in division (C)(1) or (2) of this section has one or more qualified children, all persons who are qualified survivors under division (C)(2) of this section shall receive monthly benefits as provided in division (C)(2) of this section.

If, after determining the monthly benefits to be paid under division (C)(2) of this section, the system receives notice that there is a qualified survivor who was not considered when the determination was made, the system shall, notwithstanding section 3307.42 of the Revised Code, recalculate the monthly benefits with that qualified survivor included, even if the benefits to qualified survivors already receiving benefits are reduced as a result. The benefits shall be calculated as if the qualified survivor who is the subject of the notice became eligible on the date the notice was received and shall be paid to qualified survivors effective on the first day of the first month following the system's receipt of the notice.

If the system did not receive notice that a deceased member has one or more qualified children prior to making payment under section 3307.562 of the Revised Code to a beneficiary as determined by the system, the payment is a full discharge and release of the system from any future claims under this section or section 3307.562 of the Revised Code.

(2) If benefits under division (C)(2) of this section to all persons, or to all persons other than a surviving spouse or sole beneficiary, terminate, there are no children under the age of twenty-two years, and the surviving spouse or beneficiary qualifies for benefits under division (C)(1) of this section, the surviving spouse or beneficiary may elect to receive benefits under division (C)(1) of this section. The benefit shall be calculated based on the age of the spouse or beneficiary at the time of the member's death and is effective on the first day of the month following receipt by the board of an

application for benefits under division (C)(1) of this section.

(H) If the benefits due and paid under division (C) of this section are in a total amount less than the member's accumulated account that was transferred from the teachers' savings fund, school employees retirement fund, and public employees retirement fund, to the survivors' benefit fund, then the difference between the total amount of the benefits paid shall be paid to the beneficiary under section 3307.562 of the Revised Code.

Sec. 3307.67. (A) Except as provided in divisions (D) and (E) of this section, the state teachers retirement board shall annually increase each allowance or benefit payable under the STRS defined benefit plan. Through July 31, 2013, the increase shall be three per cent. On and after August 1, 2013, the increase shall be two per cent. No allowance or benefit shall exceed the limit as annually determined pursuant to section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, and regulations adopted pursuant thereto but before August 1, 2013. The limit may be adjusted in accordance with rules adopted by the board.

(B) The first increase is payable to all persons becoming eligible ~~for as follows:~~

~~(1) For an allowance or benefit after June 30, 1971 beginning on or after July 1, 1971, but before August 1, 2013, upon such persons receiving an allowance or benefit for twelve months;~~

~~(2) For an allowance or benefit beginning on or after August 1, 2013, that was immediately preceded by a disability benefit effective before that date but terminated on or after it, upon the date that would have been the disability benefit's next anniversary date;~~

~~(3) For an allowance or benefit beginning on or after August 1, 2013, except for an allowance or benefit that was immediately preceded by a disability benefit granted prior to that date that has been terminated described in division (B)(2) of this section, the first increase is payable upon such persons receiving an allowance or benefit for sixty months.~~

The increased amount is payable for the ensuing twelve-month period or until the next increase is granted under this section, whichever is later. Subsequent increases shall be determined from the date of the first increase paid to the former member in the case of an allowance being paid a beneficiary under an option, or from the date of the first increase to the survivor first receiving an allowance or benefit in the case of an allowance or benefit being paid to the subsequent survivors of the former member.

The date of the first increase under this section becomes the anniversary date for any future increases.

The allowance or benefit used in the first calculation of an increase under this section shall remain as the base for all future increases, unless a new base is established.

(C) If payment of a portion of a benefit is made to an alternate payee under section 3307.371 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.

If payment of a portion of a benefit is made to one or more beneficiaries under "option 4" under division (A)(4) of section 3307.60 of the Revised Code, each increase under this section granted while the plan of payment is in effect shall be divided among the designated beneficiaries in accordance with the portion each beneficiary has been allocated.

The apportioned increases under this section shall begin with increases granted on or after



October 27, 2006.

(D) The board shall not make the increases it would otherwise make during the period July 1, 2013, through June 30, 2014, to persons granted an allowance or benefit prior to July 1, 2013. The board shall not increase any allowance or benefit granted on July 1, 2013, until July 1, 2015.

(E) The board may adjust the increase payable under this section if the board's actuary, in its annual actuarial valuation required by section 3307.51 of the Revised Code or in other evaluations conducted under that section, determines that an adjustment does not materially impair the fiscal integrity of the retirement system or is necessary to preserve the fiscal integrity of the system.

(F) The board shall make all rules necessary to carry out this section.

Sec. 3307.71. (A)(1) Except as provided in this section, section 3305.05, or section 3305.051 of the Revised Code, a member or former member of the state teachers retirement system participating in the STRS defined benefit plan who has at least one and one-half years of contributing service credit in this system, the public employees retirement system, the school employees retirement system, the Ohio police and fire pension fund, or the state highway patrol retirement system after the withdrawal and cancellation of service credit in this system may restore all or part of such service credit by repayment of the amount withdrawn. To this amount shall be added interest at a rate per annum, compounded annually, to be determined by the state teachers retirement board. Interest shall be payable from the first of the month of withdrawal through the month of repayment.

(2) If the accumulated contributions were withdrawn under section 3307.561 of the Revised Code, service credit may be restored only if the member or former member accrued one and one-half years of service credit after the withdrawal and cancellation of service credit in this system.

(B) A member may choose to purchase only part of such credit in any one payment. The cost for restoring partial service shall be calculated as the proportion that it bears to the total cost at the time of purchase and is subject to the rules established by the board. If a former member is eligible to buy the service credit as a member of the Ohio police and fire pension fund, the state highway patrol retirement system, or the city of Cincinnati Retirement System, the former member is ineligible to restore that service credit under this section.

(C) The total payment to restore canceled service credit shall be credited as follows:

~~(1) The amount that equals contributions made pursuant to section 3307.26 of the Revised Code, plus any interest on the contributions paid by the member pursuant to this section, to the member's account in the teachers' savings fund;~~

~~(2) The amount that equals the amount paid under section 3307.563 of the Revised Code, to the employers trust fund;~~

~~(3) The remainder of the payment to restore canceled service credit, to the guarantee fund~~

To the member's account in the teachers' savings fund, the portion of the payment that consists of contributions made under section 3307.26 of the Revised Code, any interest on the contributions received by the member under division (A) of section 3307.563 of the Revised Code, and any interest paid under division (A)(1) of this section;

(2) To the employers trust fund, the portion of the payment that consists of any amounts received by the member under division (A)(3)(b) of section 3307.563 of the Revised Code and any interest paid under division (A)(1) of this section.

Sec. 3307.763. (A) If the conditions described in division (B) of section 3307.762 of the

Revised Code are met, a member of the state teachers retirement system who is not receiving a pension or benefit from the state teachers retirement system is eligible to obtain credit for service as a member of the Cincinnati retirement system under this section.

(B) A member of the state teachers retirement system participating in the STRS defined benefit plan who has contributions on deposit with, but is no longer contributing to, the Cincinnati retirement system shall, in computing years of service credit, be given credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, ~~for~~ all of the following conditions are met:

(1) The member's service credit in the state teachers retirement system is greater than the amount of credit that would be obtained under this division.

(2) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(3) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the state teachers retirement system that the credit has been obtained.

(4) For each year of service, the Cincinnati retirement system transfers to the state teachers retirement system the sum of the following:

~~(1)-(a)~~ (a) The amount contributed by the member, or, in the case of military service credit, paid by the member, that is attributable to the year of service;

~~(2)-(b)~~ (b) An amount equal to the lesser of the employer's contributions to the Cincinnati retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the state teachers retirement system at the time the credit was earned;

~~(3)-(c)~~ (c) Interest on the amounts specified in divisions (B)~~(1)-(4)(a)~~ and ~~(2)-(b)~~ of this section from the last day of the year for which service credit was earned or in which payment was made for military service credit to the date the transfer is made.

(C) A member of the state teachers retirement system with at least one and one-half years of contributing service credit with the state teachers retirement system who has received a refund of the member's contributions to the Cincinnati retirement system shall, ~~in computing years of service, be given~~ may obtain credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, ~~for~~ all of the following conditions are met:

(1) The member's service credit in the state teachers retirement system is greater than the amount of credit that would be obtained under this division.

(2) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(3) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the state teachers retirement system that the credit has been obtained.

(4) For each year of service, the state teachers retirement system receives the sum of the following:

~~(1)-(a)~~ (a) An amount, paid by the member, equal to the sum of the following:

~~(a)-(i)~~ (i) The amount refunded by the Cincinnati retirement system to the member for that year for contributions and payments for military service credit, with interest at a rate established by the state teachers retirement board on that amount from the date of the refund to the date of payment;

~~(b)(ii)~~ The amount of interest, if any, the member received when the refund was made that is attributable to the year of service.

~~(2)(b)~~ An amount, transferred by the Cincinnati retirement system to the state teachers retirement system, equal to the sum of the following:

~~(a)(i)~~ Interest on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;

~~(b)(ii)~~ An amount equal to the lesser of the employer's contributions to the Cincinnati retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the state teachers retirement system at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

(D) The amount transferred under division ~~(C)(2)(a)-(4)(b)(i)~~ of this section shall not include any amount of interest the Cincinnati retirement system paid to the person when it made the refund.

(E) On receipt of payment from the member under division ~~(C)(1)-(4)(a)~~ of this section, the state teachers retirement system shall notify the Cincinnati retirement system. On receipt of the notice, the Cincinnati retirement system shall transfer the amount described in division ~~(C)(2)-(4)(b)~~ of this section.

(F) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall be calculated at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

(G) At the request of the state teachers retirement system, the Cincinnati retirement system shall certify to the state teachers retirement system a copy of the records of the service and contributions of a state teachers retirement system member who seeks service credit under this section.

(H) A member may choose to purchase only part of the credit the member is eligible to purchase under division (C) of this section ~~in any one payment~~, subject to rules of the state teachers retirement board.

(I) A member is ineligible to obtain credit under this section for service that is used in the calculation of any retirement benefit currently being paid or payable in the future.

(J) The state teachers retirement board shall credit to the member's account in the teachers' savings fund the amounts described in divisions ~~(B)(1)-(4)(a)~~ and ~~(C)(1)(4)(a)(i)~~ of this section, except that interest paid by the member under division ~~(C)(1)(4)(a)(i)~~ of this section shall be credited to the employers' trust fund. The board shall credit to the employers' trust fund the amounts described in divisions ~~(B)(2)(4)(b)~~, ~~(B)(3)(4)(c)~~, ~~(C)(1)(b)(4)(a)(ii)~~, and ~~(C)(2)-(4)(b)~~ of this section.

(K) The state teachers retirement system shall withdraw credit obtained under this section and refund all amounts paid or transferred to obtain the credit if either of the following occurs:

(1) The member fails to retire or accept a disability benefit not later than ninety days after receiving notice from the state teachers retirement system that credit has been obtained under this section.

(2) The member's application for a disability benefit is denied.

Sec. 3307.764. (A) If the conditions described in division (B) of section 3307.762 of the Revised Code are met and a person who is a member or former member of the state teachers retirement system through participation in the STRS defined benefit plan, but is not a current contributor and who is not receiving a pension or benefit from the state teachers retirement system elects to receive credit under the Cincinnati retirement system for service for which the person contributed to the state teachers retirement system or purchased or obtained as military service credit, the state teachers retirement system shall transfer the amounts specified in division (B) or (C) of this section to the Cincinnati retirement system.

(B) If the person has contributions on deposit with the state teachers retirement system, ~~the retirement system shall, for~~ the person may obtain credit if all of the following conditions are met:

(1) The member's service credit in the Cincinnati retirement system is greater than the amount of credit that would be obtained under this division.

(2) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(3) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the state teachers retirement system that the credit has been obtained.

(4) For each year of service credit, ~~transfer the retirement system transfers~~ to the Cincinnati retirement system the sum of the following:

(1)-(a) An amount equal to the person's contributions to the state teachers retirement system and payments made by the member for military service credit;

(2)-(b) An amount equal to the lesser of the employer's contributions to the state teachers retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system at the time the credit was earned;

(3)-(c) Interest on the amounts specified in divisions (B)(1)-(4)(a) and (2)-(b) of this section for the period from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the transfer was made.

(C)(1) If the person has received a refund of accumulated contributions to the state teachers retirement system, ~~the state teachers retirement system shall, for~~ person may obtain credit if all of the following conditions are met:

(a) The member's service credit in the Cincinnati retirement system is greater than the amount of credit that would be obtained under this division.

(b) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(c) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the state teachers retirement system that the credit has been obtained.

(d) For each year of service credit, ~~transfer the retirement system transfers~~ to the Cincinnati retirement system the sum of the following:

(a)-(i) Interest on the amount refunded to the former member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;

(b)-(ii) An amount equal to the lesser of the employer's contributions to the state teachers retirement system or the amount that would have been contributed by the employer for the service

had the person been a member of the Cincinnati retirement system at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

(2) The amount transferred under division (C)(1)(d) of this section shall not include any amount added to the member's accumulated contributions under section 3307.563 of the Revised Code and paid under section 3307.56 or 3307.562 of the Revised Code.

(3) On receipt of notice from the Cincinnati retirement system that the Cincinnati retirement system has received payment from a person described in division (C)(1)(d) of this section, the state teachers retirement system shall transfer the amount described in that division.

(D) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall be calculated at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

(E) The transfer of any amount under this section cancels an equivalent amount of service credit.

(F) At the request of the Cincinnati retirement system, the state teachers retirement system shall certify to the Cincinnati retirement system a copy of the records of the service and contributions of a member or former member of the state teachers retirement system who elects to receive service credit under the Cincinnati retirement system.

Sec. 3307.77. (A) As used in this section, "employer" means the employer employing a member of the state teachers retirement system at the time the member commences an absence, or is granted a leave described in this section.

(B) Any member of the state teachers retirement system participating in the STRS defined benefit plan or the STRS combined plan who is, or has been, prevented from making contributions under section 3307.26 of the Revised Code because of an absence due to the member's own illness or injury, or who is, or has been, granted a leave for educational, professional, or other purposes pursuant to section 3319.13, 3319.131, or 3345.28 of the Revised Code or for any other reason approved by the state teachers retirement board, may purchase service credit, not to exceed two years for each such period of absence or leave, either by having deductions made in accordance with division (C) of this section or by making the payment required by division (D) of this section.

(C) If the absence or leave begins and ends in the same year, the member may purchase credit for the absence or leave by having the employer deduct and transmit to the system from payrolls in that year employee contributions on the amount certified by the employer as the compensation the member would have received had the member remained employed in the position held when the absence or leave commenced. The deductions may be made even though the minimum compensation provided by law for the member is reduced thereby, unless the amount to be deducted exceeds the compensation to be paid the member from the time deductions begin until the end of the year, in which case credit may not be purchased under this division. The employer shall pay the system the employer contributions on the compensation amount certified under this division. Employee and employer contributions shall be made at the rates in effect at the time the absence or leave occurred. If the employee or employer rates in effect change during the absence or leave, the contributions for each month of the absence or leave shall be made at the rate in effect for that month.

(D) If the absence or leave does not begin and end in the same year or the member does not purchase the credit under division (C) of this section, a member may purchase credit for the absence or leave by paying ~~the employer, and the employer transmitting~~ to the system; the sum of the following for each year of credit purchased:

(1) An amount determined by multiplying the employee rate of contribution in effect at the time the absence or leave commenced by the member's annual compensation for the member's last full year of service prior to the commencement of the absence or leave, or, if the member has not had a full year of service, the compensation the member would have received for the year the absence or leave commenced had the member continued in service for a full year;

(2) Interest compounded annually, at a rate determined by the board, on the amount determined under division (D)(1) of this section from the day following the last day of the year in which the absence or leave terminated to the date of payment;

(3) Interest compounded annually, at a rate determined by the board, on an amount equal to the employer's contribution required by this division from the day following the last day of the year in which the absence or leave terminated to the date of payment.

The employer shall pay to the system for each year of credit purchased under this division an amount determined by multiplying the employer contribution rate in effect at the time the absence or leave commenced by the member's annual compensation for the member's last full year of service prior to the commencement of the absence or leave, or, if the member has not had a full year of service, the compensation the member would have received for the year the absence or leave commenced had the member continued in service for a full year.

(E) A member who chooses to purchase service credit under division (D) of this section may choose to purchase only part of the credit for which the member is eligible in any one payment.

(F) The state teachers retirement board may adopt rules to implement this section.

Sec. 3307.78. (A) As used in this section, "school board member" means a member of a city, local, exempted village, or joint vocational school district board of education and "governing board member" means a member of an educational service center governing board.

(B) A member of the state teachers retirement system participating in the STRS defined benefit plan ~~who does both of the following~~ may purchase credit under section 3307.70 of the Revised Code for service as a school board or governing board member, other than service subject to the tax on wages imposed by the "Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 U.S.C.A. 3101, as amended, ~~if the member is eligible to retire under this chapter or will become eligible to retire as a result of purchasing the credit:~~

~~(1) Agrees to retire within ninety days after receiving notice of the additional liability under division (C) of this section;~~

~~(2) Provides . The member must provide~~ evidence satisfactory to the state teachers retirement board of service as a school board or governing board member during the years for which the member wishes to purchase credit.

Credit may be purchased for service as a school board or governing board member between September 1, 1920, and the first day of January of the year in which the credit is purchased. A member is eligible to purchase one-quarter of a year's credit for each year of service as a school board or governing board member.

~~(C) On receipt of a request from a member eligible to purchase credit described in this section, the system shall obtain from its actuary certification of the additional liability to the system for each quarter year of credit the member is eligible to purchase and shall notify the member of such additional liability. Within ninety days after receiving notice of the additional liability, the member may purchase in quarter-year increments any portion of the credit the member is eligible to purchase. Payment shall be made in full at the time of purchase.~~

~~(D) If the member does not retire within ninety days after purchasing credit described in this section, the system shall withdraw the credit and refund the amount paid by the member.~~

Sec. 3309.01. As used in this chapter:

(A) "Employer" or "public employer" means boards of education, school districts, joint vocational districts, governing authorities of community schools established under Chapter 3314. of the Revised Code, a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code, educational institutions, technical colleges, state, municipal, and community colleges, community college branches, universities, university branches, other educational institutions, or other agencies within the state by which an employee is employed and paid, including any organization using federal funds, provided the federal funds are disbursed by an employer as determined by the above. In all cases of doubt, the school employees retirement board shall determine whether any employer is an employer as defined in this chapter, and its decision shall be final.

(B) "Employee" means all of the following:

(1) Any person employed by a public employer in a position for which the person is not required to have a certificate or license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code;

(2) Any person who performs a service common to the normal daily operation of an educational unit even though the person is employed and paid by one who has contracted with an employer to perform the service, and the contracting board or educational unit shall be the employer for the purposes of administering the provisions of this chapter;

(3) Any person, not a faculty member, employed in any school or college or other institution wholly controlled and managed, and wholly or partly supported by the state or any political subdivision thereof, the board of trustees, or other managing body of which shall accept the requirements and obligations of this chapter.

In all cases of doubt, the school employees retirement board shall determine whether any person is an employee, as defined in this division, and its decision is final.

(C) "Prior service" means all service rendered prior to September 1, 1937:

(1) As an employee as defined in division (B) of this section;

(2) As an employee in a capacity covered by the public employees retirement system or the state teachers retirement system;

(3) As an employee of an institution in another state, service credit for which was procured by a member under the provisions of section 3309.31 of the Revised Code.

Prior service, for service as an employee in a capacity covered by the public employees retirement system or the state teachers retirement system, shall be granted a member under qualifications identical to the laws and rules applicable to service credit in those systems.

Prior service shall not be granted any member for service rendered in a capacity covered by the public employees retirement system, the state teachers retirement system, and this system in the event the service credit has, in the respective systems, been received, waived by exemption, or forfeited by withdrawal of contributions, except as provided in this chapter.

If a member who has been granted prior service should, subsequent to September 16, 1957, and before retirement, establish three years of contributing service in the public employees retirement system, or one year in the state teachers retirement system, then the prior service granted shall become, at retirement, the liability of the other system, if the prior service or employment was in a capacity that is covered by that system.

The provisions of this division shall not cancel any prior service granted a member by the school employees retirement board prior to August 1, 1959.

(D) "Total service," "total service credit," or "Ohio service credit" means all contributing service of a member of the school employees retirement system, and all prior service, computed as provided in this chapter, and all service established pursuant to sections 3309.31, 3309.311, and 3309.33 of the Revised Code. In addition, "total service" includes any period, not in excess of three years, during which a member was out of service and receiving benefits from the state insurance fund, provided the injury or incapacitation was the direct result of school employment.

(E) "Member" means any employee, except an SERS retirant or other system retirant as defined in section 3309.341 of the Revised Code, who has established membership in the school employees retirement system. "Member" includes a disability benefit recipient.

(F) "Contributor" means any person who has an account in the employees' savings fund. When used in the sections listed in division (B) of section 3309.82 of the Revised Code, "contributor" includes any person participating in a plan established under section 3309.81 of the Revised Code.

(G) "Retirant" means any former member who retired and is receiving a service retirement allowance or commuted service retirement allowance as provided in this chapter.

(H) "Beneficiary" or "beneficiaries" means the estate or a person or persons who, as the result of the death of a contributor or retirant, qualifies for or is receiving some right or benefit under this chapter.

(I) "Interest," as specified in division (E) of section 3309.60 of the Revised Code, means interest at the rates for the respective funds and accounts as the school employees retirement board may determine from time to time, ~~except as follows:-~~

~~(1) The rate of interest credited on employee contributions at retirement shall be four per cent per annum, compounded annually, to and including June 30, 1955; three per cent per annum, compounded annually, from July 1, 1955, to and including June 30, 1963; three and one-quarter per cent per annum, compounded annually, from July 1, 1963, through June 30, 1966; and thereafter, four per cent per annum compounded annually until a change in the amount is recommended by the system's actuary and approved by the retirement board. Subsequent to June 30, 1959, the retirement board shall discontinue the annual crediting of current interest on a contributor's accumulated contributions. Noncrediting of current interest shall not affect the rate of interest at retirement guaranteed under this division.~~

~~(2) In determining the reserve value for purposes of computing the amount of the~~



~~contributor's annuity, the rate of interest used in the annuity values shall be four per cent per annum through September 30, 1956; three per cent per annum compounded annually from October 1, 1956, through June 30, 1963; three and one-quarter per cent per annum compounded annually from July 1, 1963, through June 30, 1966; and, thereafter, four per cent per annum compounded annually until a change in the amount is recommended by the system's actuary and approved by the retirement board. In the purchase of out-of-state service credit as provided in section 3309.31 of the Revised Code, and in the purchase of an additional annuity, as provided in section 3309.47 of the Revised Code, interest shall be computed and credited to reserves therefor at the rate the school employees retirement board shall fix as regular interest thereon.~~

(J) "Accumulated contributions" means the sum of all amounts credited to a contributor's account in the employees' savings fund together with any regular interest credited thereon at the rates approved by the retirement board prior to retirement.

(K) "Final average salary" means the sum of the annual compensation for the three highest years of compensation for which contributions were made by the member, divided by three. If the member has a partial year of contributing service in the year in which the member terminates employment and the partial year is at a rate of compensation that is higher than the rate of compensation for any one of the highest three years of annual earnings, the board shall substitute the compensation earned for the partial year for the compensation earned for a similar fractional portion in the lowest of the three high years of annual compensation before dividing by three. If a member has less than three years of contributing membership, the final average salary shall be the total compensation divided by the total number of years, including any fraction of a year, of contributing service.

(L) "Annuity" means payments for life derived from contributions made by a contributor and paid from the annuity and pension reserve fund as provided in this chapter. All annuities shall be paid in twelve equal monthly installments.

(M)(1) "Pension" means annual payments for life derived from appropriations made by an employer and paid from the employers' trust fund or the annuity and pension reserve fund. All pensions shall be paid in twelve equal monthly installments.

(2) "Disability retirement" means retirement as provided in section 3309.40 of the Revised Code.

(N) "Retirement allowance" means the pension plus the annuity.

(O)(1) "Benefit" means a payment, other than a retirement allowance or the annuity paid under section 3309.344 of the Revised Code, payable from the accumulated contributions of the member or the employer, or both, under this chapter and includes a disability allowance or disability benefit.

(2) "Disability allowance" means an allowance paid on account of disability under section 3309.401 of the Revised Code.

(3) "Disability benefit" means a benefit paid as disability retirement under section 3309.40 of the Revised Code, as a disability allowance under section 3309.401 of the Revised Code, or as a disability benefit under section 3309.35 of the Revised Code.

(P) "Annuity reserve" means the present value, computed upon the basis of mortality tables adopted by the school employees retirement board, of all payments to be made on account of any

annuity, or benefit in lieu of any annuity, granted to a retiree.

(Q) "Pension reserve" means the present value, computed upon the basis of mortality tables adopted by the school employees retirement board, of all payments to be made on account of any pension, or benefit in lieu of any pension, granted to a retiree or a beneficiary.

(R) "Year" means the year beginning the first day of July and ending with the thirtieth day of June next following.

(S) "Local district pension system" means any school employees' pension fund created in any school district of the state prior to September 1, 1937.

(T) "Employer contribution" means the amount paid by an employer as determined under section 3309.49 of the Revised Code.

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

(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;

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

(3) Has any discretionary authority or responsibility in the administration of the system.

(V)(1) Except as otherwise provided in this division, "compensation" means all salary, wages, and other earnings paid to a contributor by reason of employment. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the employees' savings fund under section 3309.47 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.

(2) Compensation does not include any of the following:

(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;

(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;

(c) Payments made for vacation pay covering concurrent periods for which other salary or compensation is also paid or during which benefits are paid under this chapter;

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

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

(f) Payments made to or on behalf of a contributor 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. For a contributor who first establishes membership before July 1, 1996, the annual

compensation that may be taken into account by the retirement system shall be determined under division (d)(3) of section 13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472;

(g) 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;

(h) Anything of value received by the contributor that is based on or attributable to retirement or an agreement to retire, except that payments made on or before January 1, 1989, that are based on or attributable to an agreement to retire shall be included in compensation if both of the following apply:

(i) The payments are made in accordance with contract provisions that were in effect prior to January 1, 1986.

(ii) The employer pays the retirement system an amount specified by the retirement board equal to the additional liability from the payments.

(3) The retirement board shall determine by rule whether any form of earnings not enumerated in this division is to be included in compensation, and its decision shall be final.

(W) "Disability benefit recipient" means a member who is receiving a disability benefit.

(X) "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. 3309.013. (A) As used in this section, "operator" has the same meaning as in section 3314.02 of the Revised Code.

(B) "Employee," as defined in division (B) of section 3309.01 of the Revised Code, does not include either of the following:

(1) Any person initially employed on or after July 1, 2016, by a community school operator and for whom the operator withholds and pays employee and employer taxes pursuant to 26 U.S.C. 3101(a) and 3111(a) beginning with the first paycheck after commencing initial employment;

(2) Except as provided in division (C) of this section, any person who is a former employee of a community school operator who is reemployed on or after July 1, 2016, by that operator and for whom the operator withholds and pays employee and employer taxes pursuant to 26 U.S.C. 3101(a) and 3111(a) beginning with the first paycheck after commencing reemployment with that operator.

(C) Division (B)(2) of this section does not apply to either of the following:

~~(1) Any any person who was employed by the same operator at any time within the period of July 1, 2015, to June 30, 2016, and whose date of reemployment is before July 1, 2017;~~

~~(2) Any person to whom both of the following apply:~~

~~(a) The person was employed by the same operator at any time in the twelve-month period preceding the date the operator for the first time withholds and pays employee and employer taxes pursuant to 26 U.S.C. 3101(a) and 3111(a) on behalf of its employees and had previously only contributed to the school employees retirement system;~~

~~(b) The person's date of reemployment is not more than twelve months after the date the operator for the first time withholds and pays employee and employer taxes pursuant to 26 U.S.C. 3101(a) and 3111(a).~~

(D) This section applies only to a community school operator that was withholding and paying employee and employer taxes pursuant to 26 U.S.C. 3101(a) and 3111(a) on or before February 1, 2016, for persons employed in the school.

Sec. 3309.212. (A) As used in this section:

(1) "Compensation" has the same meaning as in section 3309.01 of the Revised Code except that in the case of an electing employee, "compensation" means the amount that would be the electing employee's compensation if the electing employee was a member of the retirement system.

(2) "Compensation ratio" means the ratio for the most recent full fiscal year for which the information is available of the total compensation of all electing employees to the sum of the total compensation of all the retirement system's members in the system's defined benefit plan and the total compensation of all electing employees.

(3) "Electing employee" means a participant in an alternative retirement plan provided pursuant to Chapter 3305. of the Revised Code who would otherwise be a member of the retirement system.

(4) "Historical liability" means the portion of the retirement system's total unfunded actuarial accrued pension liability attributed to the difference between the following:

(a) The cumulative contributions received under division (D) of section 3305.06 of the Revised Code on behalf of electing employees since the establishment of the alternative retirement plan;

(b) The cumulative contributions toward the unfunded actuarial accrued liability of the retirement system that would have been made if the electing employees had been members of the retirement system in the system's defined benefit plan.

(B) The school employees retirement board shall contract with an independent actuary to complete an actuarial study to determine the percentage of an electing employee's compensation to be contributed by a public institution of higher education under division (D) of section 3305.06 of the Revised Code. The initial study must be completed and submitted by the board to the department of higher education not later than December 31, 2016. A subsequent study must be completed and submitted not later than the last day of December of every fifth year thereafter.

(C) For the initial study required under this section, the actuary shall determine the percentage described in division (B) of this section as follows:

(1) The actuary shall calculate a percentage necessary to amortize the historical liability over an indefinite period.

(2) The actuary shall calculate a percentage necessary to amortize over a thirty-year period the amount resulting from multiplying the compensation ratio by the difference between the following:

(a) The unfunded actuarial accrued pension liability of the defined benefit plan;

(b) The historical liability.

(3) The percentage to be contributed under division (D) of section 3305.06 of the Revised Code shall be one-fourth of the sum of the percentages calculated under divisions (C)(1) and (2) of

this section, not to exceed four and one-half per cent.

(4) To make the calculations and determinations required under divisions (C)(1) and (2) of this section, the actuary shall use the most recent annual actuarial valuation under section 3309.21 of the Revised Code that is available at the time the study is conducted.

(D) For any study conducted after the initial study required under this section, the actuary shall determine the percentage described in division (B) of this section as follows:

(1) The actuary shall calculate a percentage necessary to amortize over a thirty-year period the amount resulting from multiplying the compensation ratio by the difference between the following:

(a) The unfunded actuarial accrued pension liability of the retirement system's defined benefit plan under the annual actuarial valuation under section 3309.21 of the Revised Code that is most recent at the time the study is conducted;

(b) The historical liability determined under division (C) of this section.

(2) The percentage to be contributed under division (D) of section 3305.06 of the Revised Code shall be one-fourth of the sum of the percentages calculated under divisions (C)(1) and (D)(1) of this section but not less than one-fourth of the percentage determined under division (C)(1) of this section, except that the percentage shall not exceed four and one-half per cent.

Sec. 3309.30. For service subsequent to June 30, 1955, the retirement board shall credit a year of service credit to any member employed on a full-time basis for nine or more months of service within a year. For contributing and prior service before July 1, 1955 only eight or more months of service on a full-time basis within a year will be necessary for a year of service credit. Effective July 1, 1977, full-time service is defined as one hundred twenty or more days of school service during the school year. If less than one hundred twenty days, such service shall be prorated on the basis of one hundred eighty days. The board shall adopt rules as necessary to carry out the intent of this section. The board shall credit not more than one year for all service rendered in any year.

~~Where a member is also a member of the state teachers retirement system, the public employees retirement system, or both, then at retirement, other than retirement on a combined bases as provided in section 3309.35 of the Revised Code or as provided in section 3309.343 of the Revised Code, adjustment shall be made so that service credit for any period shall be credited on the basis of the ratio that contributions to the school employees retirement system bears to the total contributions in all the retirement systems during that period.~~

Sec. 3309.392. ~~(A) A recipient of a disability benefit granted under this chapter on or after the effective date of this section January 7, 2013, but before the effective date of this amendment, who is enrolled in health care coverage under section 3309.69 of the Revised Code shall apply for social security disability insurance benefit payments under 42 U.S.C. 423 if the recipient meets the requirements of divisions (a)(1)(A), (B), and (C) of that section. The application shall be made not later than ninety days after the recipient is granted a disability benefit under this chapter unless-~~

(B) A recipient of a disability benefit granted under this chapter on or after the effective date of this amendment who is enrolled in health care coverage under section 3309.69 of the Revised Code shall apply for both of the following:

(1) Social security disability insurance benefit payments under 42 U.S.C. 423 if the recipient meets the requirements of divisions (a)(1)(A), (B), and (C) of that section;

(2) Hospital insurance benefits under 42 U.S.C. 426(b), if both of the following are the case:

(a) The recipient had medicare qualified government employment, as defined in 42 U.S.C. 410(p).

(b) The recipient would have met the requirements of divisions (a)(1)(A), (B), and (C) of 42 U.S.C. 423 if the medicare qualified government employment was treated as employment under 42 U.S.C. 410(a).

(C) Unless the school employees retirement board-system determines from the member's medical records that the member is physically or mentally unable to make the application, good cause exists to exempt the recipient from the requirements of this section, a recipient who is subject to division (A) or (B) of this section shall file the applications required by those divisions as follows:

(1) For a recipient who on the effective date of this amendment is enrolled in health care coverage under section 3309.69 of the Revised Code, not later than one hundred eighty days after the effective date of this amendment;

(2) For a recipient who enrolls in health care coverage under section 3309.69 of the Revised Code on or after the effective date of this amendment, not later than ninety days after enrolling. The

(D) The recipient shall file a copy of the each completed application and a copy of the social security administration's acknowledgement of receipt of the application with the school employees retirement system. The system shall accept the copy and acknowledgement as evidence of the member's recipient's application.

The recipient shall file with the system a copy of the social security administration's final action on the recipient's application for social security disability insurance benefit payments or hospital insurance benefits, as applicable.

If a (E)(1) Unless an exemption is granted under division (C) of this section:

(a) A recipient subject to division (A) or (B) of this section who fails without just cause to apply for social security disability insurance benefit payments or to file a copy of the application and acknowledgement of receipt with the system, comply with division (D) of this section shall have the recipient's disability benefit under this chapter shall be suspended until application is made the recipient applies for the payments and a copy of the application and acknowledgement is filed with the system complies with division (D) of this section.

The member shall file with the system a copy of the social security administration's final action on the member's application for social security disability insurance benefit payments. (b) A recipient subject to division (B) of this section who fails without just cause to apply for hospital insurance benefits or to comply with division (D) of this section shall have the recipient's disability benefit suspended until the recipient applies for the benefits and complies with division (D) of this section.

(2) A recipient subject to division (B) of this section whose application for hospital insurance benefits is approved by the social security administration shall enroll in coverage for those benefits. A recipient who fails to enroll in coverage for hospital insurance benefits is not eligible for health care coverage under section 3309.69 of the Revised Code until the recipient enrolls in the coverage for hospital insurance benefits.

(F) The school employees retirement board may adopt rules as it considers necessary to implement this section.

Sec. 3309.42. (A)(1) Subject to section 3309.67 of the Revised Code and except as provided in division (B) of this section, a member who elects to become exempt from contribution to the school employees retirement system pursuant to section 3309.23 of the Revised Code, or ceases to be an employee for any cause other than death, retirement, receipt of a disability benefit, or current employment in a position in which the member has elected to participate in an alternative retirement plan pursuant to section 3305.05 or 3305.051 of the Revised Code, shall be paid the accumulated contributions standing to the credit of the member's individual account in the employees' savings fund upon application and subject to such rules as are established by the school employees retirement board and provided three months have elapsed since employment, other than employment exempt from contribution under division (C) of section 3309.23 of the Revised Code, ceased.

(2) A member described in division (A)(1) of this section who is married at the time of application for payment and ~~would be~~ is eligible for age and service retirement under section 3309.34, 3309.36, or ~~3309.40-3309.381~~ 3309.381 of the Revised Code or would be eligible for age and service retirement under any of those sections but for a forfeiture ordered under division (A) or (B) of section 2929.192 of the Revised Code shall submit with the application a written statement by the member's spouse attesting that the spouse consents to the payment of the member's accumulated contributions. Consent shall be valid only if it is signed and witnessed by an employee of the school employees retirement system or a notary public. The board may waive the requirement of consent if the spouse is incapacitated or cannot be located, or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

(B) This division applies to any member who is employed in a position in which the member has elected under section 3305.05 or 3305.051 of the Revised Code to participate in an alternative retirement plan and due to the election ceases to be an employee for purposes of that position.

Subject to section 3309.67 of the Revised Code, the school employees retirement system shall do the following:

(1) On receipt of an election under section 3305.05 or 3305.051 of the Revised Code, pay, in accordance with section 3305.052 of the Revised Code, the amount described in that section to the appropriate provider;

(2) If a member has accumulated contributions, in addition to those subject to division (B)(1) of this section, standing to the credit of the member's individual account and is not otherwise in a position in which the member is considered an employee for the purposes of that position, pay, to the provider the member selected pursuant to section 3305.05 or 3305.051 of the Revised Code, the accumulated contributions standing to the credit of the member's individual account in the employees' saving fund. The payment shall be made on the member's application.

(C) Payment of a member's accumulated contributions under this section cancels the member's total service credit in the school employees retirement system. A member whose accumulated contributions are paid to a provider pursuant to division (B) of this section is forever barred from claiming or purchasing service credit under the school employees retirement system for the period of employment attributable to those contributions.

Sec. 3309.474. (A) As used in this section, "state retirement system" means the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system.

(B) A state retirement system member who while a member of the school employees retirement system was out of service due to a leave of absence approved by the member's employer may purchase from the school employees retirement system service credit for any period during the leave for which contributions were not made under section 3309.47 of the Revised Code.

For purposes of this section, a period of leave commences on the first day for which employee and employer contributions were not made to the system and ends on the earlier of the termination of the leave or the member's return to contributing service.

(C)(1) For each year of service purchased, the member shall pay to the school employees retirement system for credit to the member's accumulated account with that system an amount equal to the sum of the following:

(a) An amount determined by multiplying the compensation the member would have received during the leave by the employee contribution rate in effect at that time;

(b) An amount determined by multiplying the compensation the member would have received during the leave by the employer contribution rate in effect at that time;

(c) Compound interest at a rate determined by the school employees retirement board from the first day of the year following the date the leave commenced to the date of payment.

(2) If the employee or employer contribution rate changed during the leave, contributions for each month of the leave shall be made at the rate in effect for that month.

(D) Service credit purchased under this section for any period of leave shall not exceed two years. Credit may be purchased for more than one period of leave, but the total number of years purchased shall not exceed the lesser of five years or the member's total accumulated number of years of service as a contributor to the school employees retirement system. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

(E) Service credit purchased under this section shall be considered the equivalent of Ohio service credit.

(F) The board may adopt rules under section 3309.04 of the Revised Code to implement this section.

Sec. 3309.75. (A) If the conditions described in division (B) of section 3309.74 of the Revised Code are met, a member of the school employees retirement system who is not receiving a pension or benefit from the school employees retirement system is eligible to obtain credit for service as a member of the Cincinnati retirement system under this section.

(B) A member of the school employees retirement system who has contributions on deposit with, but is no longer contributing to, the Cincinnati retirement system shall, in computing years of service credit, be given credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, ~~for~~ all of the following conditions are met:

(1) The member's service credit in the school employees retirement system is greater than the amount of credit that would be transferred under this division.

(2) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(3) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the school employees retirement system that the credit has been obtained.

(4) For each year of service, the Cincinnati retirement system transfers to the school



employees retirement system the sum of the following:

~~(1)-(a)~~ The amount contributed by the member, or, in the case of military service credit, paid by the member, that is attributable to the year of service;

~~(2)-(b)~~ An amount equal to the lesser of the employer's contributions to the Cincinnati retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the school employees retirement system at the time the credit was earned;

~~(3)-(c)~~ Interest on the amounts specified in divisions (B)~~(1)-(4)(a)~~ and ~~(2)-(b)~~ of this section from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the transfer is made.

(C) A member of the school employees retirement system with at least eighteen months of contributing service credit with the school employees retirement system who has received a refund of the member's contributions to the Cincinnati retirement system ~~shall, in computing years of service, be given~~ may obtain credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, ~~for~~ all of the following conditions are met:

(1) The member's service credit in the school employees retirement system is greater than the amount of credit that would be transferred under this division.

(2) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(3) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the school employees retirement system that the credit has been obtained.

(4) For each year of service, the school employees retirement system receives the sum of the following:

~~(1)-(a)~~ An amount, paid by the member, equal to the sum of the following:

~~(a)-(i)~~ The amount refunded by the Cincinnati retirement system to the member for that year for contributions and payments for military service credit, with interest at a rate established by the school employees retirement board on that amount from the date of the refund to the date of payment;

~~(b)-(ii)~~ The amount of interest, if any, the member received when the refund was made that is attributable to the year of service.

~~(2)-(b)~~ An amount, transferred by the Cincinnati retirement system to the school employees retirement system, equal to the sum of the following:

~~(a)-(i)~~ Interest on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;

~~(b)-(ii)~~ An amount equal to the lesser of the employer's contributions to the Cincinnati retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the school employees retirement system at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

(D) The amount transferred under division (C)~~(2)(a)-(4)(b)(i)~~ of this section shall not include any amount of interest the Cincinnati retirement system paid to the person when it made the refund.

(E) On receipt of payment from the member under division (C)~~(1)-(4)(a)~~ of this section, the school employees retirement system shall notify the Cincinnati retirement system. On receipt of the notice, the Cincinnati retirement system shall transfer the amount described in division (C)~~(2)-(4)(b)~~ of this section.

(F) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall be calculated at the lesser of the actuarial assumption rate for that year of the school employees retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

(G) At the request of the school employees retirement system, the Cincinnati retirement system shall certify to the school employees retirement system a copy of the records of the service and contributions of a school employees retirement system member who seeks service credit under this section.

(H) A member may choose to purchase only part of the credit the member is eligible to purchase under division (C) of this section ~~in any one payment~~, subject to rules of the school employees retirement board.

(I) A member is ineligible to obtain credit under this section for service that is used in the calculation of any retirement benefit currently being paid or payable in the future.

(J) Service credit purchased or otherwise obtained under this section shall be considered the equivalent of Ohio service credit.

(K) The school employees retirement system shall withdraw credit obtained under this section and refund all amounts paid or transferred to obtain the credit if either of the following occurs:

(1) The member fails to retire or accept a disability benefit not later than ninety days after receiving notice from the school employees retirement system that credit has been obtained under this section.

(2) The member's application for a disability benefit is denied.

Sec. 3309.76. (A) If the conditions described in division (B) of section 3309.74 of the Revised Code are met and a person who is a member or former member of the school employees retirement system but not a current contributor and who is not receiving a pension or benefit from the school employees retirement system elects to receive credit under the Cincinnati retirement system for service for which the person contributed to the school employees retirement system or purchased or obtained as military service credit, the school employees retirement system shall transfer the amounts specified in ~~division (B)~~ divisions (A)(4)(a) or (C)-(A)(4)(b) of this section to the Cincinnati retirement system. A person may obtain credit if all of the following conditions are met:

(1) The member's service credit in the Cincinnati retirement system is greater than the amount of credit that would be transferred under this division.

(2) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(3) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the school employees retirement system that the credit has been obtained.

~~(B)-(4)(a)~~ If the person has contributions on deposit with the school employees retirement system, the retirement system ~~shall~~, for each year of service credit, ~~transfer~~ transfers to the Cincinnati

retirement system the sum of the following:

~~(1)-(i)~~ An amount equal to the person's contributions to the school employees retirement system and payments made by the member for military service credit;

~~(2)-(ii)~~ An amount equal to the lesser of the employer's contributions to the school employees retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system at the time the credit was earned;

~~(3)-(iii)~~ Interest on the amounts specified in divisions ~~(B)(1)-(A)(4)(a)(i)~~ and ~~(2)-(ii)~~ of this section for the period from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the transfer was made.

~~(C)-(b)~~ If the person has received a refund of accumulated contributions to the school employees retirement system, the retirement system ~~shall~~, for each year of service credit, ~~transfer~~ transfers to the Cincinnati retirement system the sum of the following:

~~(1)-(i)~~ Interest on the amount refunded to the former member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;

~~(2)-(ii)~~ An amount equal to the lesser of the employer's contributions to the school employees retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

~~(D)-(B)~~ On receipt of notice from the Cincinnati retirement system that the Cincinnati retirement system has received payment from a person described in division ~~(C)-(A)(4)(b)~~ of this section, the school employees retirement system shall transfer the amount described in that division.

~~(E)-(C)~~ Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall be calculated at the lesser of the actuarial assumption rate for that year of the school employees retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

~~(F)-(D)~~ The transfer of any amount under this section shall cancel an equivalent amount of service credit.

~~(G)-(E)~~ At the request of the Cincinnati retirement system, the school employees retirement system shall certify to the Cincinnati retirement system a copy of the records of the service and contributions of a member or former member of the school employees retirement system who elects to receive service credit under the Cincinnati retirement system.

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;

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

(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.

~~(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.~~

~~(E) "Regular interest" means interest compounded at rates designated from time to time by the retirement board.~~

~~(F) (E) "Plan" means the provisions of this chapter.~~

~~(G) (F) "Retirement system" or "system" means the state highway patrol retirement system created and established in the plan.~~

~~(H) (G) "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.~~

~~(I) (H) "Retirement board" or "board" means the state highway patrol retirement board provided for in the plan.~~

~~(J) (I) Except as provided in section 5505.18 of the Revised Code, "member" means any employee included in the membership of the retirement system, whether or not rendering contributing service.~~

~~(K) (J) "Retirant" means any member who retires with a pension payable from the retirement system has retired under section 5505.16 or 5505.18 of the Revised Code.~~

~~(L) (K) "Accumulated contributions" means the sum of the following credited to a member's individual account in the employees' savings fund:~~

~~(1) All amounts deducted from the salary of the member;~~

~~(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) (L)(1) Except as provided in division (M) (L)(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)~~(M) "Pension" means an annual amount payable by the retirement system throughout the life of a person or as otherwise provided in the plan.

~~(O)~~(N) "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)~~(O) "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.

~~(Q)~~(P) "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, retirement as provided in sections 5505.16 and 5505.18 of the Revised Code.

~~(R)~~(Q) "Fiduciary" means any of the following:

- (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;
- (2) A person who renders investment advice for a fee, direct or indirect, with respect to money or property of the system;
- (3) A person who has any discretionary authority or responsibility in the administration of the system.

~~(S)~~(R)(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:

- (a) Payments for shift differential, hazard duty, professional achievement, and longevity;
  - (b) Payments for occupational injury leave, personal leave, sick leave, bereavement leave, administrative leave, and vacation leave used by the member;
  - (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.
- (2) "Salary" does not include any of the following:
- (a) Payments resulting from the conversion of accrued but unused sick leave, personal leave, compensatory time, and vacation leave;
  - (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;
  - (c) Payments for overtime work;
  - (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.

~~(F)~~(S) "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. 5505.04. (A)(1) The general administration and management of the state highway patrol retirement system and the making effective of this chapter are hereby vested in the state highway patrol retirement board. The board may sue and be sued, plead and be impleaded, contract and be contracted with, and do all things necessary to carry out this chapter.

The board shall consist of the following members:

- (a) The superintendent of the state highway patrol;
- (b) Two retirant members who reside in this state;
- (c) Five employee-members;
- (d) One member, known as the treasurer of state's investment designee, who shall be appointed by the treasurer of state for a term of four years and who shall have the following qualifications:
  - (i) The member is a resident of this state.
  - (ii) Within the three years immediately preceding the appointment, the member has not been employed by the public employees retirement system, police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system or by any person, partnership, or corporation that has provided to one of those retirement systems services of a financial or investment nature, including the management, analysis, supervision, or investment of assets.
  - (iii) The member has direct experience in the management, analysis, supervision, or investment of assets.
  - (iv) The member is not currently employed by the state or a political subdivision of the state.
- (e) Two investment expert members, who shall be appointed to four-year terms. One investment expert member shall be appointed by the governor, and one investment expert member shall be jointly appointed by the speaker of the house of representatives and the president of the senate. Each investment expert member shall have the following qualifications:

(i) Each investment expert member shall be a resident of this state.

(ii) Within the three years immediately preceding the appointment, each investment expert member shall not have been employed by the public employees retirement system, police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system or by any person, partnership, or corporation that has provided to one of those retirement systems services of a financial or investment nature, including the management, analysis, supervision, or investment of assets.

(iii) Each investment expert member shall have direct experience in the management, analysis, supervision, or investment of assets.

(2) The board shall annually elect a chairperson and vice-chairperson from among its members. The vice-chairperson shall act as chairperson in the absence of the chairperson. A majority of the members of the board shall constitute a quorum ~~and any action taken shall be approved by a majority of the members of the board.~~ The board shall meet not less than once each year, upon sufficient notice to the members. All meetings of the board shall be open to the public except executive sessions as set forth in division (G) of section 121.22 of the Revised Code, and any portions of any sessions discussing medical records or the degree of disability of a member excluded from public inspection by this section.

(3) Any member appointed under this section shall hold office until the end of the member's term or, if later, the date the member's successor takes office.

(B) The attorney general shall prescribe procedures for the adoption of rules authorized under this chapter, consistent with the provision of section 111.15 of the Revised Code under which all rules shall be filed in order to be effective. Such procedures shall establish methods by which notice of proposed rules are given to interested parties and rules adopted by the board published and otherwise made available. When it files a rule with the joint committee on agency rule review pursuant to section 111.15 of the Revised Code, the board shall submit to the Ohio retirement study council a copy of the full text of the rule, and if applicable, a copy of the rule summary and fiscal analysis required by division (B) of section 127.18 of the Revised Code.

(C)(1) As used in this division, "personal history record" means information maintained by the board on an individual who is a member, former member, retirant, or beneficiary that includes the address, electronic mail address, telephone number, social security number, record of contributions, correspondence with the system, and other information the board determines to be confidential.

(2) The records of the board shall be open to public inspection and may be made available in printed or electronic format, except for the following which shall be excluded: the member's, former member's, retirant's, or beneficiary's personal history record and the amount of a monthly allowance or benefit paid to a retirant, beneficiary, or survivor, except with the written authorization of the individual concerned.

(D) All medical reports and recommendations are privileged except as follows:

(1) Copies of such medical reports or recommendations shall be made available to the individual's personal physician, attorney, or authorized agent upon written release received from such individual or such individual's agent, or when necessary for the proper administration of the fund to the board-assigned physician.

(2) Documentation required by section 2929.193 of the Revised Code shall be provided to a

court holding a hearing under that section.

(E) Notwithstanding the exceptions to public inspection in division (C)(2) of this section, the board may furnish the following information:

(1) If a member, former member, or retirant is subject to an order issued under section 2907.15 of the Revised Code or an order issued under division (A) or (B) of section 2929.192 of the Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Revised Code, on written request of a prosecutor as defined in section 2935.01 of the Revised Code, the board shall furnish to the prosecutor the information requested from the individual's personal history record.

(2) Pursuant to a court order issued under Chapters 3119., 3121., and 3123. of the Revised Code, the board shall furnish to a court or child support enforcement agency the information required under those chapters.

(3) At the written request of any nonprofit organization or association providing services to retirement system members, retirants, or beneficiaries, the board shall provide to the organization or association a list of the names and addresses of members, former members, retirants, or beneficiaries if the organization or association agrees to use such information solely in accordance with its stated purpose of providing services to such individuals and not for the benefit of other persons, organizations, or associations. The costs of compiling, copying, and mailing the list shall be paid by such entity.

(4) Within fourteen days after receiving from the director of job and family services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Revised Code, the board shall inform the auditor of state of the name, current or most recent employer address, and social security number of each member whose name and social security number are the same as those of a person whose name or social security number was submitted by the director. The board and its employees, except for purposes of furnishing the auditor of state with information required by this section, shall preserve the confidentiality of recipients of public assistance in compliance with section 5101.181 of the Revised Code.

(5) The system shall comply with orders issued under section 3105.87 of the Revised Code.

On the written request of an alternate payee, as defined in section 3105.80 of the Revised Code, the system shall furnish to the alternate payee information on the amount and status of any amounts payable to the alternate payee under an order issued under section 3105.171 or 3105.65 of the Revised Code.

(6) At the request of any person, the board shall make available to the person copies of all documents, including resumes, in the board's possession regarding filling a vacancy of an employee member or retirant member of the board. The person who made the request shall pay the cost of compiling, copying, and mailing the documents. The information described in this division is a public record.

(7) The system shall provide the notice required by section 5505.263 of the Revised Code to the prosecutor assigned to the case.

(8) The system may provide information requested by the United States social security administration, United States centers for medicare and medicaid, public employees retirement system, Ohio public employees deferred compensation program, Ohio police and fire pension fund,



school employees retirement system, state teachers retirement system, or Cincinnati retirement system.

(F) A statement that contains information obtained from the system's records that is certified and signed by an officer of the retirement system and to which the system's official seal is affixed, or copies of the system's records to which the signature and seal are attached, shall be received as true copies of the system's records in any court or before any officer of this state.

(G) The board may maintain records in printed or electronic format.

Sec. 5505.16. (A) A member of the state highway patrol retirement system who has twenty-five years of service credit according to the rules adopted by the state highway patrol retirement board may make application for a ~~pension-retirement~~ which, if the member is under age forty-eight, shall be deferred until age forty-eight.

(B) A member who has twenty years of service credit according to the rules adopted by the retirement board, may make application for a ~~pension-retirement~~ that, if the member is under age fifty-two, shall be deferred until age fifty-two, except that any such member who has attained twenty years of service may, on or after attaining age forty-eight but before attaining age fifty-two, elect to receive a reduced pension of the greater of nine hundred dollars or an amount computed as follows:

Attained Age	Reduced Pension
48	75% of normal service pension
49	80% of normal service pension
50	86% of normal service pension
51	93% of normal service pension

In the case of a member who elects to receive a reduced pension after attaining age forty-eight, the reduced pension is payable from the later of the date of the member's most recent birthday or the date the member becomes eligible to receive the reduced pension.

A member who has elected to receive a reduced pension in accordance with the schedule provided in this division and has received a payment in connection therewith may not change the election.

(C) Any member who attains the age of sixty years and has twenty years of service credit according to the rules adopted by the board, shall file application for retirement with the board, and if the member refuses or neglects to do so, the board may deem the member's application to have been filed on the member's sixtieth birthday. The member may, upon written application approved by the superintendent of the state highway patrol, be continued in service after attaining the age of sixty years, but only until the member has accumulated twenty years of service credit in accordance with rules adopted by the board.

(D)(1) As used in this division:

(a) "Service in the uniformed services" means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time national guard duty, and a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty.

(b) "Uniformed services" of the United States includes both:

(i) Army, navy, air force, marine corps, coast guard, or any reserve components of these services; auxiliary corps as established by congress; army nurse corps; navy nurse corps; service as red cross nurse with the army, navy, air force, or hospital service of the United States, or serving full-time with the American red cross in a combat zone; and such other service as is designated by congress as included therein;

(ii) Personnel of the Ohio national guard, the Ohio military reserve, the Ohio naval militia, and the reserve components of the armed forces enumerated in division (D)(1) of this section who are called to active duty pursuant to an executive order issued by the president of the United States or an act of congress.

(2) A member's total service credit may include periods not to exceed a total of seven years, while the member's employment with the state highway patrol is or was interrupted due to service in the uniformed services of the United States. Such military service shall be credited to the member towards total service as provided by this chapter and to the extent approved by the board, provided that:

(a) The member is or was honorably discharged from service in the uniformed services;

(b) The member is or was re-employed by the state highway patrol within ninety days immediately following termination of service in the uniformed services;

(c) The member, subject to board rules, pays into the retirement system to the member's credit in the employees' savings fund an amount equal to the total contributions the member would have paid had state highway patrol employment not been so interrupted. Such payment may be made at any time prior to receipt of a pension.

(3) If the member meets the requirements of division (D)(2) of this section, on receipt of contributions from the member, the state highway patrol shall be billed for the employer contribution that would have been paid pursuant to section 5505.15 of the Revised Code if the member had not rendered service in the uniformed services, subject to board rules.

(4) If under division (D)(2)(c) of this section a member pays all or any portion of the contributions later than the lesser of five years or a period that is three times the member's period of service in the uniformed services beginning from the member's date of re-employment, an amount equal to compound interest at a rate established by the board from the member's date of re-employment to the date of payment shall be added to the remaining amount to be paid by the member to purchase service credit under this section.

(5) Credit purchased by a member under division (D)(2) of this section shall be used to determine the member's eligibility for retirement under this section and section 5505.17 of the Revised Code.

Sec. 5505.17. (A)(1) Upon retirement as provided in section 5505.16 of the Revised Code, a member of the state highway patrol retirement system shall receive a life pension, without guaranty or refund, equal to the greater of one thousand fifty dollars or the sum of two and one-half per cent of the member's final average salary multiplied by the first twenty years of total service credit, plus two and one-quarter per cent of the member's final average salary multiplied by the number of years, and fraction of a year, of total service credit in excess of twenty years but not in excess of twenty-five years, plus two per cent of the member's final average salary multiplied by the number of years, and

fraction of a year, in excess of twenty-five years; provided that in no case shall the pension exceed the lesser of seventy-nine and one-quarter per cent of the member's final average salary or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

(2) A member with fifteen or more years of total service credit, who voluntarily resigns or who is discharged from the state highway patrol for any reason except retirement under this chapter, death, dishonesty, cowardice, intemperate habits, or conviction of a felony, shall receive a pension equal to one and one-half per cent of the member's final average salary multiplied by the number of years, and fraction of a year, of total service credit, except that the pension shall not exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended. The pension shall commence at the end of the calendar month in which the application is filed with the retirement board on or after the attainment of age fifty-five years by the applicant. A member who withdraws any part or all of the accumulated contributions from the employees' savings fund shall thereupon forfeit all rights to a pension provided for in this division.

(3)(a) A surviving spouse of a deceased member shall receive a monthly pension, determined as follows, during the spouse's life:

(i) If at the time of death the member was not eligible to be granted a pension payable under division (A)(1) of this section or to elect to receive a reduced pension payable under section 5505.16 of the Revised Code, nine hundred dollars;

(ii) If at the time of death the member was eligible to be granted a pension payable under division (A)(1) of this section or to elect to receive a reduced pension payable under section 5505.16 of the Revised Code, the greater of nine hundred dollars or fifty per cent of the computed monthly pension the member would have received had the member been granted a pension under division (A)(1) of this section or elected to receive a reduced pension under section 5505.16 of the Revised Code.

(b) The surviving spouse of a retirant shall receive a monthly pension, determined as follows, during the spouse's life:

(i) If the retirant had applied for a pension payable under section 5505.16 of the Revised Code, but at the time of death had not attained the age of eligibility for the pension, nine hundred dollars;

(ii) If the retirant had applied for a pension payable under section 5505.16 of the Revised Code and had attained the age of eligibility for the pension, but at the time of death had not elected to begin receiving the pension, the greater of nine hundred dollars or fifty per cent of the computed monthly pension the retirant was eligible to receive under section 5505.16 of the Revised Code;

(iii) If the retirant was receiving a pension under division (A)(1) of this section or section 5505.16 or 5505.18 of the Revised Code, or, regardless of whether or not the retirant had actually received any payment, if the retirant was eligible to receive a pension under division (A)(1) of this section or section 5505.16 or 5505.18 of the Revised Code and had elected to begin receiving it, the greater of nine hundred dollars or fifty per cent of the computed monthly pension awarded the retirant.

(c) If a monthly pension to a surviving spouse was terminated due to a remarriage, the surviving spouse is eligible to receive a monthly pension under division (A)(3) of this section effective the first day of the first month following June 5, 1996. The pension shall be computed under

division (A)(3) of this section as of June 5, 1996. The pension payable to a person who is the surviving spouse of more than one state highway patrol retirement system member or retirant shall be computed on the basis of the service of the member or retirant to whom the surviving spouse was most recently married.

(4) A pension of one hundred fifty dollars per month shall be paid by the system to or for the benefit of each child of a deceased member or retirant until the child attains the age of eighteen years or marries, whichever event occurs first, or until the child attains twenty-three years of age if the child is a student in and attending an institution of learning or training pursuant to a program designed to complete in each school year the equivalent of at least two-thirds of the full-time curriculum requirements of the institution, as determined by the retirement board. If any surviving child, regardless of age at the time of the member's or retirant's death, because of physical or mental disability, was totally dependent upon the deceased member or retirant for support at the time of death, a pension of one hundred fifty dollars per month shall be paid by the system to or for the benefit of the child during the child's natural life or until the child recovers from the disability.

(5)(a) If a retirant died prior to June 6, 1988, and the surviving spouse was not married to the retirant while the retirant was in the active service of the patrol, the surviving spouse shall receive a pension of the greater of four hundred twenty-five dollars per month or fifty per cent of the computed monthly pension the retirant was receiving.

(b) If the pension payable to a person receiving a pension under division (A)(5)(a) of this section on June 30, 2000, is less than nine hundred dollars per month, the pension shall be increased to nine hundred dollars per month.

(6) If a deceased member or retirant leaves no spouse or surviving children, but leaves two parents depending solely upon the deceased member or retirant for support, each parent shall be paid a monthly pension of one hundred fifty-four dollars. If in such case there is only one parent dependent solely upon the deceased member or retirant for support, such parent shall be paid a monthly pension of one hundred fifty-four dollars. Such pension shall be paid during the life of the surviving parents, or until dependency ceases, or until remarriage, whichever event occurs first.

(7) Any amount remaining as accumulated contributions at the time of death of a retirant who leaves no surviving spouse or dependent children or parents shall be paid to the beneficiary or beneficiaries the retirant has nominated by written designation duly executed and filed with the board. A retirant may designate an individual or a trust as a beneficiary. If there is no designated beneficiary surviving the retirant, the retirant's accumulated contributions shall be paid according to the state law of descent and distribution; provided that, if the retirant's accumulated contributions are not claimed by an eligible person or by the estate of the retirant within seven years, they shall be transferred to the income fund of the system and after that shall be paid from that fund to such person or estate upon application to the board.

(8) The increase provided for by division (A)(5) of this section shall be included in the calculation of the additional benefit paid under section 5505.174 of the Revised Code.

(B) The board shall adopt, and may amend or rescind, the necessary rules for the administration of this section and all decisions of the board shall be final. Any payment of a pension or benefit under this section is subject to the provisions of section 5505.26 of the Revised Code.

(C) A member's total service credit may include periods during which the member's

employment with the state highway patrol is interrupted by a leave of absence, when requested by the governor, to accept employment with another agency of the state, provided that:

(1) The member is reemployed by the state highway patrol within thirty days following termination of such other employment;

(2) The member pays into the retirement system, to the credit of the employees' savings fund, an amount equal to the total contributions the member would have paid had the state highway patrol employment not been so interrupted. Such repayment shall begin within ninety days after the member's return to duty with the state highway patrol and be completed within a period equal to that of the leave of absence.

(D) Service credits granted under division (C) of this section shall not include any duplications of credits for which a pension is payable by the public employees retirement system.

Sec. 5505.18. As used in this section, "member" does not include state highway patrol cadets attending training schools pursuant to section 5503.05 of the Revised Code.

(A) Upon the application of a member of the state highway patrol retirement system, a person acting on behalf of a member, or the superintendent of the state highway patrol on behalf of a member, a member who becomes totally and permanently incapacitated for duty in the employ of the state highway patrol may be retired on disability by the board. To be eligible for retirement on account of disability incurred not in the line of duty, a member must have five or more years of service credit according to rules adopted by the board.

The medical or psychological examination of a member who has applied for disability retirement shall be conducted by a competent health-care professional or professionals appointed by the board. The health-care professional or professionals shall file a written report with the board containing the following information:

- (1) Whether the member is totally incapacitated for duty in the employ of the patrol;
- (2) Whether the incapacity is expected to be permanent;
- (3) The cause of the member's incapacity.

The board shall determine whether the member qualifies for disability retirement and its decision shall be final. The board shall consider the written medical or psychological report, opinions, statements, and other competent evidence in making its determination. If the incapacity is a result of heart disease or any cardiovascular disease of a chronic nature, which disease or any evidence of which was not revealed by the physical examination passed by the member on entry into the patrol, the member is presumed to have incurred the disease in the line of duty as a member of the patrol, unless the contrary is shown by competent evidence.

(B)(1) Except as provided under division (A) of section 5505.58 of the Revised Code, a member whose retirement on account of disability incurred in the line of duty shall receive the applicable pension provided for in section 5505.17 of the Revised Code, except that if the member has less than twenty-five years of contributing service, the member's service credit shall be deemed to be twenty-five years for the purpose of this provision. In no case shall the member's disability pension be less than sixty-one and one-quarter per cent or exceed the lesser of seventy-nine and one-quarter per cent of the member's final average salary or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

(2) Except as provided under division (B) of section 5505.58 of the Revised Code, a member

whose retirement on account of disability incurred not in the line of duty shall receive the applicable pension provided for in section 5505.17 of the Revised Code, except that if the member has less than twenty years of contributing service, the member's service credit shall be deemed to be twenty years for the purpose of this provision. In no case shall the member's disability pension exceed the lesser of seventy-nine and one-quarter per cent of the member's final average salary or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

(C) The state highway patrol retirement board shall adopt rules requiring a disability retiree, as a condition of continuing to receive a disability pension, to agree in writing to obtain any medical or psychological treatment recommended by the board's health-care professional and submit medical or psychological reports regarding the treatment. If the board determines that a disability retiree is not obtaining the medical or psychological treatment or the board does not receive a required medical or psychological report, the disability pension shall be suspended until the treatment is obtained, the report is received by the board, or the board's health-care professional certifies that the treatment is no longer helpful or advisable. Should the retiree's failure to obtain treatment or submit a medical or psychological report continue for one year, the recipient's right to the disability pension shall be terminated as of the effective date of the original suspension.

(D) A disability retiree who has not attained the age of sixty years shall be subject to an annual medical or psychological re-examination by health-care professionals appointed by the board, except that the board may waive the re-examination if the board's health-care professionals certify that the retiree's disability is ongoing. If any retiree refuses to submit to a medical or psychological re-examination, the retiree's disability pension shall be suspended until the retiree withdraws the refusal. If the refusal continues for one year, all the retiree's rights under and to the disability pension shall be terminated as of the effective date of the original suspension.

(E) Each disability retiree who has not attained the age of sixty years shall file with the board an annual statement of earnings, current medical or psychological information on the recipient's condition, and any other information required in rules adopted by the board. The board may waive the requirement that a disability retiree file an annual statement of earnings or current medical or psychological information if the board's health-care professional certifies that the retiree's disability is ongoing.

The board shall annually examine the information submitted by the retiree. If a retiree refuses to file the statement or information, the disability pension shall be suspended until the statement and information are filed. If the refusal continues for one year, the right to the pension shall be terminated as of the effective date of the original suspension.

(F)(1) Except as provided in division (F)(2) of this section, a disability retiree who has been physically or psychologically examined and found no longer incapable of performing the retiree's duties, or who becomes employed as a law enforcement officer, shall have the right to be restored to the rank the retiree held at the time the retiree was pensioned and the right to have all previous rights ~~shall be restored~~, including the retiree's civil service status, and the disability pension shall terminate. Upon return to employment in the patrol, the retiree shall again become a contributing member of the retirement system, the total service at the time of the retiree's retirement shall be restored to the retiree's credit, and the retiree shall be given service credit for the period the retiree was in receipt of a disability pension. ~~The provisions of division (F)(1) of this section shall be~~

~~retroactive to September 5, 1941.~~

(2) The state highway patrol is not required to take action under division (F)(1) of this section if the retirant was dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance, or conviction of a felony.

(G) The board shall adopt a rule to define "law enforcement officer" for purposes of division (F)(1) of this section, and may adopt other rules to carry out this section, including rules that specify the types of health-care professionals the board may appoint for the purpose of this section.

Sec. 5505.19. Subject to section 5505.26 of the Revised Code, a member of the state highway patrol retirement system who ceases to be an employee of the state highway patrol for any cause except death, disability, or retirement, upon application filed in writing with the state highway patrol retirement board, shall be paid the accumulated contributions, less interest, standing to the credit of the member's individual account in the employees' savings fund. Except as otherwise provided in this chapter, five years after a member ceases to be an employee of the patrol any balance of accumulated contributions standing to the member's credit in the employees' savings fund shall be transferred to the income fund and after that shall be paid from that fund to the member, ~~or in the case of a deceased member or retirant who dies leaving no surviving spouse or dependent children or parents, shall be paid from that fund to the estate of the deceased member or retirant,~~ upon application to the board.

A member described in this section who is married at the time of application for payment and would be eligible for ~~age and service retirement~~ a pension payable under division (A)(1) or (2) of section 5505.16 or 5505.17 of the Revised Code but for a forfeiture ordered under division (A) or (B) of section 2929.192 of the Revised Code shall submit with the application a written statement by the member's spouse attesting that the spouse consents to the payment of the member's accumulated contributions. Consent shall be valid only if it is signed and witnessed by a notary public. The board may waive the requirement of consent if the spouse is incapacitated or cannot be located, or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

Sec. 5505.21. Should a member of the state highway patrol retirement system die and no pension becomes payable from funds of the system on account of ~~his the member's~~ employment with the patrol, ~~his the member's~~ accumulated contributions, less interest, standing to ~~his the member's~~ credit in the employees' savings fund at the time of ~~his~~ death shall be paid to ~~such person the beneficiary or persons as he~~ beneficiaries the member has nominated by written designation duly executed and filed with the state highway patrol retirement board. A member may designate an individual or a trust as a beneficiary. If there is no ~~such designated person or persons beneficiary~~ surviving ~~such the member, his the member's~~ accumulated contributions shall be paid according to the state law of descent and distribution; provided that, if ~~his the member's~~ accumulated contributions are not claimed by an eligible person or by the estate of the deceased member within seven years, they shall be transferred to the income fund of the system and after that shall be paid from that fund to such person or estate upon application to the board.

Sec. 5505.29. The state highway patrol retirement board shall refund the cost of service credit restored under section 5505.20 or purchased under division (D) of section 5505.16, division (C) of section 5505.17, or section 5505.201, 5505.25, 5505.40, or 5505.402 of the Revised Code to the

extent the credit does not, or, in the case of a person who retired or died prior to June 30, 2000, did not, increase the pension provided to the retirant or surviving spouse under section 5505.16, 5505.162, 5505.17, or 5505.18 of the Revised Code. The board shall provide the refund to the retirant or surviving spouse or, if there is no surviving spouse, the beneficiary designated by the retirant on a form provided by the state highway patrol retirement system. A retirant may designate an individual or a trust as a beneficiary. If there is no surviving spouse or designated beneficiary, the refund shall be provided to the retirant's estate. The refund cancels an equivalent amount of service credit.

Sec. 5505.30. ~~On the death of a person who at the time of death is receiving a pension from the state highway patrol retirement system under division (A)(1) or (2) of section 5505.17 or section 5505.18 of the Revised Code~~retirant, a lump-sum payment of five thousand dollars shall be paid to the retirant's surviving spouse: ~~If or, if there is no surviving spouse, the payment shall be made to the beneficiary designated by the retirant on a form provided by the state highway patrol retirement system. A retirant may designate an individual or a trust as a beneficiary. If there is no surviving spouse or designated beneficiary, the payment shall be made to the retirant's estate.~~

Application for the payment shall be made on a form provided by the state highway patrol retirement board.

A benefit paid under this section shall be treated as life insurance for purposes of this chapter and shall be funded solely from contributions made under division (B) of section 5505.15 of the Revised Code and any earnings attributable to those contributions.

Sec. 5505.35. Any person receiving from the state highway patrol retirement system an allowance, pension, or benefit may authorize the system to make deductions therefrom for the payment of dues and other membership fees to any retirement association or other organization composed primarily of retired state highway patrol employees or retired state highway patrol employees and their spouses if the association or organization adopts a resolution approving payment by that method and not fewer than one hundred persons receiving allowances, pensions, or benefits from the system initially authorize the deduction for payment to the same association or organization. The authorization must be in writing and signed by the person giving it. The system shall make the deductions authorized and pay to the association or organization the amounts deducted, until the authorization is revoked in writing by the person. The system may charge the association or organization an amount not exceeding the actual costs incurred by the system in making the deductions. The system shall adopt rules establishing the method of collecting the amount charged, if any.

Sec. 5505.51. A state highway patrol retirement system member who meets the following requirements may, at any time prior to applying for ~~a pension retirement~~ under section 5505.16 of the Revised Code, elect to participate in the deferred retirement option plan established under section 5505.50 of the Revised Code:

(~~1~~)(A) The member is younger than fifty-eight years of age.

(~~2~~)(B) The member is eligible to apply for ~~a pension retirement~~ under section 5505.16 of the Revised Code, except that eligibility to apply for unless the pension is a reduced pension as described in under division (B) of that section does not make a member eligible to elect to participate in the deferred retirement option plan.

The member shall make the election by filing with the retirement system an election form



provided by the system. The election is effective on the first day of the member files the election form employer's first payroll period immediately following the board's receipt of the notice of election.

At the time of making the election to participate in the deferred retirement option plan, the member also shall make an election under section 5505.162 of the Revised Code. Except as provided in that section, the election under section 5505.162 of the Revised Code is irrevocable from the date it is received by the retirement system.

A member electing to participate in the deferred retirement option plan must agree to terminate active service in the state highway patrol and begin receiving the member's pension not later than the earlier of the member's sixtieth birthday or the date that is eight years after the effective date of the election to participate in the plan. If the member refuses or neglects to terminate active service in accordance with the agreement, the state highway patrol retirement board shall deem the member's service terminated.

~~A member electing to participate in the deferred retirement option plan is a retirant for the purposes of rules adopted by the state highway patrol retirement board.~~

While participating in the deferred retirement option plan, a member shall not be considered to have elected retirement under section 5505.16 of the Revised Code.

Sec. 5505.52. (A) A member who makes an election under section 5505.51 of the Revised Code shall continue in the active service of the state highway patrol but shall not earn service credit under this chapter for employment after the election's effective date. While the member is in the active service of the state highway patrol, the member shall contribute, and the state shall contribute and report, to the state highway patrol retirement system in accordance with section 5505.15 of the Revised Code.

On and after the effective date of the member's election to participate in the deferred retirement option plan, the member is ineligible to purchase service credit under this chapter.

Neither the member nor the member's spouse and dependents are eligible for any benefit under section 5505.28 of the Revised Code while the member is participating in the deferred retirement option plan.

(B) A member participating in the deferred retirement option plan is eligible to vote in elections for the ~~retirant-employee~~ members of the state highway patrol retirement system board, but not eligible to vote in elections for the ~~employee-retirant~~ members of the board.

Sec. 5505.59. If a member dies while participating in the deferred retirement option plan, all of the following apply:

(A) The amounts accrued to the member's benefit shall be paid to the member's surviving spouse or, if there is no surviving spouse, the beneficiary designated by the member on a form provided by the state highway patrol retirement system. A member may designate an individual or a trust as a beneficiary. If there is no surviving spouse or designated beneficiary, the amounts accrued to the member's benefit shall be paid to the member's estate.

Any payment made under this division to a member's estate shall be made in the form of a single lump sum payment. A surviving spouse or designated beneficiary may select as the method of distribution of the amount accrued to the member under the plan one of the distribution options provided under section 401(a) of the "Internal Revenue Code of 1986," 26 U.S.C. 401(a), as

amended, applicable to governmental plans.

(B) The surviving spouse and, if eligible, each surviving child, shall receive a pension as described in division (A)(3)(b)(iii) or (4) of section 5505.17 of the Revised Code, utilizing the pension amount calculated under section 5505.53 of the Revised Code.

(C) If the member has no surviving spouse or surviving children, but has a parent or parents dependent on the member for support, the parent or parents shall receive a pension determined under division (A)(6) of section 5505.17 of the Revised Code.

(D) The lump sum payment described in section 5505.30 of the Revised Code shall be paid to the member's surviving spouse or, if there is no surviving spouse, the beneficiary designated by the member on a form provided by the state highway patrol retirement system. A member may designate an individual or a trust as a beneficiary. If there is no surviving spouse or designated beneficiary, the payment shall be made to the member's estate.

SECTION 2. That existing sections 145.01, 145.2911, 145.2912, 145.362, 145.384, 145.40, 145.43, 145.45, 742.105, 742.37, 742.3711, 742.47, 742.50, 742.63, 3305.052, 3305.06, 3307.01, 3307.15, 3307.35, 3307.42, 3307.48, 3307.501, 3307.53, 3307.562, 3307.58, 3307.63, 3307.66, 3307.67, 3307.71, 3307.763, 3307.764, 3307.77, 3307.78, 3309.01, 3309.013, 3309.30, 3309.392, 3309.42, 3309.474, 3309.75, 3309.76, 5505.01, 5505.04, 5505.16, 5505.17, 5505.18, 5505.19, 5505.21, 5505.29, 5505.30, 5505.51, 5505.52, and 5505.59 and sections 171.07, 3305.061, 3305.062, 3309.342, 3309.371, 3309.372, 3309.373, and 3309.54 of the Revised Code are hereby repealed.

SECTION 3. (A) AS used in this section:

(1) "Member of a police department" and "member of a fire department" have the same meanings as in section 742.01 of the Revised Code.

(2) "PERS law enforcement officer" and "PERS public safety officer" have the same meanings as in section 145.01 of the Revised Code.

(B)(1) Except as provided in division (B)(2) of this section, a member of the Public Employees Retirement System who meets all the requirements of division (B) or (C) of section 145.295 of the Revised Code other than the requirement of division (B)(1) or (C)(1) of that section may obtain service credit under that section for one of the following:

(a) If the member, on the effective date of this section, is a PERS law enforcement officer or PERS public safety officer, service for which the member contributed to the Ohio Police and Fire Pension Fund as a member of a police department;

(b) If the member was a member of the System and made an election under section 145.013 of the Revised Code to remain in the System as a firefighter, service for which the member contributed to the Fund as a member of a fire department.

(2) A member of the System is ineligible to obtain service credit under division (B) of this section if the member is eligible to obtain service credit under division (C) of this section.

(C)(1) A member of the Fund who meets all the requirements of division (C) or (D) of section 742.21 of the Revised Code or division (B) or (C) of section 742.214 of the Revised Code other than the requirement that the member be in the active service of a police or fire department may obtain

service credit under those sections if both of the following apply:

(a) The member, on the effective date of this section, is a PERS law enforcement officer.

(b) The member is eligible, or with the credit will be eligible, to retire under Chapter 742. of the Revised Code.

(2) The amount to be transferred or paid to the Fund to obtain service credit under this section is the amount specified in division (C)(1), (D)(1), or (I) of section 742.21 of the Revised Code, except that the Fund shall use the appropriate employer contribution under section 742.33 or 742.34 of the Revised Code, instead of meeting the requirement of divisions (C)(1)(d), (D)(1)(b), and (I) of section 742.21 of the Revised Code to use the amount the employer would have contributed for the service had the member been employed by the member's current employer as a member of a police or fire department.

(D) To obtain service credit under this section, a member must apply to the System or the Fund not later than ninety days after the effective date of this section.

SECTION 4. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the following sections, presented in this act as composites of the sections as amended by the acts indicated, are the resulting versions of the sections in effect prior to the effective date of the sections as presented in this act:

Section 145.01 of the Revised Code, as amended by both Sub. H.B. 158 and Sub. S.B. 293 of the 131st General Assembly;

Section 3305.06 of the Revised Code, as amended by both Sub. S.B. 342 and Sub. S.B. 343 of the 129th General Assembly.

---

*Speaker* \_\_\_\_\_ *of the House of Representatives.*

---

*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

---

*Governor.*

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

---

*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_\_ day of \_\_\_\_\_, A. D. 20 \_\_\_\_.

---

*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_