

As Introduced

**132nd General Assembly
Regular Session
2017-2018**

H. B. No. 242

Representative Carfagna

A BILL

To amend sections 3309.374 and 3309.661 of the 1
Revised Code regarding School Employees 2
Retirement System annual cost-of-living 3
adjustments. 4

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

Section 1. That sections 3309.374 and 3309.661 of the 5
Revised Code be amended to read as follows: 6

Sec. 3309.374. (A) The school employees retirement board 7
~~shall~~may annually increase each allowance, pension, or benefit 8
payable under this chapter ~~by three~~. If an increase is granted, 9
each allowance, pension, or benefit payable under this chapter 10
shall be increased by any percentage increase in the consumer 11
price index, not to exceed two and one-half per cent, ~~except~~ 12
that no as determined by the United States bureau of labor 13
statistics (U.S. city average for urban wage earners and 14
clerical workers: "all items 1982-84=100") for the twelve-month 15
period ending on the thirtieth day of June of the immediately 16
preceding calendar year. No increase shall be granted for a 17
period in which the consumer price index did not increase. 18

No allowance, pension, or benefit shall exceed the limit 19

established by section 415 of the "Internal Revenue Code of 20
1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended. 21

The first increase is payable to all persons becoming 22
eligible after June 30, 1971, upon such persons receiving an 23
allowance, pension, or benefit for twelve months. 24

The increased amount is payable for the ensuing twelve- 25
month period or until the next increase is granted under this 26
section, whichever is later. Subsequent increases shall be 27
determined from the date of the first increase paid to the 28
former member in the case of an allowance being paid a 29
beneficiary under an option, or from the date of the first 30
increase to the survivor first receiving an allowance or benefit 31
in the case of an allowance or benefit being paid to the 32
subsequent survivors of the former member. 33

The date of the first increase under this section becomes 34
the anniversary date for any future increases. 35

The allowance or benefit used in the first calculation of 36
an increase under this section shall remain as the base for all 37
future increases, unless a new base is established. Any increase 38
resulting from payment of a recalculated benefit under Section 3 39
of Substitute Senate Bill No. 270 of the 123rd general assembly 40
shall be included in the calculation of future increases under 41
this section. 42

(B) If payment of a portion of a benefit is made to an 43
alternate payee under section 3309.671 of the Revised Code, 44
increases under this section granted while the order is in 45
effect shall be apportioned between the alternate payee and the 46
retirant or disability benefit recipient in the same proportion 47
that the amount being paid to the alternate payee bears to the 48

amount paid to the retirant or disability benefit recipient. 49

If payment of a portion of a benefit is made to one or 50
more beneficiaries under "plan F" under division (B) (3) (e) of 51
section 3309.46 of the Revised Code, each increase under this 52
section granted while the plan of payment is in effect shall be 53
divided among the designated beneficiaries in accordance with 54
the portion each beneficiary has been allocated. 55

(C) Before granting an increase under division (A) of this 56
section, the retirement board may adjust the percentage of any 57
increase if the board's actuary, in its annual actuarial 58
valuation required by section 3309.21 of the Revised Code, or in 59
other evaluations conducted under that section, determines that 60
an adjustment does not materially impair the fiscal integrity of 61
the retirement system or is necessary to preserve the fiscal 62
integrity of the retirement system. 63

(D) The retirement board shall make all rules necessary to 64
carry out this section. 65

Sec. 3309.661. (A) Except as provided in section 3309.673 66
of the Revised Code, the granting of a retirement allowance, 67
annuity, pension, or other benefit to any person pursuant to 68
action of the school employees retirement board vests a right in 69
such person, so long as the person remains the recipient of any 70
of the funds established by section 3309.60 of the Revised Code, 71
to receive such retirement allowance, annuity, pension, or 72
benefit. Such right shall also be vested with equal effect in 73
the recipient of a grant heretofore made from any of the funds 74
named in section 3309.60 of the Revised Code. 75

(B) This section does not affect the retirement board's 76
authority under division (C) of section 3309.374 of the Revised 77

Code.

78

Section 2. That existing sections 3309.374 and 3309.661 of
the Revised Code are hereby repealed.

79

80