

**As Introduced**

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

**H. B. No. 413**

**Representative Scherer**

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**A BILL**

To amend section 145.323 and to enact sections 1  
145.018 and 145.321 of the Revised Code 2  
regarding Public Employees Retirement System 3  
(PERS) annual cost-of-living adjustments granted 4  
to allowance and benefit recipients and PERS 5  
service credit for services as a nonteaching 6  
school employee of a county board of 7  
developmental disabilities. 8

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

**Section 1.** That section 145.323 be amended and sections 9  
145.018 and 145.321 of the Revised Code be enacted to read as 10  
follows: 11

**Sec. 145.018.** Notwithstanding section 145.016 of the 12  
Revised Code, the public employees retirement board shall grant 13  
a full year of service credit to a member of the retirement 14  
system if all of the following conditions are met: 15

(A) The member is employed by a county board of 16  
developmental disabilities. 17

(B) The member's employment is in a position that would be 18  
covered by Chapter 3309. of the Revised Code if the member was 19

employed by a public employer as defined in section 3309.01 of 20  
the Revised Code. 21

(C) The member performs full-time services in the position 22  
for at least nine months of the year and is paid earnable salary 23  
in each month of that year. 24

**Sec. 145.321.** (A) As used in this section, "benefit" means 25  
any annual allowance, pension, or benefit being paid under 26  
section 145.33, 145.332, 145.36, 145.37, 145.45, or 145.46 of 27  
the Revised Code, regardless of the section under which the 28  
benefit was granted and any increases paid pursuant to section 29  
145.323 of the Revised Code. "Benefit" does not include any 30  
amounts payable by reason of deposits to the employees' savings 31  
fund under section 145.62 of the Revised Code. 32

(B) Effective January 1, 2019, the public employees 33  
retirement board shall increase a benefit payable to each person 34  
eligible to receive a benefit that was effective on or before 35  
December 31, 1980. The amount of the increase shall be 36  
determined by multiplying the benefit for which the person was 37  
eligible on December 31, 2018, by the following percentages as 38  
determined by the calendar year in which the benefit was 39  
effective: 40

<u>Calendar Year</u>	<u>Percentage of</u>	
<u>Effective</u>	<u>Increase</u>	
<u>1969 and earlier</u>	<u>0.0</u>	43
<u>1970</u>	<u>7.0</u>	44
<u>1971</u>	<u>5.7</u>	45
<u>1972</u>	<u>1.7</u>	46

<u>1973</u>	<u>2.5</u>	47
<u>1974</u>	<u>7.0</u>	48
<u>1975</u>	<u>6.2</u>	49
<u>1976</u>	<u>6.6</u>	50
<u>1977</u>	<u>6.6</u>	51
<u>1978</u>	<u>7.4</u>	52
<u>1979</u>	<u>8.8</u>	53
<u>1980</u>	<u>5.7</u>	54

(C) The increase made under this section shall be included 55  
in calculating any increases made pursuant to section 145.323 of 56  
the Revised Code. 57

**Sec. 145.323.** (A) Except as otherwise provided in this 58  
section, the public employees retirement board shall annually 59  
increase each allowance, pension, or benefit payable under this 60  
chapter. 61

~~Until the last day of December of the fifth full calendar-~~ 62  
~~year after the effective date of this amendment~~31, 2018, the 63  
increase shall be three per cent. For each succeeding calendar 64  
year, the increase shall be as follows: 65

(1) ~~For~~In calendar years 2019 and 2020, for each 66  
allowance, pension, or benefit payable under section 145.33 or 67  
145.332 of the Revised Code that was granted in calendar year 68  
2010, 2011, or 2012, and not later than the effective date of 69  
this amendment January 7, 2013, the increase shall be three per 70  
cent. Thereafter, the increase shall be the increase specified 71  
in division (A) (2) of this section. 72

(2) For each allowance, pension, or benefit ~~granted on or~~ 73

~~after the effective date of this amendment other than those~~ 74  
~~described in division (A) (1) of this section, the increase shall~~ 75  
~~be~~ the percentage increase in the consumer price index, not 76  
exceeding ~~three~~ two and one-half per cent, as determined by the 77  
United States bureau of labor statistics (U.S. city average for 78  
urban wage earners and clerical workers: "all items 1982- 79  
84=100") for the twelve-month period ending on the thirtieth day 80  
of June of the immediately preceding calendar year. If the 81  
consumer price index for that period did not increase, no 82  
increase shall be made under division (A) (2) of this section. 83  
The board may increase the percentage specified in division (A) 84  
(2) of this section, not exceeding three per cent, if the 85  
conditions specified in division (D) of this section are met. 86

No allowance, pension, or benefit shall exceed the limit 87  
established by section 415 of the "Internal Revenue Code of 88  
1986," 100 Stat. 2085, 26 U.S.C. 415, as amended. 89

(B) The first increase is payable to all persons becoming 90  
eligible as follows: 91

(1) For an allowance, pension, or benefit that is 92  
effective after June 30, 1971, but before January 1, 2019, upon 93  
such persons receiving an allowance, pension, or benefit for 94  
twelve months; 95

(2) For an allowance, pension, or benefit that is 96  
effective on or after January 1, 2019, upon such persons 97  
receiving an allowance, pension, or benefit for twenty-four 98  
months. 99

The increased amount is payable for the ensuing twelve- 100  
month period or until the next increase is granted under this 101  
section, whichever is later. Subsequent increases shall be 102

determined from the date of the first increase paid to the 103  
former member in the case of an allowance being paid a 104  
beneficiary under an option, or from the date of the first 105  
increase to the survivor first receiving an allowance or benefit 106  
in the case of an allowance or benefit being paid to the 107  
subsequent survivors of the former member. 108

The date of the first increase under this section becomes 109  
the anniversary date for any future increases. 110

The allowance, pension, or benefit used in the first 111  
calculation of an increase under this section shall remain as 112  
the base for all future increases, unless a new base is 113  
established. 114

~~(B)~~ (C) If payment of a portion of a benefit is made to an 115  
alternate payee under section 145.571 of the Revised Code, 116  
increases under this section granted while the order is in 117  
effect shall be apportioned between the alternate payee and the 118  
benefit recipient in the same proportion that the amount being 119  
paid to the alternate payee bears to the amount paid to the 120  
benefit recipient. 121

If payment of a portion of a benefit is made to one or 122  
more beneficiaries under a multiple-life plan under section 123  
145.46 of the Revised Code, each increase under this section 124  
granted while the plan of payment is in effect shall be divided 125  
among the designated beneficiaries in accordance with the 126  
portion each beneficiary has been allocated. 127

~~(C)~~ (D) The board may increase the percentage granted 128  
under division (A) (2) of this section if both of the following 129  
apply: 130

(1) The percentage increase in the consumer price index 131

under that division equals or exceeds three per cent for a 132  
period of three consecutive years immediately preceding the year 133  
of the increase; 134

(2) Based on the retirement system's most recent annual 135  
actuarial valuation required by section 145.22 of the Revised 136  
Code, the ratio of the system's assets to its liabilities 137  
exceeds one hundred per cent. 138

(E) If in any year the period necessary to amortize the 139  
retirement system's unfunded actuarial accrued pension liability 140  
equals or exceeds thirty years, as determined by the annual 141  
actuarial valuation required by section 145.22 of the Revised 142  
Code, no increase shall be granted under this section in any 143  
succeeding calendar year until the amortization period is less 144  
than thirty years. 145

(F) The board shall make all rules necessary to carry out 146  
this section. 147

**Section 2.** That existing section 145.323 of the Revised 148  
Code is hereby repealed. 149