(123rd General Assembly)
(Substitute House Bill Number 416)

AN ACT

To amend sections 145.201, 145.33, 145.491, and 3309.312 and to repeal section 145.203 of the Revised Code to eliminate a provision that allowed Public Employees Retirement System (PERS) members making contributions as elected officials to elect to contribute an additional amount to PERS on the basis of earnable salary as an employee of a not-for-profit corporation formed for the purpose of owning, managing, or operating a professional sports organization; to clarify that the limit prescribed in federal law for purchases of certain types of service credit applies to service credit purchased for service as an elected official; to permit certain PERS members with at least 25 years of law enforcement service credit to retire with full benefits at age 48; and to revise the law governing employee and employer contribution rates for PERS law enforcement.

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

SECTION 1. That sections 145.201, 145.33, 145.491, and 3309.312 of the Revised Code be amended to read as follows:

Sec. 145.201. (A) ~~Any~~ Subject to the limit described in division (C) of this section, any member who is or has been an elected official of the state or any political subdivision thereof or has been appointed by the governor with the advice and consent of the senate to serve full-time as a member of a board, commission, or other public body may at any time prior to retirement purchase additional service credit in an amount not to exceed thirty-five per cent of the service credit allowed the member for the period of service as an elected or appointed official subsequent to January 1, 1935, other than credit for military service, part-time service, and 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.

The additional service credit may be purchased by paying into the employees' savings fund an amount computed by multiplying by the employee contribution rate in effect at the time of purchase the member's earnable salary for the period of service upon which the purchased credit is based, by the number of years or portions thereof of additional service credit to be purchased, and by paying into the employers' accumulation fund an amount equal to the full amount paid into the employees' savings fund. If a member purchases less than the full amount of the additional service credit to which the member is entitled, the period of service upon which the purchase is computed shall be the member's earliest period of such service. The member shall receive full credit for such additional elective service in computing an allowance or benefit under section 145.20, 145.33, 145.331, 145.34, 145.36, 145.361, or 145.46 of the Revised Code, notwithstanding any other provision of this chapter. The payment to the employees' savings fund and the employers' accumulation fund for such additional elective service credit shall, in the event of death or withdrawal from service, be considered as accumulated contributions of the member.

A member of a board, commission, or other public body shall be considered to be serving full-time if full-time service is required by law or if the director of administrative services determines that the duties of the position require full-time service.

(B) Notwithstanding division (A) of this section, a member who purchased service credit under this section prior to January 1, 1980, on the basis of part-time service shall be permitted to retain the credit and shall be given full credit for it in computing an allowance or benefit under section 145.20, 145.33, 145.331, 145.34, 145.36, 145.361, or 145.46 of the Revised Code. The public employees retirement board has no authority to cancel or rescind such credit.

(C) A purchase made under this section shall not exceed the limits established by division (n) of section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415(n), as amended

Sec. 145.33. (A) Except as provided in division (B) of this section, a member with at least five years of total service credit who has attained age sixty, or who has thirty years of total Ohio service credit, may apply for age and service retirement, which shall consist of:

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

(2) A pension equal to the annuity provided by division (A)(1) of this section;

(3) An additional pension, if the member can qualify for prior service, equal to forty dollars multiplied by the number of years, and fraction thereof, of such prior and military service credit;

(4) A basic annual pension equal to one hundred eighty dollars if the member has ten or more years of total service credit as of October 1, 1956, except that the basic annual pension shall not exceed the sum of the annual benefits provided by divisions (A)(1), (2), and (3) of this section. The cost of the basic annual pension shall be included in the deficiency contribution provided by sections 145.48 and 145.50 of the Revised Code.

(5) When a member retires on age and service retirement, the member's total annual single lifetime allowance, including the allowances provided in divisions (A)(1), (2), (3), and (4) of this section, shall be not less than a base amount adjusted in accordance with division (A)(5) of this section and determined by multiplying the member's total service credit by the greater of the following:

(a) Eighty-six dollars;

(b) Two and one-tenth per cent of the member's final average salary for each of the first thirty years of service plus two and one-half per cent of the member's final average salary for each subsequent year of service.

The allowance shall be adjusted by the factors of attained age or years of service to provide the greater amount as determined by the following schedule:

Attained Birthday	or	Years of Total Service Credit	Percentage 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

Members shall vest the right to a benefit in accordance with the following schedule, based on the member's attained age by September 1, 1976:

	Percentage

Attained Birthday	of Base Amount
66	102
67	104
68	106
69	108
70 or more	110

(6) The total annual single lifetime allowance that a member shall receive under division (A)(5) of this section shall not exceed the lesser of one hundred 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.

(B)(1) For the purposes of divisions (B) to (F) of this section, "total service credit as a law enforcement officer" includes credit for military service to the extent permitted by division (F)(2) of this section.

(2) A member who meets the conditions in division (B)(2)(a), (b), or (c) of this section may apply for an age and service retirement benefit under this division:

(a) Except as provided in division (B)(2)(b) of this section, has at least twenty-five years of total service credit~~, including credit for military service under division (C)(2) of this section, while serving~~ as a law enforcement officer and ~~who~~ has attained age fifty-two ~~may apply for an age and service retirement benefit, which~~;

(b) Has at least twenty-five years of total service credit as a law enforcement officer while serving as a sheriff, deputy sheriff, or township constable or police officer in a township police department or district and has attained age forty-eight;

(c) Has at least fifteen years of total service credit as a law enforcement officer and has attained age sixty-two.

(3) A benefit paid under division (B) of this section shall consist of an annual single lifetime allowance equal to the sum of two and one-half per cent of the member's final average salary multiplied by the first twenty years of the member's total service plus two and one-tenth per cent of the member's final average salary multiplied by the number of years of the member's total service credit in excess of twenty years~~, except that no allowance shall exceed the lesser of ninety 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 who has at least fifteen years of total service credit, including credit for military service under division (C)(2) of this section,~~

~~while serving as a law enforcement officer and has attained sixty-two years of age may apply for an age and service retirement benefit, which shall consist of an annual single lifetime allowance computed as provided in division (B)(1) of this section. The benefit 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.~~

~~(3)~~(C) A member with at least fifteen years of total service credit~~, including credit for military service under division (C)(2) of this section, while serving~~ as a law enforcement officer who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony may apply for an age and service retirement benefit, which shall consist of an annual single lifetime allowance equal to one and one-half per cent of the member's final average salary multiplied by the number of years of the member's total service credit. ~~The benefit 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 allowance shall commence on the first day of the calendar month following the month in which the application is filed with the public employees retirement board on or after the attainment by the applicant of age fifty-two.

~~(4)~~(D)(1) A member ~~who has~~ with at least twenty-five years of total service credit~~, including credit for military service under division (C)(2) of this section, while serving~~ as a law enforcement officer other than as a law enforcement officer eligible for a benefit under division (B)(2)(b) of this section who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony, on or after the date of attaining forty-eight years of age, but before the date of attaining fifty-two years of age, may elect to receive a reduced benefit as determined by the following schedule:

Attained Age	Reduced Benefit
48	75% of the benefit payable under division (B)~~(1)~~(3) of this section
49	80% of the benefit payable under division (B)~~(1)~~(3) of this section
50	86% of the benefit payable under division (B)~~(1)~~(3) of this section
51	93% of the benefit payable under division (B)~~(1)~~(3) of this section

~~A member who has at least twenty-five years of law enforcement service credit, upon attaining forty-eight, forty-nine, fifty, or fifty-one years of age, may elect to retire and receive a reduced benefit determined by the~~

~~above schedule.~~

(2) If a member elects to receive a reduced benefit ~~on or~~ after ~~the date of~~ attaining age forty-eight ~~years of age, but before the date of attaining forty-nine years of age, the reduced benefit is payable from the date the member attained forty-eight years of age or from the date the member becomes eligible to receive the reduced benefit, whichever is later. If a member elects to receive a reduced benefit on or after the date of attaining forty-nine years of age, but before the date of attaining fifty years of age, the reduced benefit is payable from the date the member attained forty-nine years of age or from the date the member becomes eligible to receive the reduced benefit, whichever is later. If a member elects to receive a reduced benefit on or after the date of attaining fifty years of age, but before the date of attaining fifty-one years of age, the reduced benefit is payable from the date the member attained fifty years of age or from the date the member becomes eligible to receive the reduced benefit, whichever is later. If a member elects to receive a reduced benefit on or after the date of attaining fifty-one years of age, but before the date of attaining fifty-two years of age,~~ the reduced benefit is payable from the later of the date ~~the member attained fifty-one years of age or from~~ of the member's most recent birthday or the date the member becomes eligible to receive the reduced benefit~~, whichever is later~~.

(3) Once a member elects to receive a reduced benefit determined by the ~~above~~ schedule in division (D)(1) of this section and has received a payment, the member may not reelect to change that election.

(4) If a member who has resigned or been discharged has left on deposit the member's accumulated contributions in the employees' savings fund and has not elected to receive a reduced benefit determined by the ~~above~~ schedule in division (D)(1) of this section, upon attaining fifty-two years of age, the member shall be entitled to receive a benefit computed and paid under division (B)~~(1)~~(3) of this section.

~~(C)~~(E) A benefit paid under division (B), (C), or (D) of this section shall not exceed the lesser of ninety 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.

(F)(1) A member with service credit as a law enforcement officer and other service credit under this chapter may elect one of the following:

(a) To have all the member's service credit under this chapter, including credit for service as a law enforcement officer, used in calculating a retirement allowance under division (A) of this section if the member qualifies for an allowance under that division;

(b) If the member qualifies for an allowance under division (B), (C), or (D) of this section, to have the member's service credit as a law enforcement officer used in calculating a benefit under that division and the member's credit for all service other than law enforcement service under this chapter used in calculating a benefit consisting of a single life annuity having a reserve equal to the amount of the member's accumulated contributions and an equal amount of the employer's contributions.

(2) Notwithstanding sections 145.01 and 145.30 of the Revised Code, no more than four years of military service credit granted under section 145.30 of the Revised Code and five years of military service credit purchased under section 145.301 or 145.302 of the Revised Code shall be used in calculating service as a law enforcement officer or the total service credit of that person.

(3) Only credit for the member's service as a law enforcement officer or service credit obtained as a police officer or state highway patrol trooper shall be used in computing the benefits under division (B), (C), or (D) of this section for the following:

(a) Any person who originally is commissioned and employed as a deputy sheriff by the sheriff of any county, or who originally is elected sheriff, on or after January 1, 1975;

(b) Any deputy sheriff who originally is employed as a criminal bailiff or court constable on or after April 16, 1993;

(c) Any person who originally is appointed as a township constable or police officer in a township police department or district on or after January 1, 1981;

(d) Any person who originally is employed as a county narcotics agent on or after September 26, 1984;

(e) Any person who originally is employed as an undercover drug agent as defined in section 109.79 of the Revised Code, department of public safety enforcement agent who prior to ~~the effective date of this amendment~~ June 30, 1999 was a liquor control investigator, park officer, forest officer, wildlife officer, state watercraft officer, park district police officer, conservancy district officer, Ohio veterans' home police officer, special police officer for a mental health institution, special police officer for an institution for the mentally retarded and developmentally disabled, or municipal police officer on or after December 15, 1988;

(f) Any person who originally is employed as a state university law enforcement officer on or after November 6, 1996;

(g) Any person who originally is employed as a Hamilton county municipal court bailiff on or after November 6, 1996;

(h) Any person who is originally employed as a state university law enforcement officer by the university of Akron on or after September 16, 1998;

(i) Any person who originally is employed as a preserve officer on or after March 18, 1999;

(j) Any person who originally is employed as a natural resources law enforcement staff officer on or after March 18, 1999;

(k) Any person who is originally employed as a department of public safety enforcement agent on or after ~~the effective date of this amendment~~ June 30, 1999.

~~(D)~~(G) Retirement allowances determined under this section shall be paid as provided in section 145.46 of the Revised Code.

~~(E)~~(H) For the purposes of this section, service prior to ~~the effective date of this amendment~~ June 30, 1999, as a food stamp trafficking agent under former section 5502.14 of the Revised Code shall be considered service as a law enforcement officer.

Sec. 145.491. Notwithstanding ~~any provision of sections 145.01 to 145.59~~ section 145.47 of the Revised Code, the public employees retirement system shall be authorized to calculate the employee ~~and employer~~ contribution rates separately for those public employees contributing toward benefits under division (B), (C), or (D) of section 145.33 of the Revised Code, other than those employees contributing toward benefits under division (B)(2)(b) of that section. Each public employee contributing toward benefits under division (B)(2)(b) of section 145.33 of the Revised Code shall contribute ten and one-tenth per cent of the employee's earnable salary to the employees' savings fund, notwithstanding section 145.47 of the Revised Code.

Notwithstanding section 145.48 of the Revised Code, the public employees retirement system shall be authorized to calculate the employer contribution rates separately for those public employees contributing toward benefits under division (B), (C), or (D) of section 145.33 of the Revised Code, except that the employer contribution rate shall not exceed eighteen and one-tenth per cent of the earnable salaries of those employees.

Sec. 3309.312. (A) Not later than ninety days after ~~the effective date of this section~~ September 16, 1998, a member who, on ~~the effective date of this section~~ September 16, 1998, is employed full-time pursuant to section 3345.04 of the Revised Code by the university of Akron as a state university law enforcement officer may elect to transfer to the public employees retirement system in accordance with this section. An election shall be made by giving notice to the school employees retirement system on a form

provided by the school employees retirement board and shall be irrevocable.

(B) When a member makes the election described in this section, the school employees retirement system shall notify the public employees retirement system. The school employees retirement system shall transfer all of the member's service credit to the public employees retirement system and shall certify to the public employees retirement system a copy of the member's records of service and contributions. For each year or portion of a year of credit, the school employees retirement system shall transfer to the public employees retirement system all of the following:

(1) An amount equal to the accumulated contributions standing to the member's credit;

(2) An amount equal to the total employer contributions paid on behalf of the member;

(3) Any amount paid by the member or employer to the school employees retirement system for the purchase of service credit.

At the request of the public employees retirement system, the employer of a member who makes an election under this section shall certify to the public employees retirement system the member's salary.

(C) A member who elects to transfer to the public employees retirement system under this section shall make contributions and receive benefits ~~under~~ in accordance with divisions (B) ~~and (C)~~ to (G) of section 145.33 of the Revised Code.

(D) A member who fails to make an election in accordance with this section shall remain a member of the school employees retirement system.

SECTION 2. That existing sections 145.201, 145.33, 145.491, and 3309.312 and section 145.203 of the Revised Code are hereby repealed.

SECTION 3. The repeal of section 145.203 of the Revised Code by this act shall not affect any contributions made or service credit earned under that section prior to the effective date of this act.

SECTION 4. Sections 145.33, 145.491, and 3309.312 of the Revised Code, as amended by this act, shall take effect January 1, 2001.

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Speaker _____ of the House of Representatives.

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President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

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Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20____.

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Secretary of State.

File No. _____ Effective Date _____