

AN ACT

To amend sections 101.82, 145.01, 145.23, 145.31, 145.37, 145.38, 145.40, 145.43, 742.26, 3307.31, 3307.35, 3307.53, 3307.57, 3307.771, 3309.30, 3309.341, 3309.35, and 3309.51; to enact sections 145.383, 145.401, 145.471, 145.472, 145.473, 3307.351, 3309.343, and 3309.473; and to repeal section 145.202 of the Revised Code to require the Public Employees Retirement System (PERS) to credit interest on a member's contributions and, under certain conditions, to pay an amount of employer contributions on the death of a member or withdrawal of a member's contributions; to permit certain members of PERS, the School Employees Retirement System (SERS), or the State Teachers Retirement System (STRS) who hold more than one position covered by those retirement systems to retire from one position and continue making contributions for the other position toward the purchase of an annuity; to revise the law governing a retirant or disability benefit recipient's reemployment in a position covered by PERS, SERS, STRS, or the Ohio Police and Fire Pension Fund; to allow an STRS member who prior to July 1, 1982, resigned due to adoption of a child to purchase up to one year of service credit; to allow any SERS member who resigned due to pregnancy or adoption of a child to purchase up to two years of service credit; to allow SERS and STRS to collect employer contributions from the governing authorities of community schools in the same manner as contributions are collected from boards of

education; and to exempt from sunset review the Ohio Public Employees Deferred Compensation Board, Ohio Retirement Study Council, and the boards of Ohio's state retirement systems.

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

SECTION 1. That sections 101.82, 145.01, 145.23, 145.31, 145.37, 145.38, 145.40, 145.43, 742.26, 3307.31, 3307.35, 3307.53, 3307.57, 3307.771, 3309.30, 3309.341, 3309.35, and 3309.51 be amended and sections 145.383, 145.401, 145.471, 145.472, 145.473, 3307.351, 3309.343, and 3309.473 of the Revised Code be enacted to read as follows:

Sec. 101.82. As used in sections 101.82 to 101.87 of the Revised Code:

(A) "Agency" means any board, commission, committee, or council, or any other similar state public body required to be established pursuant to state statutes for the exercise of any function of state government and to which members are appointed or elected. "Agency" does not include:

(1) The general assembly, or any commission, committee, or other body composed entirely of members thereof;

(2) Any court;

(3) Any public body created by or directly pursuant to the constitution of this state;

(4) The board of trustees of any institution of higher education financially supported in whole or in part by the state;

(5) Any public body that has the authority to issue bonds or notes or that has issued bonds or notes that have not been fully repaid;

(6) The public utilities commission of Ohio;

(7) The consumers' council governing board;

(8) The Ohio board of regents;

(9) Any state board or commission that has the authority to issue any final adjudicatory order that may be appealed to the court of common pleas under Chapter 119. of the Revised Code;

(10) Any board of elections;

(11) The board of directors of the Ohio insurance guaranty association and the board of governors of the Ohio fair plan underwriting association;

(12) The Ohio public employees deferred compensation board;

(13) The Ohio retirement study council;

(14) The board of trustees of the Ohio police and fire pension fund, public employees retirement board, school employees retirement board,

e highway patrol retirement board, and state teachers retirement board.

(B) "Abolish" means to repeal the statutes creating and empowering an agency, remove its personnel, and transfer its records to the department of administrative services pursuant to division (H) of section 149.331 of the Revised Code.

(C) "Terminate" means to amend or repeal the statutes creating and empowering an agency, remove its personnel, and reassign its functions and records to another agency or officer designated by the general assembly.

(D) "Transfer" means to amend the statutes creating and empowering an agency so that its functions, records, and personnel are conveyed to another agency or officer.

(E) "Renew" means to continue an agency, and may include amendment of the statutes creating and empowering the agency, or recommendations for changes in agency operation or personnel.

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 historical society, 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.

In all cases of doubt, the public employees retirement board shall determine 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)~~(2)~~ 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 historical society, public library, county law library, union cemetery, joint hospital, institutional commissary, state medical college, 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 3307.01 or 3309.01 of the Revised Code. In addition, "employer" means the employer of any public employee.

(E) "Prior service" means all service as a public employee rendered before January 1, 1935, and all service as an employee of any employer who comes within the state teachers retirement system or of the school employees retirement system or of any other retirement system established under the laws of this state rendered prior to January 1, 1935, provided that if the employee claiming the service was employed in any capacity covered by that other system after that other system was established, credit for the service may be allowed by the public employees retirement system only when the employee has made payment, to be computed on the salary earned from the date of appointment to the date membership was established in the public employees retirement system, at the rate in effect at the time of payment, and the employer has made payment of the corresponding full liability as provided by section 145.44 of the Revised Code. "Prior 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.

If an employee who has been granted prior service credit by the public employees retirement system for service rendered prior to January 1, 1935, as an employee of a board of education establishes, before retirement, one year or more of contributing service in the state teachers retirement system or school employees retirement system, then the prior service ceases to be the liability of this system.

If the board determines that a position of any member in any calendar year prior to January 1, 1935, was a part-time position, the board shall determine what fractional part of a year's credit shall be allowed by the following formula:

(1) When the member has been either elected or appointed to an office the term of which was two or more years and for which an annual salary is established, the fractional part of the year's credit shall be computed as follows:

First, when the member's annual salary is one thousand dollars or less, the service credit for each such calendar year shall be forty per cent of a year.

Second, for each full one hundred dollars of annual salary above one thousand dollars, the member's service credit for each such calendar year shall be increased by two and one-half per cent.

(2) When the member is paid on a per diem basis, the service credit for any single year of the service shall be determined by using the number of days of service for which the compensation was received in any such year as a numerator and using two hundred fifty days as a denominator.

(3) When the member is paid on an hourly basis, the service credit for any single year of the service shall be determined by using the number of hours of service for which the compensation was received in any such year as a numerator and using two thousand hours as a denominator.

(F) "Contributor" means any person who has an account in the employees' savings fund created by section 145.23 of the Revised Code.

(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 prior service credit; 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. In addition, "total service credit" includes any period, not in excess of three years, during which a member was out of service and receiving benefits under Chapters 4121. and 4123. of the Revised Code. For the exclusive purpose of satisfying the service credit requirement and of determining eligibility for benefits under sections 145.32, 145.33, 145.331, 145.35, 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) "Ohio service credit" means credit for service that was rendered to the state or any of its political subdivisions or any employer.

(I) "Regular ~~or current~~ interest" means interest at any rates for the respective funds and accounts as the public employees retirement board may determine from time to time, ~~except as follows:~~

~~(1) Subsequent to December 31, 1958, the retirement board shall discontinue the annual crediting of current interest to the individual accounts of contributors. The noncrediting of current interest shall not affect the rate of interest at retirement guaranteed under division (I) of this section.~~

~~(2) The rate of interest credited on a contributor's contributions at retirement shall be four per cent per annum, compounded annually, to and including December 31, 1955; three per cent per annum, compounded annually, from January 1, 1956, to and including December 31, 1963; three and one quarter per cent per annum, compounded annually, from January 1, 1964, to and including December 31, 1969; and thereafter four per cent per annum, compounded annually.~~

~~In determining the reserve value for the purpose 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, compounded annually, for contributors retiring before October 1, 1956, and after December 31, 1969; three per cent per annum, compounded annually, for contributors retiring between October 1, 1956, and December 31, 1963; and three and one quarter per cent per annum, compounded annually, for contributors retiring from January 1, 1964, to December 31, 1969. Interest on contributions from contributors within any one calendar year shall begin on the first day of the calendar year next following and shall be computed at the end of each calendar year, except in the case of a contributor who retires before the end of the year.~~

(J) "Accumulated contributions" means the sum of all amounts credited to a contributor's individual account in the employees' savings fund together with any current interest thereon, ~~but does not include the interest adjustment at retirement~~ credited to the contributor's account under section 145.471 or 145.472 of the Revised Code.

(K)(1) "Final average salary" means the quotient obtained by dividing by three the sum of the three full calendar years of contributing service in which the member's earnable salary was highest, except that if the member has a partial year of contributing service in the year the member's employment terminates and the member's earnable salary for the partial year is higher than for any comparable period in the three years, the member's earnable salary for the partial year shall be substituted for the member's earnable salary for the comparable period during the three years in which the member's earnable salary was lowest.

(2) If a member has less than three years of contributing service, the member's final average salary shall be the member's total earnable salary divided by the total number of years, including any fraction of a year, of the member's contributing service.

(3) For the purpose of calculating benefits payable to a member qualifying for service credit under division (Z) of this section, "final average salary" means the total earnable salary on which contributions were made

vided by the total number of years during which contributions were made, including any fraction of a year. If contributions were made for less than twelve months, "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 retirant 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, 145.34, 145.37, and 145.46 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 full 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 divisions (K)(3) and (Y) of this section.

(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) or (D) of section 5923.05 of the Revised Code or Section 4 of Substitute Senate Bill No. 3 of the 119th 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.

(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)(1) "Contributing service" means 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 by the following formula:

(a) For each month for which the member's earnable salary is two hundred fifty dollars or more, allow one month's credit.

(b) For each month for which the member's earnable salary is less than two hundred fifty dollars, allow a fraction of a month's credit. The numerator of this fraction shall be the earnable salary during the month, and the denominator shall be two hundred fifty dollars, except that if the member's annual earnable salary is less than six hundred dollars, the member's credit shall not be reduced below twenty per cent of a year for a calendar year of employment during which the member worked each month. Division (T)(1)(b) of this section shall not reduce any credit earned before January 1, 1985.

(2) Notwithstanding division (T)(1) of this section, an elected official

who prior to January 1, 1980, was granted a full year of credit for each year of service as an elected official shall be considered to have earned a full year of credit for each year of service regardless of whether the service was full-time or part-time. The public employees retirement board has no authority to reduce the credit.

(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, 145.34, and 145.46 of the Revised Code.

(W) "Employer contribution" means the amount paid by an employer as determined by the employer rate including the normal and deficiency contribution rates.

(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) When a member has been elected or appointed to an office, the term of which is two or more years, for which an annual salary is established, and in the event that the salary of the office is increased and the member is denied the additional salary by reason of any constitutional provision prohibiting an increase in salary during a term of office, the member may elect to have the amount of the member's contributions calculated upon the basis of the increased salary for the office. At the member's request, the board shall compute the total additional amount the member would have contributed, or the amount by which each of the member's contributions would have increased, had the member received the increased salary for the office the member holds. If the member elects to have the amount by which the member's contribution would have increased withheld from the member's salary, the member shall notify the employer, and the employer shall make the withholding and transmit it to the retirement system. A member who has not elected to have that amount withheld may elect at any time to make a payment to the retirement system equal to the additional amount the member's contribution would have increased, plus interest on that contribution, compounded annually at a rate established by the board and computed from the date on which the last contribution would have been withheld from the member's salary to the date of payment. A member may make a payment for part of the period for which the increased contribution was not withheld, in which case the interest shall be computed from the date the last contribution would have been withheld for the period for which the

payment is made. Upon the payment of the increased contributions as provided in this division, the increased annual salary as provided by law for the office for the period for which the member paid increased contributions thereon shall be used in determining the member's earnable salary for the purpose of computing the member's final average salary.

(Z) "Five years of service credit," for the exclusive purpose of satisfying the service credit requirements and of determining eligibility for benefits under section 145.33 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.

(AA) "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, and whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of this state; 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 and whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state; 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 and whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state.

(BB) "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, and whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state.

(CC) "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

fficer 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.

(DD) "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.

(EE) "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.

(FF) "Park officer" means a full-time employee of the department of natural resources who is designated a park officer under section 1541.10 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(GG) "Forest officer" means a full-time employee of the department of natural resources who is designated a forest officer under section 1503.29 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(HH) "Preserve officer" means a full-time employee of the department of natural resources who is designated a preserve officer under section 1517.10 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(II) "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.

(JJ) "State watercraft officer" means a full-time employee of the department of natural resources who is designated a state watercraft officer under section 1547.521 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(KK) "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.

(LL) "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.

(MM) "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.

(NN) "Ohio veterans' home police officer" means any person who is employed at the Ohio 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.

(OO) "Special police officer for a mental health institution" means any person who is designated as such pursuant to section 5119.14 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(PP) "Special police officer for an institution for the mentally retarded and developmentally disabled" 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.

(QQ) "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.

(RR) "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 training school as required by division (C) of section 109.77 of the Revised Code, and whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of this state.

(SS) Notwithstanding section 2901.01 of the Revised Code, "law enforcement officer" means a sheriff, 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, park officer, forest officer, preserve 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, state university law enforcement officer, Hamilton county municipal court bailiff, or municipal police officer.

(TT) "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.

(UU) "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. 145.23. The funds hereby created are the employees' savings fund, the employers' accumulation fund, the annuity and pension reserve fund, the income fund, the survivors' benefit fund, and the expense fund.

(A) The employees' savings fund is the fund in which shall be accumulated contributions from the earnable salaries of contributors for the purchase of annuities or retirement allowances.

The accumulated contributions of a contributor returned to ~~him~~ the contributor upon ~~his~~ withdrawal, or paid to ~~his~~ the contributor's estate or designated beneficiary in the event of ~~his~~ death, shall be paid from the employees' savings fund. Any accumulated contributions forfeited by failure of a member, or ~~his~~ a member's estate, to claim the same, shall be transferred from the employees' savings fund to the income fund. The accumulated contributions of a contributor shall be transferred from the employees' savings fund to the annuity and pension reserve fund in the event of ~~his~~ the contributor's retirement.

(B) The employers' accumulation fund is the fund in which shall be accumulated the reserves for the payment of all pensions and disability benefits payable as provided in this chapter. The amounts paid by the state of Ohio and by any employer defined in division (A) of section 145.01 of the Revised Code because of the normal contributions and deficiency contributions shall be credited to the employers' accumulation fund.

Any payments made into the employers' accumulation fund by a member as provided in section 145.31 of the Revised Code shall be refunded to such member under the conditions specified in section 145.40 of the Revised Code.

Upon the retirement of a contributor, the full amount of ~~his~~ the contributor's pension reserve shall be transferred from the employers'

mulation fund to the annuity and pension reserve fund.

(C) The annuity and pension reserve fund is the fund from which shall be paid all pensions, disability benefits, annuities, and benefits in lieu thereof, because of which reserves have been transferred from the employees' savings fund and the employers' accumulation fund.

Any contributor may deposit in the employees' savings fund, subject to rules established ~~from time to time~~ by the public employees retirement board, such amounts as ~~he~~ the contributor desires, and, at the time of age and service retirement, shall receive in return therefor, at ~~his~~ the contributor's option, either an annuity having a reserve equal to the amount deposited or a cash refund of such amounts together with such interest as may have been allowed by the ~~public employees retirement board at the end of each calendar year~~. Such deposits for additional annuity together with such interest as may have been allowed by the ~~public employees retirement board at the end of each calendar year~~ shall be refunded in the event of death prior to retirement or withdrawal of accumulated contributions as provided in sections 145.40 and 145.43 of the Revised Code or upon application of the contributor prior to age and service retirement.

For deposits received in a calendar year, interest shall be earned beginning on the first day of the calendar year next following and ending on the last day of that year, except that in the case of a payment under this division made prior to the last day of a year, interest shall be earned ending on the last day of the month prior to the date of payment. The board shall credit interest at the end of the calendar year in which it is earned.

(D) The income fund is the fund from which interest is transferred and credited on the amounts in the funds described in divisions (B), (C), and (F) of this section, and is a contingent fund from which the special requirements of the funds may be paid by transfer from this fund. All income derived from the investment of funds by the ~~public employees retirement board~~ as trustee under section 145.11 of the Revised Code, together with all gifts and bequests, or the income therefrom, shall be paid into this fund.

Any deficit occurring in any other fund that will not be covered by payments to that fund, as otherwise provided in Chapter 145. of the Revised Code, shall be paid by transfers of amounts from the income fund to such fund or funds. If the amount in the income fund is insufficient at any time to meet the amounts payable therefrom, the amount of the deficiency, with regular interest, shall be paid by an additional employer rate of contributions as determined by the actuary, not to exceed fourteen per cent, and the amount of the additional employer contribution shall be credited to the income fund.

The ~~public employees retirement~~ board may accept gifts and bequests. Any funds that may come into possession of the ~~public employees retirement~~ board in this manner, or which may be transferred from the employees' savings fund by reason of lack of a claimant, or any surplus in any fund created by this section, or any other funds whose disposition is not otherwise provided for, shall be credited to the income fund.

(E) The expense fund is the fund from which shall be paid the expenses of the administration of this chapter, exclusive of amounts payable as retirement allowances and as other benefits.

(F) The survivors' benefit fund is the fund from which shall be paid dependent survivor benefits provided by section 145.45 of the Revised Code.

Sec. 145.31. Except as provided in this section, a member or former member of the public employees retirement system with at least eighteen months of contributing service credit in this system, the state teachers retirement system, the school employees retirement system, the Ohio police and fire pension fund, or the state highway patrol retirement system, after the withdrawal of accumulated contributions and cancellation of service credit in this system, may restore such service credit by redepositing ~~in the employees' savings fund~~ the amount withdrawn, with interest on such amount compounded annually at a rate to be determined by the public employees retirement board from the first day of the month of withdrawal to and including the month of redeposit. The amount redeposited shall be credited as follows:

(A) The amount that equals the amount, if any, included under section 145.401 of the Revised Code in the withdrawal of accumulated contributions under section 145.40 of the Revised Code shall be credited to the employers' accumulation fund.

(B) The remaining amount shall be credited to the member's account in the employees' savings fund.

The member may choose to purchase only part of such credit in any one payment, subject to board rules. The Except for any amount included under section 145.401 of the Revised Code in the withdrawal of accumulated contributions under section 145.40 of the Revised Code, the total payment to restore canceled service credit, plus any interest credited thereto, shall be considered as accumulated contributions of the member. If a former member is eligible to buy the service credit as a member of the Ohio police and fire pension fund or state highway patrol retirement system, the former member is ineligible to restore that service credit under this section.

Any employee who has been refunded the employee's accumulated

contributions to the public employees retirement system solely by reason of membership in a former firemen's relief and pension fund or a former police relief and pension fund may restore membership in the public employees retirement system by redepositing with the system the amount refunded, with interest on such amount compounded annually at a rate to be determined by the board from the month of refund to and including the month of redeposit. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

Sec. 145.37. (A) As used in this section:

(1) "State retirement system" means the public employees retirement system, school employees retirement system, or state teachers retirement system.

(2) "Total service credit" means all service credit earned in the state retirement systems, except credit for service subject to section 145.38 of the Revised Code. Total service credit shall not exceed one year of credit for any twelve-month period.

(3) In addition to the meaning given in division (N) of section 145.01 of the Revised Code, "disability benefit" means "disability benefit" as defined in sections 3307.01 and 3309.01 of the Revised Code.

(B) To coordinate and integrate membership in the state retirement systems, the following provisions apply:

(1) At the option of a member, total contributions and service credit in all state retirement systems, including amounts paid to restore service credit under sections 145.311, 3307.711, and 3309.261 of the Revised Code, shall be used in determining the eligibility and total retirement or disability benefit payable. When total contributions and service credit are so combined, the following provisions apply:

(a) Age and service retirement or disability benefits are effective on the first day of the month immediately following the later of:

(i) The last day for which compensation was paid;

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

(b) In determining eligibility for a disability benefit, the medical examiner's report to the retirement board of any state retirement system, showing that the member's disability incapacitates the member for the performance of duty, may be accepted by the state retirement boards as sufficient for granting a disability benefit.

(c) The state retirement system in which the member had the greatest service credit, without adjustment, shall determine and pay the total retirement or disability benefit. Where the member's credit is equal in two or

more state retirement systems, the system having the largest total contributions of the member shall determine and pay the total benefit.

(d) In determining the total credit to be used in calculating a retirement or disability benefit, credit shall not be reduced below that certified by the system or systems transferring credit, except that such total combined service credit shall not exceed one year of credit for any one "year" as defined in the law of the system making the calculation.

(e) The state retirement system determining and paying a retirement or disability benefit shall receive from the other system or systems the member's refundable account at retirement or the effective date of a disability benefit plus an ~~equal~~ amount from the ~~employer's~~ employers' accumulation fund equal to the member's refundable account less interest credited under section 145.471, 145.472, or 3307.563 of the Revised Code.

(i) The annuity rates and mortality tables of the state retirement system making the calculation and paying the benefit shall be exclusively applicable.

(ii) Deposits made for the purpose of an additional annuity, and including guaranteed interest, upon the request of the member, shall be transferred to the state retirement system paying the benefit. The return upon such deposits shall be that offered by the state retirement system making the calculation and paying the benefit.

(2) A former member receiving a retirement or disability benefit under this section, who accepts employment amenable to coverage in any state retirement system that participated in the former member's combined benefit, shall be subject to the applicable provisions of law governing such re-employment. ~~If the former member is subject to section 3307.35 of the Revised Code and exceeds the limits on re-employment established by that section, the state retirement system paying a combined benefit shall terminate the entire pension portion of the benefit for the period of re-employment that exceeds the limit in that section.~~ If a former member should be paid any amount in a retirement benefit, to which the former member is not entitled under the applicable provisions of law governing such re-employment, such amount shall be recovered by the state retirement system paying such benefit by utilizing any recovery procedure available under the code provisions of the state retirement system covering such re-employment.

(C) A PERS retirant or other system retirant, as defined in section 145.38 of the Revised Code, is not eligible to receive any benefit under this section for service subject to section 145.38 of the Revised Code.

Sec. 145.38. (A) As used in this section:

(1) "PERS retirant" means a former member of the public employees retirement system who is receiving either of the following:

(a) Age and service retirement benefits under section 145.32, 145.33, 145.331, 145.34, or 145.46 of the Revised Code;

(b) Age and service retirement benefits paid by the public employees retirement system under section 145.37 of the Revised Code.

(2) "Other system retirant" means both of the following:

(a) A member or former member of the Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, state highway patrol retirement system, or Cincinnati retirement system who is receiving age and service or commuted age and service retirement benefits or a disability benefit from a system of which the person is a member or former member;

(b) A member or former member of the public employees retirement system who is receiving age and service retirement benefits or a disability benefit under section 145.37 of the Revised Code paid by the school employees retirement system or the state teachers retirement system.

(B)(1) Subject to this section, a PERS retirant or other system retirant may be employed by a public employer. If so employed, the PERS retirant or other system retirant shall contribute to the public employees retirement system in accordance with section 145.47 of the Revised Code, and the employer shall make contributions in accordance with section 145.48 of the Revised Code.

(2) A public employer that employs a PERS retirant or other system retirant, or enters into a contract for services as an independent contractor with a PERS retirant ~~who was employed by the public employer at the time of the retirant's retirement~~ shall notify the retirement board of the employment or contract not later than the end of the month in which the employment or contract commences. Any overpayment of benefits to a PERS retirant by the retirement system resulting from delay or failure of the employer to give the notice shall be repaid to the retirement system by the employer.

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

(4)(a) A PERS retirant who has received a retirement allowance for less than ~~six~~ two months when employment subject to this section commences shall forfeit the retirement allowance for the period that begins on the date the employment commences and ends on the earlier of the date the

employment terminates or the date that is ~~six~~ two months after the date on which the retirement allowance commenced. Service and contributions for that period shall not be included in calculation of any benefits payable to the PERS retirant and those contributions shall be refunded on the retirant's death or termination of the employment. ~~For purposes of this division, "employment" shall include service for which the retirant or the retirant's employer, or both, have waived any earnable salary for such service.~~

(b) An other system retirant who has received a retirement allowance or disability benefit for less than two months when employment subject to this section commences shall forfeit the retirement allowance or disability benefit for the period that begins on the date the employment commences and ends on the earlier of the date the employment terminates or the date that is two months after the date on which the retirement allowance or disability benefit commenced. Service and contributions for that period shall not be included in the calculation of any benefits payable to the other system retirant and those contributions shall be refunded on the retirant's death or termination of the employment.

(5) On receipt of notice from the Ohio police and fire pension fund, school employees retirement system, or state teachers retirement system of the re-employment of a PERS retirant, the public employees retirement system shall not pay, or if paid, shall recover, the amount to be forfeited by the PERS retirant in accordance with section 742.26, 3307.35, or 3309.341 of the Revised Code.

(6) A PERS retirant who enters into a contract to provide services as an independent contractor to the employer by which the retirant was employed at the time of retirement or, less than two months after the retirement allowance commences, begins providing services as an independent contractor pursuant to a contract with another public employer, shall forfeit the pension portion of the retirement benefit for the period beginning the first day of the month following the month in which the services begin and ending on the first day of the month following the month in which the services end. The annuity portion of the retirement allowance shall be suspended on the day services under the contract begin and shall accumulate to the credit of the retirant to be paid in a single payment after services provided under the contract terminate. A PERS retirant subject to division (B)(6) of this section shall not contribute to the retirement system and shall not become a member of the system.

(7) As used in this division, "employment" includes service for which a PERS retirant or other system retirant, the retirant's employer, or both, have waived any earnable salary for the service.

~~(C)(1) Except as provided in division (C)(4) of this section, a PERS retirant employed pursuant to this section shall elect one of the following:~~

~~(a) To receive both compensation for the employment and a retirement allowance;~~

~~(b) To receive compensation for the employment and forfeit the pension portion of the retirement allowance.~~

~~(2) A PERS retirant who is described in division (C)(4) of this section or elects to forfeit the pension portion of the retirement allowance under, prior to the effective date of this amendment, made an election under division (C)(1)(b) of this section shall become a new as that division existed immediately prior to the effective date of this amendment, and a PERS retirant who elects under Section 6 of Am. Sub. S.B. No. 144 of the 123rd general assembly elects to be subject to this section is a member of the public employees retirement system with all the rights, privileges, and obligations of membership, except that the new membership does not include survivor benefits provided pursuant to section 145.45 of the Revised Code or, beginning on the ninetieth day after the effective date of this amendment, any amount calculated under section 145.401 of the Revised Code~~ The pension portion of the PERS retirant's retirement allowance shall cease on the first day of the first month following commencement of the employment and shall thereafter be forfeited until the first day of the first month following termination of the employment. The annuity portion of the retirement allowance shall be suspended on the first day of the first month following commencement of the employment and shall thereafter accumulate to the credit of the PERS retirant to be paid in a single payment after termination of the employment. The retirement allowance shall resume on the first day of the first month following termination of the employment. On termination of the employment, the PERS retirant shall elect to receive either a refund of the retirant's contributions to the retirement system during the period of employment subject to this section or a supplemental retirement allowance based on the retirant's contributions and service credit for that period of employment.

~~(3) Except as provided in division (B)(4) of this section, there shall be no suspension or forfeiture of any portion of the retirement allowance payable to other system retirants or to PERS retirants who make an election under division (C)(1)(a) of this section.~~

~~(4) A PERS retirant shall elect division (C)(1)(b) of this section if both of the following apply:~~

~~(a) The retirant held elective office in this state, or in any municipal corporation, county, or other subdivision of this state at the time of~~

retirement under Chapter 145. of the Revised Code;

~~(b) The retirant was elected or appointed to the same office for the remainder of the term or the term immediately following the term during which the retirement occurred.~~

(D)(1) On termination of employment under this section, ~~the an other system retirant or a~~ PERS retirant who ~~makes an election under is not subject to~~ division (C)(1)(a) of this section ~~or other system retirant~~ may file an application with the public employees retirement system for a benefit under this division, ~~which. The benefit~~ shall consist of a single life 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) of this section, and an equal amount of the employer's contributions. The PERS retirant or other system retirant shall elect either to receive the benefit as a monthly annuity for life or a lump-sum payment discounted to the present value using the current actuarial assumption rate of interest, except that if the monthly annuity would be less than twenty-five dollars per month, the retirant shall receive a lump-sum payment.

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

(a) The last day for which compensation for employment subject to this section was paid;

(b) Attainment by the PERS retirant or other system retirant of age sixty-five;

(c) If the PERS retirant or other system retirant was previously employed under this section and is receiving or previously received a benefit under this division, completion of a period of twelve months since the effective date of the last benefit under this division.

(3)(a) If a PERS retirant or other system retirant dies while employed in employment subject to this section, a lump-sum payment calculated in accordance with division (D)(1) of this section shall be paid to the retirant's beneficiary under division (G) of this section.

(b) If at the time of death a PERS retirant or other system retirant receiving a monthly annuity 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.

(4)(a) A PERS retirant or other system retirant subject to this division is not a member of the public employees retirement system, does not have any

of the rights, privileges, or obligations of membership, except as specified in this section, and, except as specified in division (D)(4)(b) of this section, is not eligible to receive health, medical, hospital, or surgical benefits under section 145.58 of the Revised Code for employment subject to this section. No amount received under this division shall be included in determining an additional benefit under section 145.323 of the Revised Code or any other post-retirement benefit increase.

(b) A PERS retiree ~~who makes an election under~~ subject to this division (C)(1)(a) of this section shall receive primary health, medical, hospital, or surgical insurance coverage from the retiree's employer, if the employer provides coverage to other employees performing comparable work. Neither the employer nor the PERS retiree may waive the employer's coverage, except that the PERS retiree may waive the employer's coverage if the retiree has coverage comparable to that provided by the employer from a source other than the employer or the public employees retirement system. If a claim is made, the employer's coverage shall be the primary coverage and shall pay first. The benefits provided under section 145.58 of the Revised Code shall pay only those medical expenses not paid through the employer's coverage or coverage the PERS retiree receives through a source other than the retirement system.

(E) If the disability benefit of an other system retiree employed under this section is terminated, the retiree shall become a member of the public employees retirement system, effective on the first day of the month next following the termination with all the rights, privileges, and obligations of membership. If such person, after the termination of the disability benefit, earns two years of service credit under this system or under the Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system, the person's prior contributions as an other system retiree under this section shall be included in the person's total service credit as a public employees retirement system member, and the person 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.

~~(F) A PERS retiree who performs services for a public employer as an independent contractor pursuant to a contract with the employer shall not make contributions to the public employees retirement system or become a member of the system. Except as provided in division (B)(6) of this section, there shall be no suspension or forfeiture of the retiree's retirement allowance.~~

~~(G)~~(F) A PERS retiree or other system retiree employed under this

section may designate one or more persons as beneficiary to receive any benefits payable under 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, the beneficiary is the beneficiary determined under division (D) of section 145.43 of the Revised Code. 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)~~(G) 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.

~~(H)~~(H) The public employees retirement board may adopt rules to carry out this section.

Sec. 145.383. (A) As used in this section:

(1) "Compensation" has the same meaning as in section 3307.01 or 3309.01 of the Revised Code, as appropriate.

(2) "PERS position" means a position for which a member of the public employees retirement system is making contributions to the system.

(3) "Other state retirement system" means the state teachers retirement system or the school employees retirement system.

(4) "State retirement system" means the public employees retirement system, state teachers retirement system, or the school employees retirement system.

(B)(1) A member of the public employees retirement system who holds two or more PERS positions may retire under section 145.32, 145.33, 145.331, 145.34, 145.37, or 145.46 of the Revised Code from the position for which the annual earnable salary at the time of retirement is highest and continue to contribute to the retirement system for the other PERS position or positions.

stems may retire under section 145.32, 145.33, 145.331, 145.34, 145.37, or 145.46 of the Revised Code from the PERS position and continue contributing to the other state retirement systems if the annual earnable salary for the PERS position at the time of retirement is greater than annual compensation for the position, or any of the positions, covered by the other state retirement systems.

(3) A member of the public employees retirement system who holds two or more PERS positions and at least one other position covered by one of the other state retirement systems may retire under section 145.32, 145.33, 145.331, 145.34, 145.37, or 145.46 of the Revised Code from one of the PERS positions and continue contributing to the public employees retirement system and the other state retirement system if the annual earnable salary for the PERS position from which the member is retiring is, at the time of retirement, greater than the annual compensation or earnable salary for any of the positions for which the member is continuing to make contributions.

(4) A member of the public employees retirement system who has retired as provided in division (B)(2) or (3) of section 3307.351 or division (B)(2) or (3) of section 3309.343 of the Revised Code may continue to contribute to the public employees retirement system for a PERS position if the member held the position at the time of retirement from the other state retirement system.

(5) A member who contributes to the public employees retirement system in accordance with division (B)(1), (3), or (4) of this section shall contribute in accordance with section 145.47 of the Revised Code. The member's employer shall contribute as provided in section 145.48 of the Revised Code. Neither the member nor the member's survivors are eligible for any benefits based on those contributions other than those provided under this section or section 3307.351 or 3309.343 of the Revised Code.

(C)(1) In determining retirement eligibility and the annual retirement allowance of a member who retires as provided in division (B)(1), (2), or (3) of this section, the following shall be used to the date of retirement:

(a) The member's earnable salary and compensation for all positions covered by a state retirement system;

(b) Total service credit in any state retirement system, except that the credit shall not exceed one year of credit for any period of twelve months;

(c) All contributions, including amounts paid to purchase service credit and amounts paid to restore service credit under sections 145.311, 3307.711, and 3309.261 of the Revised Code.

(2) A member who retires as provided in division (B)(1), (2), or (3) of

this section is a retirant for all purposes of this chapter, except that the member is not subject to section 145.38 of the Revised Code for a position or positions for which contributions continue under those divisions or division (B)(4) of this section.

(D) On retirement from a position for which contributions were made under division (B)(1), (3), or (4) of this section, the retired member is eligible for a benefit consisting of a single life annuity having a reserve equal to the amount of the retired member's accumulated contributions under division (B)(1), (3), or (4) of this section plus an equal amount of the employer's contributions. The retired member shall elect either to receive the benefit as a monthly annuity for life or a lump-sum payment discounted to the present value using the current actuarial assumption rate of interest, except that if the annuity would be less than twenty-five dollars per month, the retired member shall receive a lump-sum payment.

A benefit payable under this division commences on the later of the first day of the first month following the last day for which the retired member contributed under division (B)(1), (3), or (4) of this section or attainment by the retired member of age sixty-five.

A retired member receiving a benefit under this division is not a member of the public employees retirement system and does not have any rights, privileges, or obligations of membership. No amounts received under this division shall be included in determining an increase under section 145.323 of the Revised Code or any other post-retirement benefit increase. The retired member is a PERS retirant for purposes of section 145.38 of the Revised Code.

(E) If a member contributing toward a benefit under division (D) of this section dies before receiving the benefit, a lump sum calculated in accordance with that division shall be paid to the beneficiary designated under division (F) of this section.

If a retired member receiving a monthly annuity under division (D) of this section dies before receiving an amount equal to the lump-sum payment that would be paid under that division, the difference between the amount received and the amount that would have been paid as a lump-sum payment shall be paid to the beneficiary designated under division (F) of this section.

(F) A retired member may designate one or more persons as beneficiary to receive any benefits payable under division (E) of this section due to death. The designation shall be in writing duly executed on a form provided by the public employees retirement system, signed by the retired member and filed with the board prior to death. The last designation of the beneficiary revokes all previous designations. The retired member's

marriage, divorce, marriage termination, legal separation, or birth or adoption of a child revokes all previous designations. If there is no designated beneficiary, the beneficiary is the beneficiary determined under division (D) of section 145.43 of the Revised Code. If any benefit payable under this section due to the death of a retired member is not claimed by a beneficiary within five years after death, the amount payable shall be transferred to the income fund and thereafter paid to the beneficiary or the estate of the retired member on application to the system.

(G) The public employees retirement board may adopt rules to carry out this section.

Sec. 145.40. (A)(1) Subject to the provisions of section 145.57 of the Revised Code, 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 election of an alternative retirement plan under section 3305.05 of the Revised Code, upon application the public employees retirement board shall pay the member the accumulated contributions standing to the credit of the member's individual account in the employees' savings fund, plus any principal payment and interest on it the member may have made to purchase additional service credit under this chapter or Section 4 of Substitute Senate Bill 138 of the 117th general assembly, and plus any applicable amount calculated under section 145.401 of the Revised Code, provided that all the following apply:

~~(1)~~(a) Three months have elapsed since the member's public service, other than service exempted from contribution pursuant to section 145.03 of the Revised Code, was terminated;

~~(2)~~(b) The member has not returned to public service, other than service exempted from contribution pursuant to section 145.03 of the Revised Code, during that three-month period;

~~(3)~~(c) The member is not a member of the school employees retirement system or the state teachers retirement system.

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

(2) notwithstanding division (a)(1) of this section, division (B) of section 145.401 of the Revised Code, and the DEFINITION of "accumulated contributions" in division (J) of section 145.01 of the Revised Code, the accumulated contributions paid to a member under this division for service as a sheriff, deputy sheriff, or township constable or police officer in a township police department or district shall not include interest credited to the member's account under section 145.471 or 145.472 of the

Revised Code, nor shall the member be paid any amount calculated under section 145.401 of the revised Code, if the member by continuing to contribute for that service would be eligible to retire under division (B) of section 145.33 of the revised Code prior to age fifty-two with no reduction in benefits.

(3) 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 145.34 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.

(B) This division applies to any member who ceases to be a public employee by electing an alternative retirement plan pursuant to section 3305.05 of the Revised Code and is not otherwise employed as a public employee in a position to which the election does not apply. For purposes of this division, "continuously employed" has the same meaning as in section 3305.01 of the Revised Code.

(1) Subject to section 145.57 of the Revised Code, on the application of a member to whom this division applies who is continuously employed, the public employees retirement board shall pay the accumulated contributions standing to the credit of the member's individual account in the employees' savings fund, plus any additional amounts described in division (A) of this section, to the entity providing the member's alternative retirement plan for application to that plan in accordance with any contract the member has entered into for purposes of that plan.

(2) Subject to section 145.57 of the Revised Code, on application of a member to whom this division applies who has ceased to be continuously employed, the public employees retirement board shall pay the accumulated contributions standing to the credit of the member's individual account in the employees' savings fund, plus any additional amounts described in division (A) of this section, to the entity providing the member's alternative retirement plan for application to that plan in accordance with any contract the member has entered into for purposes of that plan, provided that all of the following apply:

(a) At least three months have elapsed since the date on which the member ceased to be continuously employed;

(b) The member has not been employed as a public employee during that three-month period;

(c) Division (A)(3) of this section applies to the member.

(3) Payment of a member's accumulated contributions under this division cancels the member's total service credit in the public employees retirement system.

Sec. 145.401. (A) As used in this section:

(1) "Eligible contributions" means amounts contributed under section 145.47 of the Revised Code, amounts received from a member or transferred under section 145.20, 145.295, 145.302, or 145.44 of the Revised Code, and any interest credited under section 145.471 or 145.472 of the Revised Code. "Eligible contributions" does not include contributions that were used in the payment of a disability benefit or, as provided in rules adopted by the board, were refunded to a member because the system was not authorized to accept the contributions.

(2) "Service credit" means service credit earned for periods for which contributions were made under section 145.47 of the Revised Code and, if applicable, periods for which service credit was purchased or transferred under section 145.20, 145.295, 145.302, or 145.44 of the Revised Code.

(B) If a member has, or at the time of death had, at least five years of service credit, the public employees retirement board shall include the amount specified in division (B)(1) or (2) of this section in the amount payable under section 145.40 of the Revised Code to the member, or under division (B) of section 145.43 of the Revised Code to a beneficiary or beneficiaries of the member, unless at the time of death the member was a disability benefit recipient. The amount specified in division (B)(1) or (2) of this section shall be paid from the employers' accumulation fund.

(1) If the member has, or had at the time of death, at least five but less than ten years of service credit, the amount included shall be equal to thirty-three per cent of the member's eligible contributions.

(2) If the member has, or had at the time of death, at least ten years of service credit, the amount included shall be equal to sixty-seven per cent of the member's eligible 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.

(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, any deposits for purchase of additional annuity, ~~and~~ any payment the member has made to restore previously forfeited service credit as provided in section 145.31 of the Revised Code, 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 in writing duly executed on a form provided by the public employees retirement board, signed by the member, and filed with the board prior to the member's death. A member may designate two or more persons as beneficiaries jointly to be paid the accumulated account in a lump sum. 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, 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, the contributions shall be transferred to the income fund and thereafter 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, 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 of a member, 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 public employees retirement 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 on a form approved 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 retirement 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) If the death of a member 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. 145.471. (A)(1) On and after the effective date of this section, the public employees retirement board shall credit interest to the individual accounts of contributors, except that interest shall not be credited to the individual account of a PERS or other system retirant, as defined in section 145.38 of the Revised Code, for contributions received during the period described in division (B)(4)(a) or (b) of section 145.38 of the Revised Code. For amounts deposited by a contributor under division (C) of section 145.23 of the Revised Code, interest shall be credited in accordance with that section.

(2) Except as provided in section 145.472 of the Revised Code, the board shall not credit interest to individual accounts for the period beginning December 31, 1958, and ending on the effective date of this section.

(B) For contributions received in a calendar year, interest shall be earned beginning on the first day of the calendar year next following and ending on the last day of that year, except that interest shall be earned, in the case of an application for retirement or payment under section 145.40 or 145.43 of the Revised Code, ending on the last day of the month prior to retirement or payment under those sections. The board shall credit interest at the end of the calendar year in which it is earned.

Sec. 145.472. This section applies to individuals who are contributors on the effective date of this section.

(A) Not later than thirty days after the effective date of this section, the board shall credit interest to the individual account of each contributor in accordance with this section, except that interest shall not be credited to the individual account of a PERS or other system retirant, as defined in section 145.38 of the Revised Code, for contributions received during the period described in division (B)(4)(a) or (b) of section 145.38 of the Revised Code. For amounts deposited by a contributor under division (C) of section 145.23 of the Revised Code, interest shall be credited in accordance with that section.

For contributors with service credit earned prior to December 31, 1981, the board may reflect the compounding of interest by using factors provided by the board's actuary.

(B) The interest credited under this section shall be calculated on all amounts on deposit in an individual's account in the employees' savings fund as follows:

(1) If this section takes effect on or before December 31, 2000, interest shall be calculated on amounts on deposit on December 31, 1998.

(2) If this section takes effect after December 31, 2000, interest shall be calculated on amounts on deposit on December 31, 1999.

Sec. 145.473. (A) Except as provided in division (C) of this section, the rate of interest credited to individual accounts of contributors under sections 145.471 and 145.472 of the Revised Code shall be as follows:

(1) Four per cent per annum, compounded annually, to and including December 31, 1955;

(2) Three per cent per annum, compounded annually, from January 1, 1956, to and including December 31, 1963;

(3) Three and one-quarter per cent per annum, compounded annually, from January 1, 1964, to and including December 31, 1969;

(4) Four per cent per annum, compounded annually, from January 1, 1970, to and including the day before the effective date of this section;

(5) An amount determined by the public employees retirement board that is not greater than six per cent per annum, compounded annually, on and after the effective date of this section.

(B) Except as provided in division (C) of this section, for the purpose of determining the reserve value of a contributor's annuity, the rate of interest shall be as follows:

(1) Four per cent per annum, compounded annually, for contributors retiring before October 1, 1956;

(2) Three per cent per annum, compounded annually, for contributors retiring on or after October 1, 1956, but before January 1, 1964;

(3) Three and one-quarter per cent per annum, compounded annually, for contributors retiring on or after January 1, 1964, but before January 1, 1970;

(4) Four per cent per annum, compounded annually, for contributors retiring on or after January 1, 1970, but before the effective date of this section;

(5) An amount determined by the board based on the recommendation of the board's actuary, compounded annually, for contributors retiring on or after the effective date of this section.

(C) For a PERS retirant who makes an election under division (C)(1)(a) of section 145.38 of the Revised Code or an other system retirant, as those terms are defined in section 145.38 of the Revised Code, the rate of interest shall be the current actuarial assumption rate of interest, as determined by the board's actuary, for the purposes described in divisions (A) and (B) of this section.

Sec. 742.26. (A) As used in this section:

(1) "Actuarial present value" means the calculation under which the probability of occurrence, based on a specified mortality table, and the discount for future monetary growth at a specified interest rate are considered by an actuary to determine the value of an annuity.

(2) "Other system retirant" means a former member of the public employees retirement system, state teachers retirement system, school employees retirement system, state highway patrol retirement system, or Cincinnati retirement system who is receiving a disability benefit or an age and service or commuted age and service retirement benefit or allowance from a system of which the person is a former member.

(3) "OPFPF retirant" means any person who is receiving a retirement allowance, other than a disability benefit, from the Ohio police and fire pension fund.

(B) The mortality table and interest rate used in determining actuarial present value shall be determined by the board of trustees of the fund based on the recommendations of an actuary employed by the board.

(C)(1) An OPFPF retirant or other system retirant may be employed as a member of a police or fire department. If so employed, the retirant shall make contributions to the fund in accordance with section 742.31 of the Revised Code, and the employer shall make contributions in accordance with sections 742.33 and 742.34 of the Revised Code.

(2) An employer that employs an OPFPF retirant or other system retirant shall notify the board of trustees of the fund of the employment not later than the end of the month in which the employment commences. On receipt of notice from an employer that a person who is an other system retirant has been employed, the fund shall notify the retirement system of which the other system retirant was a member of such employment.

(D) An OPFPF retirant or other system retirant who has received a retirement allowance or benefit for less than two months when employment subject to this section commences shall forfeit the retirement allowance or benefit for the period that begins on the date the employment commences and ends on the earlier of the date the employment terminates or the date that is two months after the date on which the retirement allowance or

benefit commenced. Service and contributions for that period shall not be included in the calculation of any benefits payable under this section, and those contributions shall be refunded on the retirant's death or termination of the employment.

(E) On receipt of notice from the public employees retirement system, school employees retirement system, or state teachers retirement system of the re-employment of an OPFPF retirant, the Ohio police and fire pension fund shall not pay, or if paid shall recover, the amount to be forfeited by the OPFPF retirant in accordance with section 145.38, 3307.35, or 3309.341 of the Revised Code.

(F)(1)(a) On termination of employment under this section, an OPFPF retirant or other system retirant shall elect one of the following:

(i) A monthly annuity the actuarial present value of which is equal to two times the sum of all amounts deducted from the salary of the OPFPF retirant or other system retirant and credited to the retirant's individual account in the fund, other than contributions excluded pursuant to division (D) of this section, together with interest credited thereon at the rate determined by the board, provided the annuity equals or exceeds twenty-five dollars per month.

(ii) A lump-sum payment equal to two times the sum of all amounts deducted from the salary of the OPFPF retirant or other system retirant and credited to the retirant's individual account in the fund, other than contributions excluded pursuant to division (D) of this section, together with interest credited thereon at the rate determined by the board.

(b) Interest shall be credited to accounts only at the time of calculation of a benefit payable under division (F)(1) of this section.

(2) A benefit payable under this division shall commence on the first day of the month immediately after the latest of the following:

(a) The last day for which compensation for employment subject to this section was paid;

(b) Attainment by the OPFPF retirant or other system retirant of age sixty;

(c) If the OPFPF retirant or other system retirant was previously employed under this section and is receiving or previously received a benefit under this division, completion of a period of twelve months since the last benefit paid under this section commenced.

(3) No amount received under this division shall be included in determining an additional benefit under section 742.3711, 742.3716, or 742.3717 of the Revised Code or any other post-retirement benefit increase.

(G)(1) If an OPFPF retirant or other system retirant dies while employed

in employment subject to this section, a lump-sum payment calculated in accordance with division (F)(1)(a)(ii) of this section shall be paid to the retirant's surviving spouse, or if there is no surviving spouse, to the retirant's estate.

(2) If at the time of death an OPFPF retirant or other system retirant receiving a monthly annuity under division (F)(1)(a)(i) of this section has received less than would have been received as a lump-sum payment under division (F)(1)(a)(ii) of this section, 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 surviving spouse, or if there is no surviving spouse, to the retirant's estate.

(H) An other system retirant subject to this section is not a member of the Ohio police and fire pension fund, does not have any of the rights, privileges, or obligations of membership, except as specified in this section, and is not eligible to receive health, medical, hospital, or surgical benefits under section 742.45 of the Revised Code for employment subject to this section.

(I) If any payment is made by the Ohio police and fire pension fund to an OPFPF retirant or other system retirant to which the retirant is not entitled, the retirant shall repay it to the fund. If the retirant fails to make the repayment, the fund shall withhold the amount due from any allowances or other amounts due the OPFPF retirant or other system retirant.

(J) An OPFPF retirant who is employed under this section is not eligible to receive any benefits under section 742.37 of the Revised Code for the employment under this section.

(K) 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.

(L) The board of trustees of the fund may adopt rules to carry out this section.

Sec. 3307.31. Payments by boards of education and governing authorities of community schools to the state teachers retirement system, as provided in sections 3307.29 and 3307.291 of the Revised Code, shall be made from the amount allocated under section 3314.08 or Chapter 3317. of the Revised Code prior to its distribution to the individual school districts or community schools. The amount due from each school district or community school shall be certified by the secretary of the system to the superintendent of public instruction monthly, or at such times as may be

terminated by the state teachers retirement board.

The superintendent shall deduct, from the amount allocated to each district or community school under section 3314.08 or Chapter 3317. of the Revised Code, the entire amounts due to the system from such district or school upon the certification to the superintendent by the secretary thereof.

The superintendent shall certify to the director of budget and management the amounts thus due the system for payment.

Sec. 3307.35. (A) As used in this section, "other system retirant" means 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 age and service or commuted age and service retirement, or a disability benefit from a system of which the retirant is a member or former member.

~~(B) A superannuate may be employed for temporary service as a teacher, provided:~~

~~(1) At least two months have elapsed since the effective date of the superannuate's retirement under this chapter.~~

~~(2) Such employment does not exceed eighty-five school days, or the equivalent thereof in fractional service, during any school year.~~

~~(C) A superannuate may be employed as a full-time teacher, provided:~~

~~(1) The superannuate has received an allowance or benefit from the state teachers retirement system under this chapter for at least eighteen months.~~

~~(2) The employer requests the board of the state teachers retirement system to authorize such employment.~~

~~(D) An or other system retirant may be employed as a teacher, provided at least two months have elapsed since the effective date of the retirant's retirement or receipt of a disability benefit.~~

~~(E) If a (C) A~~ superannuate or other system retirant is employed in accordance with ~~division (B), (C), or (D)~~ of this section, ~~the superannuate or retirant~~ 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 retirant 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.

~~(F)~~(D) The employer that employs a superannuate or other system retirant 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.

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

~~(H)~~(F) A superannuate or other system retirant who has received an allowance or benefit for less than ~~the applicable period under division (B), (C), or (D) of two months when employment subject to this section when employment as a teacher commences~~ shall forfeit the allowance or benefit for ~~any month the superannuate or retirant is employed prior to the expiration of such~~ the period that begins on the date the employment commences and ends on the earlier of the date the employment terminates or the date that is two months after the date on which the allowance or benefit commenced 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 retirant, and those contributions shall be refunded on the superannuate's or retirant'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 this section.

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

~~(J)~~(H)(1) On termination of employment under this section, a superannuate or other system retirant may file an application with the state teachers retirement system for a benefit under this division, ~~which. The~~ benefit shall consist of a single life annuity having a reserve equal to the amount of the superannuate's or retirant's accumulated contributions, as defined in section 3307.50 of the Revised Code, for the period of employment, other than the contributions excluded pursuant to division (F)

of this section, and an equal amount from the employers' trust created by section 3307.14 of the Revised Code, plus interest credited to the date of retirement at the then current actuarial rate of interest. The superannuate or other system retirant shall elect either to receive the benefit as a monthly annuity for life or a lump-sum payment discounted to the present value using the current actuarial assumption rate of interest, except that if the monthly annuity would be less than twenty-five dollars per month the superannuate or retirant shall receive a lump-sum payment.

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

(a) The last day for which compensation for employment as a teacher was paid;

(b) Attainment by the superannuate or other system retirant of age sixty-five;

(c) If the superannuate or other system retirant was previously employed under this section and previously received or is receiving a benefit under this division, completion of a period of twelve months since the effective date of the last benefit under this division.

(3)(a) If a superannuate or other system retirant dies while employed in employment subject to this section, a lump-sum payment calculated in accordance with division ~~(J)~~(H)(1) of this section shall be paid to the beneficiary designated under division (D) of section 3307.562 of the Revised Code.

(b) If at the time of death a superannuate or other system retirant receiving a monthly annuity has received less than the superannuate or 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 superannuate's or retirant's beneficiary designated under division (D) of section 3307.562 of the Revised Code.

(4) No amount received under this section shall be included in determining an additional benefit under section 3307.67 of the Revised Code or any other post-retirement benefit increase.

~~(K)~~(I) 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 such person, 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.

~~(L)~~(J) A superannuate shall not receive the portion of an allowance or benefit that is attributable to contributions made under section 3307.28 of the Revised Code for any period for which the superannuate is compensated under a private contract, or through an independent contractor, whereby the superannuate is to perform personal or professional services for the employer by which the superannuate was employed at the time of retirement.

~~(M)~~(K) 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.

~~(N)~~(L) 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. 3307.351. (A) As used in this section:

(1) In addition to the meaning in section 3307.01 of the Revised Code, when appropriate "compensation" has the same meaning as in section 3309.01 of the Revised Code.

(2) "Earnable salary" has the same meaning as in section 145.01 of the Revised Code.

(3) "STRS position" means a position for which a member of the state teachers retirement system is making contributions to the system.

(4) "Other state retirement system" means the public employees retirement system or the school employees retirement system.

(5) "State retirement system" means the public employees retirement system, state teachers retirement system, or the school employees retirement system.

(B)(1) A member of the state teachers retirement system who holds two or more STRS positions may retire under section 3307.57, 3307.58, or 3307.60 of the Revised Code from the position for which the annual compensation at the time of retirement is highest and continue to contribute to the retirement system for the other STRS position or positions.

(2) A member of the state teachers retirement system who also holds one or more other positions covered by the other state retirement systems may retire under section 3307.57, 3307.58, or 3307.60 of the Revised Code from the STRS position and continue contributing to the other state retirement systems if the annual compensation for the STRS position at the time of retirement is greater than annual compensation or earnable salary for the position, or any of the positions, covered by the other state retirement systems.

(3) A member of the state teachers retirement system who holds two or more STRS positions and at least one other position covered by one of the other state retirement systems may retire under section 3307.57, 3307.58, or 3307.60 of the Revised Code from one of the STRS positions and continue contributing to the state teachers retirement system and the other state retirement system if the annual compensation for the STRS position from which the member is retiring is, at the time of retirement, greater than the annual compensation or earnable salary for any of the positions for which the member is continuing to make contributions.

(4) A member of the state teachers retirement system who has retired as provided in division (B)(2) or (3) of section 145.383 or division (B)(2) or (3) of section 3309.343 of the Revised Code may continue to contribute to the state teachers retirement system for an STRS position if the member held the position at the time of retirement from the other state retirement system.

(5) A member who contributes to the state teachers retirement system in accordance with division (B)(1), (3), or (4) of this section shall contribute in accordance with section 3307.26 of the Revised Code. The member's employer shall contribute as provided in section 3307.28 of the Revised Code. Neither the member nor the member's survivors are eligible for any benefits based on those contributions other than those provided under this section or section 145.383 or 3309.343 of the Revised Code.

(C)(1) In determining retirement eligibility and the annual retirement allowance of a member who retires as provided in division (B)(1), (2), or (3) of this section, the following shall be used to the date of retirement:

(a) The member's earnable salary and compensation for all positions covered by a state retirement system;

(b) Total service credit in any state retirement system, except that the credit shall not exceed one year of credit for any period of twelve months;

(c) All contributions, including amounts paid to purchase service credit and amounts paid to restore service credit under sections 145.311, 3307.711, and 3309.261 of the Revised Code.

(2) A member who retires as provided in division (B)(1), (2), or (3) of this section is a retirant for all purposes of this chapter, except that the member is not subject to section 3307.35 of the Revised Code for a position or positions for which contributions continue under those divisions or division (B)(4) of this section.

(D) On retirement from a position for which contributions were made under division (B)(1), (3), or (4) of this section, the retired member is eligible for a benefit consisting of a single life annuity having a reserve equal to the amount of the retired member's accumulated contributions under division (B)(1), (3), or (4) of this section plus an equal amount of the employer's contributions plus interest credited to the date of retirement at the current actuarial rate of interest. The retired member shall elect either to receive the benefit as a monthly annuity for life or a lump-sum payment discounted to the present value using the current actuarial assumption rate of interest, except that if the annuity would be less than twenty-five dollars per month, the retired member shall receive a lump-sum payment.

A benefit payable under this division commences on the later of the first day of the first month following the last day for which the retired member contributed under division (B)(1), (3), or (4) of this section or attainment by the retired member of age sixty-five.

A retired member receiving a benefit under this division is not a member of the state teachers retirement system and does not have any rights, privileges, or obligations of membership. No amounts received under this division shall be included in determining an increase under section 3307.67 of the Revised Code or any other post-retirement benefit increase. The retired member is a superannuate for purposes of section 3307.35 of the Revised Code.

(E) If a member contributing toward a benefit under division (D) of this section dies before receiving the benefit, a lump sum calculated in accordance with that division shall be paid to the beneficiary designated under division (F) of this section.

If a retired member receiving a monthly annuity under division (D) of this section dies before receiving an amount equal to the lump-sum payment that would be paid under that division, the difference between the amount received and the amount that would have been paid as a lump-sum payment shall be paid to the beneficiary designated under division (F) of this section.

(F) A retired member may designate one or more persons as beneficiary to receive any benefits payable under division (E) of this section due to death. The designation shall be in writing duly executed on a form provided by the state teachers retirement system, signed by the retired member and

filed with the board prior to death. The last designation of the beneficiary revokes all previous designations. The retired member's marriage, divorce, marriage termination, legal separation, or birth or adoption of a child revokes all previous designations. If there is no designated beneficiary, the beneficiary is the beneficiary determined under division (D) of section 3307.562 of the Revised Code. If any benefit payable under this section due to the death of a retired member is not claimed by a beneficiary within five years after death, the amount payable shall be transferred to the guarantee fund and thereafter paid to the beneficiary or the estate of the retired member on application to the system.

(G) The state teachers retirement board may adopt rules to carry out this section.

Sec. 3307.53. The state teachers retirement board shall credit a year of service to any teacher participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code 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 3307.88 of the Revised Code. The amount of service credit shall be based on the member's length of participation in and contribution to a plan established under section 3307.81 of the Revised Code. The board shall be the final authority in determining the amount of service credit.

Sec. 3307.57. To coordinate and integrate membership in the state retirement systems, the following provisions apply:

(A) As used in this section:

(1) "Retirement systems" means the public employees retirement system, state teachers retirement system, and school employees retirement system.

(2) In addition to the meaning given in section 3307.50 of the Revised Code, "disability benefit" means "disability benefit" as defined in sections

145.01 and 3309.01 of the Revised Code.

(B) At the option of a member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code, total contributions and service credit in all retirement systems, including amounts paid to restore service credit under sections 145.311, ~~3307.282~~ 3307.711, and 3309.261 of the Revised Code, shall be used in determining the eligibility for benefits. If total contributions and service credit are combined, the following provisions apply:

(1) Service retirement or a disability benefit is effective on the first day of the month next following the later of:

(a) The last day for which compensation was paid;

(b) The attainment of minimum age or service credit for benefits provided under this section.

(2) "Total service credit" includes the total credit in all retirement systems except that such credit shall not exceed one year for any period of twelve months.

(3) In determining eligibility for a disability benefit, the medical examiner's report to the board of any retirement system, showing that the member's disability incapacitates the member for the performance of duty, may be accepted as sufficient for granting a disability benefit.

(4) The retirement system in which the member had the greatest service credit, without adjustment, shall determine and pay the total benefit. If the member's credit is equal in two or more retirement systems, the system having the member's largest total contributions shall determine and pay the total benefit.

(5) In determining the total credit to be used in calculating a benefit, credit shall not be reduced below that certified by the system or systems transferring credit, except that such total combined service credit shall not exceed one year of credit for any one "year" as defined in the statute governing the system making the calculation.

(6) The retirement system determining and paying the benefit shall receive from the other system or systems the member's refundable account at retirement or the effective date of a disability benefit plus an ~~equal~~ amount from the employers' trust fund equal to the member's refundable account less interest credited under section 145.471, 145.472, or 3307.563 of the Revised Code.

(a) The annuity rates and mortality tables of the retirement system making the calculation and paying the benefit shall be applicable.

(b) Deposits made for the purchase of additional income, with guaranteed interest, upon the member's request, shall be transferred to the

retirement system paying the regular benefit. The return upon such deposits shall be that offered by the retirement system making the calculation and paying the regular benefit.

(C) A person receiving a benefit under this section, who accepts employment amenable to coverage in any retirement system that participated in the person's combined benefit, shall be subject to the applicable provisions of law governing such re-employment. ~~If the person is subject to section 3307.35 of the Revised Code and exceeds the limits on re-employment established by that section, the retirement system paying a combined benefit shall terminate the entire pension portion of the benefit for the period of re-employment that exceeds the limit in that section.~~

If a retirant should be paid any amount to which the retirant is not entitled under the applicable provisions of law governing such re-employment, such amount shall be recouped by the retirement system paying such benefit by utilizing any recovery procedure available under the law of the retirement system covering such re-employment.

Sec. 3307.771. As used in this section, "regular employment" means a consistent pattern of employment for twelve or more consecutive weeks by the same employer during the year.

A member of the state teachers retirement system participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who prior to July 1, 1982, was granted a leave of absence for pregnancy or resigned due to pregnancy or adoption of a child may purchase service credit for a period for which ~~she~~ the member did not make contributions under section 3307.26 of the Revised Code. Service credit purchased under this section shall not exceed the lesser of two years or the period from the day the leave commenced or the effective date of resignation to the date of the member's return to regular employment as a contributor to the retirement system. A member may purchase credit for more than one period of absence due to pregnancy or adoption, but the total service credit purchased under this section, former section 3307.513, and former section 3307.514 of the Revised Code shall not exceed two years. The member shall submit evidence satisfactory to the retirement board documenting that the leave or resignation was due to pregnancy or adoption of a child.

For each year of service credit purchased under this section, the member shall pay to the system for credit to ~~her~~ the member's accumulated account an amount determined by multiplying the employee rate of contribution in effect at the time the leave or absence commenced by ~~her~~ the member's annual compensation for full-time employment during the first year of service in Ohio following termination of the absence or leave and adding to

that amount interest compounded annually, at a rate established by the board, from the date the absence or leave terminated to the date of payment.

A member may purchase all or part of the credit for which ~~she~~ the member is eligible in one or more payments. A member who purchases service credit for an absence or leave under this section may not purchase credit for that absence or leave under section 3307.77 of the Revised Code. A member who has purchased service credit for an absence or leave under former section 3307.513 or 3307.514 or section 3307.77 of the Revised Code may not purchase credit under this section for the same period of absence or leave.

The state teachers retirement board may adopt rules to implement this section.

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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. 3309.341. (A) As used in this section:

(1) "SERS retirant" means any person who is receiving a retirement allowance from the school employees retirement system under section 3309.36, 3309.38, or 3309.381 of the Revised Code.

(2) "Other system retirant" means a member or former member of the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, state highway patrol retirement system, or Cincinnati retirement system who is receiving age and service or commuted

age and service retirement, or a disability benefit from a system of which the retirant is a member or former member.

(B)(1) An SERS retirant or other system retirant may be employed by a public employer. If so employed, the SERS retirant or other system retirant shall contribute to the school employees retirement system in accordance with section 3309.47 of the Revised Code, and the employer shall make contributions in accordance with section 3309.49 of the Revised Code.

(2) An employer that employs an SERS retirant or other system retirant shall notify the retirement board of the employment not later than the end of the month in which the employment commences. On receipt of notice from an employer that a person who is an other system retirant has been employed, the school employees retirement system shall notify the state retirement system of which the other system retirant was a member of such employment.

(C) An SERS retirant or other system retirant who has received a retirement allowance or disability benefit for less than two months when employment subject to this section commences shall forfeit the retirement allowance or disability benefit for the period that begins on the date the employment commences and ends on the earlier of the date the employment terminates or the date that is two months after the date on which the retirement allowance or disability benefit commenced. Service and contributions for that period shall not be included in the calculation of any benefits payable to the SERS retirant or other system retirant, and those contributions shall be refunded on death or termination of the employment.

(D) On receipt of notice from the Ohio police and fire pension fund, public employees retirement system, or state teachers retirement system of the re-employment of an SERS retirant, the school employees retirement system shall not pay, or if paid shall recover, the amount to be forfeited by the SERS retirant in accordance with section 145.38, 742.26, or 3307.35 of the Revised Code.

(E)(1) On termination of employment under this section, an SERS retirant or other system retirant may file an application with the school employees retirement system for a benefit under this division, ~~which.~~ The benefit shall consist of a single life 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 (C) of this section, and an equal amount of the employer's contributions, plus interest credited to the date of retirement at the rate provided in division (I)(2) of section 3309.01 of the Revised Code. The SERS retirant or other system retirant shall elect either to receive the benefit as a monthly annuity

for life or a lump-sum payment discounted to the present value using the current actuarial assumption rate of interest, except that if the monthly annuity would be less than twenty-five dollars per month, the retirant shall receive a lump-sum payment.

(2) A benefit payable under this division shall commence on the first day of the month after the latest of the following:

(a) The last day for which compensation for employment subject to this section was paid;

(b) Attainment by the SERS retirant or other system retirant of age sixty-five;

(c) If the SERS retirant or other system retirant was previously employed under this section and is receiving or previously received a benefit under this division, completion of a period of twelve months since the effective date of that benefit.

(3) An SERS retirant or other system retirant subject to this section is not a member of the school employees retirement system; does not have any of the rights, privileges, or obligations of membership, except as specified in this section; and is not eligible to receive health, medical, hospital, or surgical benefits under section 3309.69 of the Revised Code for employment subject to this section. No amount received under this division shall be included in determining an additional benefit under section 3309.374 of the Revised Code or any other post-retirement benefits.

(F)(1) If an SERS retirant or other system retirant dies while employed in employment subject to this section, a lump-sum payment calculated in accordance with division (E)(1) of this section shall be paid to the beneficiary under division (H) of this section.

(2) If at the time of death an SERS retirant or other system retirant receiving a monthly annuity 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 (H) of this section.

(G) If the disability benefit of an other system retirant employed under this section is terminated, the retirant shall become a member of the school employees 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 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, state teachers 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 a school employees 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.

(H) An SERS retirant or other system retirant employed under this section may designate one or more persons as beneficiary to receive any benefits payable under this section due to death. The designation shall be in writing duly executed on a form provided by the school employees retirement board, signed by the SERS retirant or other system retirant, and filed with the board prior to death. The last designation of a beneficiary revokes all previous designations. The SERS retirant's or other system retirant's marriage, divorce, marriage dissolution, legal separation, withdrawal of account, birth of the retirant's child, or adoption of a child revokes all previous designations. If there is no designated beneficiary, the beneficiary is the beneficiary designated under division (D) of section 3309.44 of the Revised Code. If any benefit payable under this section due to the death of an SERS 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 guarantee fund and thereafter paid to the beneficiary or the estate of the SERS retirant or other system retirant on application to the board.

(I) This section does not affect the receipt of benefits by or eligibility for benefits of any person who on August 29, 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 school employees retirement board may adopt rules to carry out this section.

Sec. 3309.343. (A) As used in this section:

(1) In addition to the meaning in section 3309.01 of the Revised Code, when appropriate "compensation" has the same meaning as in section 3307.01 of the Revised Code.

(2) "Earnable salary" has the same meaning as in section 145.01 of the Revised Code.

(3) "SERS position" means a position for which a member of the school employees retirement system is making contributions to the system.

(4) "Other state retirement system" means the public employees retirement system or the state teachers retirement system.

(5) "State retirement system" means the public employees retirement

system, state teachers retirement system, or the school employees retirement system.

(B)(1) A member of the school employees retirement system who holds two or more SERS positions may retire under section 3309.35, 3309.36, 3309.38, or 3309.46 of the Revised Code from the position for which the annual compensation at the time of retirement is highest and continue to contribute to the retirement system for the other SERS position or positions.

(2) A member of the school employees retirement system who also holds one or more other positions covered by the other state retirement systems may retire under section 3309.35, 3309.36, 3309.38, or 3309.46 of the Revised Code from the SERS position and continue contributing to the other state retirement systems if the annual compensation for the SERS position at the time of retirement is greater than annual compensation or earnable salary for the position, or any of the positions, covered by the other state retirement systems.

(3) A member of the school employees retirement system who holds two or more SERS positions and at least one other position covered by one of the other state retirement systems may retire under section 3309.35, 3309.36, 3309.38, or 3309.46 of the Revised Code from one of the SERS positions and continue contributing to the school employees retirement system and the other state retirement system if the annual compensation for the SERS position from which the member is retiring is, at the time of retirement, greater than the annual compensation or earnable salary for any of the positions for which the member is continuing to make contributions.

(4) A member of the school employees retirement system who has retired as provided in division (B)(2) or (3) of section 145.383 or division (B)(2) or (3) of section 3307.351 of the Revised Code may continue to contribute to the school employees retirement system for an SERS position if the member held the position at the time of retirement from the other state retirement system.

(5) A member who contributes to the school employees retirement system in accordance with division (B)(1), (3), or (4) of this section shall contribute in accordance with section 3309.47 of the Revised Code. The member's employer shall contribute as provided in section 3309.49 of the Revised Code. Neither the member nor the member's survivors are eligible for any benefits based on those contributions other than those provided under this section or section 145.383 or 3307.351 of the Revised Code.

(C)(1) In determining retirement eligibility and the annual retirement allowance of a member who retires as provided in division (B)(1), (2), or (3) of this section, the following shall be used to the date of retirement:

(a) The member's earnable salary and compensation for all positions covered by a state retirement system;

(b) Total service credit in any state retirement system, except that the credit shall not exceed one year of credit for any period of twelve months;

(c) All contributions, including amounts paid to purchase service credit and amounts paid to restore service credit under sections 145.311, 3307.711, and 3309.261 of the Revised Code.

(2) A member who retires as provided in division (B)(1), (2), or (3) of this section is a retirant for all purposes of this chapter, except that the member is not subject to section 3309.341 of the Revised Code for a position or positions for which contributions continue under those divisions or division (B)(4) of this section.

(D) On retirement from a position for which contributions were made under division (B)(1), (3), or (4) of this section, the retired member is eligible for a benefit consisting of a single life annuity having a reserve equal to the amount of the retired member's accumulated contributions under division (B)(1), (3), or (4) of this section plus an equal amount of the employer's contributions plus interest credited to the date of retirement at the rate provided in division (I)(2) of section 3309.01 of the Revised Code. The retired member shall elect either to receive the benefit as a monthly annuity for life or a lump-sum payment discounted to the present value using the current actuarial assumption rate of interest, except that if the annuity would be less than twenty-five dollars per month, the retired member shall receive a lump-sum payment.

A benefit payable under this division commences on the later of the first day of the first month following the last day for which the retired member contributed under division (B)(1), (3), or (4) of this section or attainment by the retired member of age sixty-five.

A retired member receiving a benefit under this division is not a member of the school employees retirement system and does not have any rights, privileges, or obligations of membership. No amounts received under this division shall be included in determining an increase under section 3309.374 of the Revised Code or any other post-retirement benefit increase. The retired member is an SERS retirant for purposes of section 3309.341 of the Revised Code.

(E) If a member contributing toward a benefit under division (D) of this section dies before receiving the benefit, a lump sum calculated in accordance with that division shall be paid to the beneficiary designated under division (F) of this section.

If a retired member receiving a monthly annuity under division (D) of

this section dies before receiving an amount equal to the lump-sum payment that would be paid under that division, the difference between the amount received and the amount that would have been paid as a lump-sum payment shall be paid to the beneficiary designated under division (F) of this section.

(F) A retired member may designate one or more persons as beneficiary to receive any benefits payable under division (E) of this section due to death. The designation shall be in writing duly executed on a form provided by the school employees retirement system, signed by the retired member and filed with the board prior to death. The last designation of the beneficiary revokes all previous designations. The retired member's marriage, divorce, marriage termination, legal separation, or birth or adoption of a child revokes all previous designations. If there is no designated beneficiary, the beneficiary is the beneficiary determined under division (D) of section 3309.44 of the Revised Code. If any benefit payable under this section due to the death of a retired member is not claimed by a beneficiary within five years after death, the amount payable shall be transferred to the guarantee fund and thereafter paid to the beneficiary or the estate of the retired member on application to the system.

(G) The school employees retirement board may adopt rules to carry out this section.

Sec. 3309.35. (A) As used in this section:

(1) "State retirement system" means the public employees retirement system, state teachers retirement system, or school employees retirement system.

(2) "Total service credit" means all service credit earned in all state retirement systems, except credit for service subject to section 3309.341 of the Revised Code. Total service credit shall not exceed one year of credit for any twelve-month period.

(3) In addition to the meaning given in division (O) of section 3309.01 of the Revised Code, "disability benefit" means "disability benefit" as defined in sections 145.01 and 3307.01 of the Revised Code.

(B) To coordinate and integrate membership in the state retirement systems, at the option of a member, total contributions and service credit in all state retirement systems, including amounts paid to restore service credit under sections 145.311, 3307.711, and 3309.261 of the Revised Code, shall be used in determining the eligibility and total retirement or disability benefit payable. When total contributions and service credit are so combined, the following provisions apply:

(1) Service and commuted service retirement or a disability benefit is effective no sooner than the first day of the month next following the last

day of employment for which compensation was paid. If the application is filed after that date, the board may retire the member on the first day of the month next following the last day of employment for which compensation was paid.

(2) In determining eligibility for a disability benefit, the medical examiner's report to the retirement board of any state retirement system, showing that the member's disability incapacitates the member for the performance of duty, may be accepted by the state retirement boards as sufficient for granting a disability benefit.

(3) The state retirement system in which the member had the greatest service credit, without adjustment, shall determine and pay the total retirement or disability benefit. Where the member's credit is equal in two or more state retirement systems, the system having the largest total contributions of the member shall determine and pay the total benefit.

(4) In determining the total credit to be used in calculating a retirement allowance or disability benefit, credit shall not be reduced below that certified by the system or systems transferring credit, except that such total combined service credit shall not exceed one year of credit for any one "year" as defined in the law of the system making the calculation.

(5) The state retirement system determining and paying a retirement or disability benefit shall receive from the other system or systems the member's refundable account at retirement or the effective date of a disability benefit plus an equal amount from the employers' trust fund equal to the member's refundable account less the interest credited under section 145.471, 145.472, or 3307.563 of the Revised Code.

(a) The annuity rates and mortality tables of the state retirement system making the calculation and paying the benefit shall be exclusively applicable.

(b) Deposits made for the purchase of an additional annuity, and including guaranteed interest, upon the request of the member, shall be transferred to the state retirement system paying the retirement or disability benefit. The return upon such deposits shall be that offered by the state retirement system making the calculation and paying the retirement or disability benefit.

(C) A former member receiving a retirement or disability benefit under this section, who accepts employment amenable to coverage in any state retirement system that participated in the member's combined benefit, shall be subject to the applicable provisions of law governing such re-employment. ~~If the former member is subject to section 3307.35 of the Revised Code and exceeds the limits on re-employment established by that~~

~~section, the state retirement system paying a combined benefit shall terminate the entire pension portion of the benefit for the period of re-employment that exceeds the limit in that section.~~ If a former member should be paid any amount in a retirement allowance, to which the former member is not entitled under the applicable provisions of law governing such re-employment, such amount shall be recovered by the state retirement system paying such allowance by utilizing any recovery procedure available under the code provisions of the state retirement system covering such re-employment.

(D) An SERS retirant or other system retirant, as defined in section 3309.341 of the Revised Code, is not eligible to receive any benefit under this section for service subject to section 3309.341 of the Revised Code.

Sec. 3309.473. (A) Except as provided in division (D) of this section, a member of the school employees retirement system who resigned due to pregnancy or adoption of a child may purchase service credit for a period following the resignation during which the member did not make contributions under section 3309.47 of the Revised Code, if the member meets both of the following conditions:

(1) The member has earned a minimum of one year of service credit subsequent to the date of the member's return to employment as a contributor to the system.

(2) The member returned to employment as a contributor not later than the first day of classes of the third school year following the date of resignation.

Service credit purchased under this section may not exceed the lesser of two years or an amount equal to the period from the effective date of the resignation to the date of return to employment as a contributor. Service credit may be purchased for more than one period of resignation due to pregnancy or adoption of a child, but the total service credit purchased may not exceed two years. The member must submit evidence satisfactory to the school employees retirement board documenting that the resignation was due to pregnancy or adoption of a child and that the member meets the requirement in division (A)(1) of this section.

(B) For each year of service credit purchased under this section:

(1) The member shall pay to the system for credit to the member's accumulated account an amount equal to the member's contributions for full-time employment for the first year of service subsequent to the member's return to employment as a contributor, plus compound interest thereon at a rate established by the board, from the date of the member's return to employment as a contributor to the date of payment.

(2) The member's employer at the time of resignation shall pay an amount certified by the system, which shall be an amount equal to the employer contribution for full-time employment for the member's first year of service subsequent to the member's return to employment as a contributor, plus compound interest thereon at a rate established by the board, from the date of the member's return to employment as a contributor to the date of payment.

(C) A member may purchase all or part of the credit for which the member is eligible in one or more payments. Service credit purchased under this section shall be included in the member's total service credit.

(D) A member who has purchased service credit under section 3309.472 of the Revised Code for a period of absence may not purchase credit under this section for the same period of absence.

(E) The board may adopt rules to implement this section.

Sec. 3309.51. Each employer shall pay annually into the employers' trust fund, in such monthly or less frequent installments as the school employees retirement board requires, an amount certified by the school employees retirement board, which shall be as required by Chapter 3309. of the Revised Code.

Payments by boards of education and governing authorities of community schools to the employers' trust fund of the school employees retirement system may be made from the amounts allocated under section 3314.08 or Chapter 3317. of the Revised Code prior to their distribution to the individual school districts or community schools. The amount due from each school district or community school may be certified by the secretary of the system to the state superintendent of public instruction monthly, or at such times as is determined by the school employees retirement board.

The superintendent shall deduct from the amount allocated to each district or community school under section 3314.08 or Chapter 3317. of the Revised Code the entire amounts due to the system from such district or school upon the certification to ~~him~~ the superintendent by the secretary thereof.

Where an employer fails or refuses to make payments to the employers' trust fund, as provided for under Chapter 3309. of the Revised Code, on a direct pay basis, the secretary of the school employees retirement system may certify to the state superintendent of public instruction, monthly or at such times as is determined by the school employees retirement board, the amount due from such employer, and the superintendent shall deduct from the amount allocated to each district or community school under section 3314.08 or Chapter 3317. of the Revised Code the entire amounts due to the

system from such districts or schools upon the certification to ~~him~~ the superintendent by the secretary of the school employees retirement system.

The superintendent shall certify to the director of budget and management the amounts thus due the system for payment.

SECTION 2. That existing sections 101.82, 145.01, 145.23, 145.31, 145.37, 145.38, 145.40, 145.43, 742.26, 3307.31, 3307.35, 3307.53, 3307.57, 3307.771, 3309.30, 3309.341, 3309.35, and 3309.51 of the Revised Code are hereby repealed.

SECTION 3. That section 145.202 of the Revised Code is hereby repealed.

SECTION 4. Except as otherwise provided in this section, Sections 1 and 2 of this act shall take effect on the ninetieth day after the effective date of this section. Sections 101.82, 145.01, 145.37, 145.38, 145.383, 742.26, 3307.31, 3307.35, 3307.351, 3307.53, 3307.57, 3307.771, 3309.30, 3309.341, 3309.343, 3309.35, 3309.473, and 3309.51 of the Revised Code, as amended or enacted by this act, shall take effect at the earliest time permitted by law; however, the amendment of divisions (I) and (J) of section 145.01, division (B)(1)(e) of section 145.37, division (B) of section 3307.57, and division (B) of section 3309.35 of the Revised Code shall not be applied to any facts occurring before the ninetieth day after the effective date of this section.

SECTION 5. A person who, on the effective date of this section and for a period exceeding two months, is subject to a forfeiture of an allowance or benefit pursuant to division (B) of section 145.38 or section 3307.35 of the Revised Code as that division and section existed immediately prior to the effective date of this section shall cease to be subject to the forfeiture as follows:

(A) If the person has been subject to the forfeiture for at least two months, on the effective date of this section;

(B) If the person has not been subject to the forfeiture for at least two months, on the earlier of the date the employment that caused the forfeiture terminates or the date that is two months after the date on which the person's allowance or benefit commenced.

SECTION 6. (A) As used in this section:

(1) "(C)(1)(b) election" means an election made under division (C)(1)(b) of section 145.38 of the Revised Code as that division existed immediately prior to the effective date of this section.

(2) "Reelected official" means a PERS retirant, as defined in section 145.38 of the Revised Code, described in division (C)(4) of that section as that division existed immediately prior to the effective date of this section.

(B) Notwithstanding division (C) of section 145.38 of the Revised Code, a reelected official who on the effective date of this section is subject to a (C)(1)(b) election may elect to continue to be subject to that election or elect to cease to be subject to that election.

If the reelected official elects to cease to be subject to the (C)(1)(b) election, all of the following apply:

(1) Any forfeiture or suspension required by division (C)(2) of section 145.38 of the Revised Code as that division existed immediately prior to the effective date of this section that exceeds the forfeiture required by Section 5 of this act shall cease on the later of the following:

(a) The earlier of the date the employment that caused the forfeiture and suspension terminates or the date that is two months after the date on which the person's retirement allowance commenced;

(b) The effective date of this section.

(2) The reelected official's retirement allowance that accumulated to the official's credit pursuant to division (C) of section 145.38 of the Revised Code shall be paid to the official in a single payment as soon as possible after the reelected official elects to cease to be subject to the (C)(1)(b) election.

(3) For the purpose of division (D) of section 145.38 of the Revised Code, the reelected official shall be treated as a reemployed retirant who made the election under division (C)(1)(a) of section 145.38 of the Revised Code as that division existed immediately prior to the effective date of this section.

SECTION 7. The Public Employees Retirement Board and the State Teachers Retirement Board may each adopt rules to implement Section 5 of this act. The Public Employees Retirement Board may adopt rules to implement Section 6 of this act.

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 _____