

AN ACT

To amend sections 145.28, 145.293, 145.301, 145.311, 145.312, 145.35, 145.37, 145.38, 145.45, 171.04, 742.26, 742.379, 2329.66, 3305.01, 3305.06, 3307.01, 3307.013, 3307.02, 3307.021, 3307.022, 3307.05, 3307.07, 3307.08, 3307.09, 3307.10, 3307.11, 3307.111, 3307.14, 3307.15, 3307.19, 3307.20, 3307.201, 3307.21, 3307.22, 3307.26, 3307.28, 3307.281, 3307.282, 3307.283, 3307.29, 3307.30, 3307.31, 3307.311, 3307.32, 3307.33, 3307.35, 3307.36, 3307.371, 3307.38, 3307.381, 3307.382, 3307.383, 3307.384, 3307.39, 3307.40, 3307.401, 3307.402, 3307.403, 3307.404, 3307.405, 3307.406, 3307.407, 3307.408, 3307.409, 3307.4010, 3307.4011, 3307.4012, 3307.4013, 3307.41, 3307.411, 3307.412, 3307.42, 3307.421, 3307.43, 3307.431, 3307.44, 3307.46, 3307.47, 3307.48, 3307.49, 3307.50, 3307.51, 3307.511, 3307.512, 3307.515, 3307.53, 3307.56, 3307.58, 3307.59, 3307.60, 3307.61, 3307.62, 3307.64, 3307.65, 3307.651, 3307.66, 3307.68, 3307.69, 3307.70, 3307.71, 3307.711, 3307.712, 3307.72, 3307.73, 3307.74, 3307.741, 3307.751, 3307.78, 3307.80, 3309.021, 3309.261, 3309.262, 3309.301, 3309.31, 3309.341, 3309.35, 3309.39, 3309.45, 3313.975, 3317.011, 3317.13, 3319.08, 5101.181, 5505.161, and 5505.202; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 3307.013 (3307.501), 3307.02 (3307.75), 3307.021 (3307.751), 3307.022 (3307.752), 3307.111 (3307.151), 3307.14 (3307.181), 3307.20 (3307.51), 3307.201 (3307.512), 3307.21 (3307.20),

3307.22 (3307.73), 3307.26 (3307.241), 3307.27 (3307.24), 3307.28 (3307.71), 3307.281 (3307.70), 3307.282 (3307.711), 3307.283 (3307.712), 3307.29 (3307.23), 3307.30 (3307.231), 3307.31 (3307.53), 3307.311 (3307.78), 3307.32 (3307.74), 3307.33 (3307.741), 3307.35 (3307.54), 3307.36 (3307.52), 3307.371 (3307.69), 3307.38 (3307.58), 3307.381 (3307.35), 3307.382 (3307.691), 3307.383 (3307.79), 3307.384 (3307.692), 3307.39 (3307.59), 3307.40 (3307.392), 3307.401 (3307.693), 3307.402 (3307.694), 3307.403 (3307.67), 3307.404 (3307.695), 3307.405 (3307.61), 3307.406 (3307.696), 3307.407 (3307.697), 3307.408 (3307.671), 3307.409 (3307.698), 3307.4010 (3307.699), 3307.4011 (3307.6910), 3307.4012 (3307.46), 3307.4013 (3307.6911), 3307.41 (3307.57), 3307.411 (3307.76), 3307.412 (3307.761), 3307.42 (3307.62), 3307.421 (3307.513), 3307.43 (3307.63), 3307.431 (3307.631), 3307.44 (3307.64), 3307.46 (3307.56), 3307.47 (3307.561), 3307.48 (3307.562), 3307.49 (3307.66), 3307.50 (3307.60), 3307.51 (3307.26), 3307.511 (3307.261), 3307.512 (3307.77), 3307.515 (3307.771), 3307.53 (3307.28), 3307.56 (3307.31), 3307.58 (3307.21), 3307.59 (3307.211), 3307.60 (3307.212), 3307.61 (3307.29), 3307.62 (3307.291), 3307.63 (3307.213), 3307.64 (3307.30), 3307.65 (3307.14), 3307.651 (3307.142), 3307.66 (3307.141), 3307.68 (3307.96), 3307.69 (3307.97), 3307.70 (3307.98), 3307.71 (3307.41), 3307.711 (3307.42), 3307.712 (3307.44), 3307.72 (3307.37), 3307.73 (3307.72), 3307.74 (3307.39), 3307.741 (3307.391), 3307.75 (3307.32), 3307.751 (3307.47), 3307.78 (3307.6912), and 3307.80 (3307.563); to enact

new sections 3307.27, 3307.33, 3307.50, 3307.511, and 3307.80 and sections 145.391, 742.3721, 3307.031, 3307.121, 3307.214, 3307.25, 3307.251, 3307.252, 3307.461, 3307.661, 3307.6913, 3307.6914, 3307.81, 3307.811, 3307.812, 3307.83, 3307.84, 3307.86, 3307.87, 3307.88, 3307.881, 3307.882, 3307.89, 3309.3712, and 5505.177; and to repeal sections 3307.012, 3307.34, 3307.37, 3307.513, and 3307.514 of the Revised Code to increase certain benefits paid by the State Teachers Retirement System (STRS), to require STRS to establish a defined contribution plan that members can select as an alternative to its existing defined benefit plan, to permit STRS and Ohio's other state retirement systems to establish excess benefit arrangements under the Internal Revenue Code of 1986, to require the Ohio Retirement Study Council to review semiannually the investment programs of Ohio's state retirement systems and to review at least once every ten years each system's actuarial valuations and investigations, and to maintain the provisions of this act on and after July 1, 2000, by amending the versions of sections 3307.21 and 5101.181 of the Revised Code that take effect on that date and by amending, for the purpose of adopting a new section number as indicated in parentheses, the version of section 3307.21 (3307.20) of the Revised Code that takes effect on that date.

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

SECTION 1. That sections 145.28, 145.293, 145.301, 145.311, 145.312, 145.35, 145.37, 145.38, 145.45, 171.04, 742.26, 742.379, 2329.66, 3305.01, 3305.06, 3307.01, 3307.013, 3307.02, 3307.021, 3307.022, 3307.05, 3307.07,

3307.08, 3307.09, 3307.10, 3307.11, 3307.111, 3307.14, 3307.15, 3307.19, 3307.20, 3307.201, 3307.21, 3307.22, 3307.26, 3307.28, 3307.281, 3307.282, 3307.283, 3307.29, 3307.30, 3307.31, 3307.311, 3307.32, 3307.33, 3307.35, 3307.36, 3307.371, 3307.38, 3307.381, 3307.382, 3307.383, 3307.384, 3307.39, 3307.40, 3307.401, 3307.402, 3307.403, 3307.404, 3307.405, 3307.406, 3307.407, 3307.408, 3307.409, 3307.4010, 3307.4011, 3307.4012, 3307.4013, 3307.41, 3307.411, 3307.412, 3307.42, 3307.421, 3307.43, 3307.431, 3307.44, 3307.46, 3307.47, 3307.48, 3307.49, 3307.50, 3307.51, 3307.511, 3307.512, 3307.515, 3307.53, 3307.56, 3307.58, 3307.59, 3307.60, 3307.61, 3307.62, 3307.64, 3307.65, 3307.651, 3307.66, 3307.68, 3307.69, 3307.70, 3307.71, 3307.711, 3307.712, 3307.72, 3307.73, 3307.74, 3307.741, 3307.751, 3307.78, 3307.80, 3309.021, 3309.261, 3309.262, 3309.301, 3309.31, 3309.341, 3309.35, 3309.39, 3309.45, 3313.975, 3317.011, 3317.13, 3319.08, 5101.181, 5505.161, and 5505.202 be amended; that sections 3307.013 (3307.501), 3307.02 (3307.75), 3307.021 (3307.751), 3307.022 (3307.752), 3307.111 (3307.151), 3307.14 (3307.181), 3307.20 (3307.51), 3307.201 (3307.512), 3307.21 (3307.20), 3307.22 (3307.73), 3307.26 (3307.241), 3307.27 (3307.24), 3307.28 (3307.71), 3307.281 (3307.70), 3307.282 (3307.711), 3307.283 (3307.712), 3307.29 (3307.23), 3307.30 (3307.231), 3307.31 (3307.53), 3307.311 (3307.78), 3307.32 (3307.74), 3307.33 (3307.741), 3307.35 (3307.54), 3307.36 (3307.52), 3307.371 (3307.69), 3307.38 (3307.58), 3307.381 (3307.35), 3307.382 (3307.691), 3307.383 (3307.79), 3307.384 (3307.692), 3307.39 (3307.59), 3307.40 (3307.392), 3307.401 (3307.693), 3307.402 (3307.694), 3307.403 (3307.67), 3307.404 (3307.695), 3307.405 (3307.61), 3307.406 (3307.696), 3307.407 (3307.697), 3307.408 (3307.671), 3307.409 (3307.698), 3307.4010 (3307.699), 3307.4011 (3307.6910), 3307.4012 (3307.46), 3307.4013 (3307.6911), 3307.41 (3307.57), 3307.411 (3307.76), 3307.412 (3307.761), 3307.42 (3307.62), 3307.421 (3307.513), 3307.43 (3307.63), 3307.431 (3307.631), 3307.44 (3307.64), 3307.46 (3307.56), 3307.47 (3307.561), 3307.48 (3307.562), 3307.49 (3307.66), 3307.50 (3307.60), 3307.51 (3307.26), 3307.511 (3307.261), 3307.512 (3307.77), 3307.515 (3307.771), 3307.53 (3307.28), 3307.56 (3307.31), 3307.58 (3307.21), 3307.59 (3307.211), 3307.60 (3307.212), 3307.61 (3307.29), 3307.62 (3307.291), 3307.63 (3307.213), 3307.64 (3307.30), 3307.65 (3307.14), 3307.651 (3307.142), 3307.66 (3307.141), 3307.68 (3307.96), 3307.69 (3307.97), 3307.70 (3307.98), 3307.71 (3307.41), 3307.711 (3307.42), 3307.712 (3307.44), 3307.72 (3307.37), 3307.73 (3307.72), 3307.74 (3307.39), 3307.741 (3307.391), 3307.75 (3307.32), 3307.751 (3307.47), 3307.78

(3307.6912), and 3307.80 (3307.563) be amended, for the purpose of adopting new section numbers as indicated in parentheses; and that new sections 3307.27, 3307.33, 3307.50, 3307.511, and 3307.80 and sections 145.391, 742.3721, 3307.031, 3307.121, 3307.214, 3307.25, 3307.251, 3307.252, 3307.461, 3307.661, 3307.6913, 3307.6914, 3307.81, 3307.811, 3307.812, 3307.83, 3307.84, 3307.86, 3307.87, 3307.88, 3307.881, 3307.882, 3307.89, 3309.3712, and 5505.177 of the Revised Code be enacted to read as follows:

Sec. 145.28. (A)(1) Except as provided in division (A)(2) of this section, a member of the public employees retirement system with at least eighteen months of contributing service in the system, the state teachers retirement system, or the school employees retirement system who exempted ~~himself~~ self from membership in one or more of the systems pursuant to section 145.03 or 3309.23 of the Revised Code, or former section 3307.25 or 3309.25 of the Revised Code, or was exempt under section ~~3307.27~~ 3307.24 of the Revised Code, may purchase credit for each year or portion of a year of service for which ~~he~~ the member was exempted.

(2) A member may not purchase credit under this section for exempted service if the service was exempted from contribution under section 145.03 of the Revised Code and subject to the tax on wages imposed by the "Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 U.S.C.A. 3101, as amended.

(B) For each year or portion of a year of credit purchased under this section, a member shall pay to the retirement system an amount determined by multiplying the member's earnable salary for the twelve months of contributing service preceding the month in which ~~he~~ the member applies to purchase the credit by a percentage rate established by rule of the public employees retirement board adopted under division (F) of this section.

(C) Subject to board rules, a member may purchase all or part of the credit ~~he~~ the member is eligible to purchase under this section in one or more payments. If the member purchases the credit in more than one payment, compound interest at a rate specified by rule of the board shall be charged on the balance remaining after the first payment is made.

(D) Credit purchasable under this section shall not exceed one year of service for any twelve-month period. If the period of service for which credit is purchasable under this section is concurrent with a period of service that will be used to calculate a retirement benefit from this system, the state teachers retirement system, or school employees retirement system, the amount of the credit shall be adjusted in accordance with rules adopted by the public employees retirement board.

A member who is also a member of the state teachers retirement system or the school employees retirement system shall purchase credit for any service for which ~~he~~ the member exempted ~~himself~~ self under section 145.03 or 3309.23 of the Revised Code, or former section 3307.25 or 3309.25 of the Revised Code, or was exempt under section ~~3307.27~~ 3307.24 of the Revised Code, from the retirement system in which ~~he~~ the member has the greatest number of years of service credit. If the member receives benefits under section 145.37 of the Revised Code, the retirement system that determines and pays the benefit shall receive from the other system or systems the amounts paid by the member for purchase of credit for exempt service plus interest at the actuarial assumption rate of the system paying that amount. The interest shall be for the period beginning on the date of the member's last payment for purchase of the credit and ending on the date of the member's retirement.

(E) If a member dies or withdraws from service, any payment made by the member under this section shall be considered as accumulated contributions of the member.

(F) The retirement board shall adopt rules to implement this section.

Sec. 145.293. (A) Service credit purchased under this section shall be included in the member's total service credit. Credit may be purchased for the following:

(1) Service rendered in another state, and service in any entity operated by the United States government, that, if served in a comparable position in Ohio, would be covered by the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system;

(2) Service for which contributions were made by the member or on the member's behalf to a municipal retirement system in this state.

The number of years purchased under this section shall not exceed the lesser of five years or the member's total accumulated number of years of Ohio service.

(B) For each year of service purchased, a member shall pay to the public employees retirement system for credit to the member's accumulated account an amount equal to the member's retirement contribution for full-time employment for the first year of Ohio service following termination of the service to be purchased. To this amount shall be added an amount equal to compound interest at a rate established by the public employees retirement board from the date of membership in the public employees retirement system to date of payment. The member may choose to purchase only part of such credit in any one payment, subject to board

es.

(C) A member is ineligible to purchase under this section service for which the member has obtained credit under section 145.44 of the Revised Code or service that is used in the calculation of any retirement benefit currently being paid or payable in the future to the member under any other retirement program except social security. At the time the credit is purchased the member shall certify on a form furnished by the retirement board that the member does and will conform to this requirement.

(D) Credit purchased under this section may be combined pursuant to section 145.37 with credit purchased under sections ~~3307.32~~ 3307.74 and 3309.31 of the Revised Code, except that not more than an aggregate total of five years' service credit purchased under this section and sections ~~3307.32~~ 3307.74 and 3309.31 shall be used in determining retirement eligibility or calculating benefits under section 145.37 of the Revised Code.

Sec. 145.301. (A) A member may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service incurred by reason of having been on active duty as a member of the armed forces of the United States, as defined in section 145.30 of the Revised Code. The credit may be purchased at any time prior to receipt of a retirement allowance. The number of years purchased shall not exceed five. The member may choose to purchase only part of such credit in any one payment, subject to public employees retirement board rules.

(B) For the purposes of this division, "prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States who was captured, separated, and incarcerated by an enemy of the United States.

A member may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service such member was a prisoner of war. The number of years purchased under this division shall not exceed five. Service credit may be purchased under this division for the same years of service used to purchase service credit under division (A) of this section. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

(C) The total number of years purchased under this section shall not exceed the member's total accumulated number of years of Ohio service.

(D) For each year of service purchased under division (A) or (B) of this section, the member shall pay to the public employees retirement system for credit to the member's accumulated account an amount specified by the retirement board that shall be not less than fifty per cent of the additional liability resulting from the purchase of that year of service as determined by

an actuary employed by the board.

(E) A member is ineligible to purchase service credit under this section for any year of military service that was:

(1) Used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except social security, or for retired pay for nonregular service under Chapter 1223 of Section 1662 of Title XVI of the "National Defense Authorization Act for Fiscal Year 1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739;

(2) Used to obtain service credit pursuant to section 145.30 or 145.302 of the Revised Code.

At the time the credit is purchased, the member shall certify on a form furnished by the retirement board that the member does and will conform to this requirement.

(F) A member who, on ~~the effective date of this amendment~~ March 17, 2000, is purchasing service credit under this section by making installment payments to the system or by a payroll deduction plan authorized under section 145.294 of the Revised Code may elect, on a form provided by the board, to have a portion of the cost of the service credit recalculated under division (D) of this section as amended by House Bill 186 of the 123rd general assembly. The recalculation shall apply only to the amount still owed by the member as of the date the election is filed with the board.

For each member who makes an election, the board shall do all of the following:

(1) Determine the amount of the total cost of the service credit still owed by the member as of the date the election is filed with the board and the number of years or portion of a year of service credit attributable to that amount;

(2) Recalculate under division (D) of this section the cost of the service credit described in division (F)(1) of this section;

(3) Notify the member of the recalculated amount.

If the recalculated amount is less than the amount still owed by the member as of the date the election is filed, the recalculated amount shall be the amount owed by the member.

(G) Credit purchased under this section may be combined pursuant to section 145.37 with credit for military service purchased under sections ~~3307.021~~ 3307.751 and 3309.021, except that not more than an aggregate total of five years of credit purchased under division (A) of this section, division (A) of section ~~3307.021~~ 3307.751, and division (A) of section 3309.021, and not more than an aggregate total of five years of credit

purchased under division (B) of this section, division (B) of section ~~3307.021~~ 3307.751, and division (B) of section 3309.021 shall be used in determining retirement eligibility or calculating benefits under section 145.37 of the Revised Code.

Sec. 145.311. (A) A member of the public employees retirement system who has at least eighteen months of contributing service credit in the system, the Ohio police and ~~firemen's disability and fire~~ pension fund, school employees retirement system, state teachers retirement system, or state highway patrol retirement system, and is a former member of or no longer contributing to the school employees retirement system or state teachers retirement system may restore service credit under section ~~3307.28~~ 3307.71 or 3309.26 of the Revised Code by making payments pursuant to this section through a payroll deduction plan established under section 145.294 of the Revised Code. ~~a. A~~ member seeking to restore this service credit shall notify the public employees retirement system on a form approved by the public employees retirement board. After receiving the notice, the public employees retirement system shall request that the former retirement system calculate under section ~~3307.283~~ 3307.712 or 3309.262 of the Revised Code the cost to the member to restore service credit for each year or portion of a year of service for which the member seeks to restore the service credit. The amount the former retirement system certifies as the cost of restoring the service credit, plus interest described in division (B) of this section, is the cost to the member of restoring the service credit. On receiving the certification from the former retirement system, the public employees retirement system shall notify the member of the cost.

(B) For each year or portion of a year of service credit restored under section ~~3307.28~~ 3307.71 or 3309.26 of the Revised Code, a member shall pay to the public employees retirement system the amount certified by the former retirement system plus interest at a rate specified by the former retirement system under section ~~3307.283~~ 3307.712 or 3309.262 of the Revised Code for the period during which deductions are made under section 145.294 of the Revised Code.

(C) The public employees retirement board shall annually notify the former retirement system that a payment to restore service credit under section ~~3307.28~~ 3307.71 or 3309.26 of the Revised Code has been made. At the time the payment is transferred under division (D) of this section, the former retirement system shall restore the service credit for the year or portion of a year for which the payment was made.

(D) On application for a payment of accumulated contributions or an age and service retirement, disability, or survivor benefit under Chapter

145., 3307., or 3309. of the Revised Code by a member who made payments under this section to restore service credit in a former retirement system, the public employees retirement system shall pay to the former retirement system an amount equal to the total amount paid by the member under this section.

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

Sec. 145.312. After receiving a request from the state teachers retirement system under division (A) of section ~~3307.282~~ 3307.711 or the school employees retirement system under division (A) of section 3309.261 of the Revised Code, the public employees retirement system shall do both of the following:

(A) Calculate and certify to the requesting retirement system the cost to a former member to restore service credit under section 145.31 of the Revised Code for each year or portion of a year for which the former member seeks to restore service credit under that section.

(B) Inform the requesting retirement system of the rate of interest charged to a member under a payroll deduction plan authorized under section 145.294 of the Revised Code.

Sec. 145.35. (A) As used in this section, "on-duty illness or injury" means an illness or injury that occurred during or resulted from performance of duties under the direct supervision of a member's appointing authority.

(B) The public employees retirement system shall provide disability coverage to each member who has at least five years of total service credit and disability coverage for on-duty illness or injury to each member who is a law enforcement officer, regardless of length of service.

Not later than October 16, 1992, the public employees retirement board shall give each person who is a member on July 29, 1992, the opportunity to elect disability coverage either under section 145.36 of the Revised Code or under section 145.361 of the Revised Code. The board shall mail notice of the election, accompanied by an explanation of the coverage under each of the Revised Code sections and a form on which the election is to be made, to each member at the member's last known address. The board shall also provide the explanation and form to any member on request.

Regardless of whether the member actually receives notice of the right to make an election, a member who fails to file a valid election under this section shall be considered to have elected disability coverage under section 145.36 of the Revised Code. To be valid, an election must be made on the form provided by the retirement board, signed by the member, and filed with the board not later than one hundred eighty days after the date the notice was mailed, or, in the case of a form provided at the request of a

member, a date specified by rule of the retirement board. Once made, an election is irrevocable, but if the member ceases to be a member of the retirement system, the election is void. If a person who makes an election under this section also makes an election under section ~~3307.42~~ 3307.62 or 3309.39 of the Revised Code, the election made for the system that pays a disability benefit to that person shall govern the benefit.

Disability coverage shall be provided under section 145.361 of the Revised Code for persons who become members after July 29, 1992, and for members who elect under this division to be covered under section 145.361 of the Revised Code.

The retirement board may adopt rules governing elections made under this division.

(C) Application for a disability benefit may be made by a member, by a person acting in the member's behalf, or by the member's employer, provided the member has disability coverage under section 145.36 or 145.361 of the Revised Code and is not receiving a disability benefit under any other Ohio state or municipal retirement program. Application must be made within two years from the date the member's contributing service terminated, unless the retirement board determines that the member's medical records demonstrate conclusively that at the time the two-year period expired, the member was physically or mentally incapacitated for duty and unable to make an application. Application may not be made by or for any person receiving age and service retirement benefits under section 145.33, 145.331, 145.34, or 145.37 of the Revised Code or any person who, pursuant to section 145.40 of the Revised Code, has been paid the accumulated contributions standing to the credit of the person's individual account in the employees' savings fund. The application shall be made on a form provided by the retirement board.

(D) The benefit payable to any member who is approved for a disability benefit shall become effective on the first day of the month immediately following the later of the following:

- (1) The last day for which compensation was paid;
- (2) The attainment of eligibility for a disability benefit.

(E) Medical examination of a member who has applied for a disability benefit shall be conducted by a competent disinterested physician or physicians selected by the board to determine whether the member is mentally or physically incapacitated for the performance of duty by a disabling condition either permanent or presumed to be permanent. The disability must have occurred since last becoming a member or have increased since last becoming a member to such extent as to make the

disability permanent or presumed to be permanent. A disability is presumed to be permanent if it is expected to last for a continuous period of not less than twelve months following the filing of the application.

If the physician or physicians determine that the member qualifies for a disability benefit, the board concurs with the determination, and the member agrees to medical treatment as specified in division (F) of this section, the member shall receive a disability benefit under section 145.36 or 145.361 of the Revised Code. The action of the board shall be final.

(F) The public employees retirement board shall adopt rules requiring a disability benefit recipient, as a condition of continuing to receive a disability benefit, to agree in writing to obtain any medical treatment recommended by the board's physician and submit medical reports regarding the treatment. If the board determines that a disability benefit recipient is not obtaining the medical treatment or the board does not receive a required medical report, the disability benefit shall be suspended until the treatment is obtained, the report is received by the board, or the board's physician certifies that the treatment is no longer helpful or advisable. Should the recipient's failure to obtain treatment or submit a medical report continue for one year, the recipient's right to the disability benefit shall be terminated as of the effective date of the original suspension.

(G) In the event an employer files an application for a disability benefit as a result of a member having been separated from service because the member is considered to be mentally or physically incapacitated for the performance of the member's present duty, and the physician or physicians selected by the board reports to the board that the member is physically and mentally capable of performing service similar to that from which the member was separated and the board concurs in the report, the board shall so certify to the employer and the employer shall restore the member to the member's previous position and salary or to a similar position and salary.

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, ~~3307.282~~ 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 accumulation fund.

(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 ~~3307.381~~ 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 ~~firemen's~~ 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 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 date that is six 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 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, ~~3307.381~~ 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.

(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 division (C)(1)(b) of this section shall become a new 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. 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 PERS retirant who makes an election under 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 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 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 retirant who makes an election under division (C)(1)(a) of this section shall receive primary health, medical, hospital, or surgical insurance coverage from the retirant's employer, if the employer provides coverage to other employees performing comparable work. Neither the employer nor the PERS retirant may waive the employer's coverage, except that the PERS retirant may waive the employer's coverage if the retirant 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 retirant receives through a source other than the retirement system.

(E) If the disability benefit of an other system retirant employed under this section is terminated, the retirant 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 retirant 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 retirant 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 retirant's retirement allowance.

(G) A PERS 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 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) 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.

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

Sec. 145.391. The public employees retirement board may establish and maintain a qualified governmental excess benefit arrangement that meets the requirements of division (m) of section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, and any regulations adopted thereunder. If established, the arrangement shall be a separate portion of the public employees retirement system and be maintained solely for the purpose of providing to retired members that part of a benefit otherwise payable under sections 145.01 to 145.59 of the Revised Code that exceeds the limits established by section 415 of the "Internal Revenue Code of 1986," as amended.

Members participating in an arrangement established under this section shall not be permitted to elect to defer compensation to the arrangement. Contributions to and benefits paid under an arrangement shall not be payable from a trust that is part of the system unless the trust is maintained solely for the purpose of providing such benefits.

The board shall adopt rules to administer an arrangement established under this section.

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

(A) If a deceased member was eligible for a service retirement benefit as provided in section 145.33, 145.331, or 145.34 of the Revised Code, a surviving spouse or other sole dependent beneficiary may elect to receive a monthly benefit computed as the joint-survivor benefit designated as "plan D" in section 145.46 of the Revised Code, which the member would have received had the member retired on the last day of the month of death and had the member at that time selected such joint-survivor plan. Payment shall begin with the month subsequent to the member's death, except that a surviving spouse who is less than sixty-five years old may defer receipt of such benefit. Upon receipt, the benefit shall be calculated based upon the spouse's age at the time of first payment, and shall accrue regular interest during the time of deferral.

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

(1) Number of Qualified survivors	Annual Benefit as a Per	Or Monthly Benefit
affecting the benefit	Cent of Decedent's Final Average Salary	shall not be less than
1	25%	\$ 96
2	40	186

3	50	236
4	55	236
5 or more	60	236

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

(a) A qualified spouse is the surviving spouse of the deceased member, who is age sixty-two, or age fifty if the deceased member had ten or more years of Ohio service credit, or regardless of age if caring for a qualified child, or regardless of age if adjudged physically or mentally incompetent. A spouse of a member who died prior to August 27, 1970, whose eligibility was determined at the member's death, and who is physically or mentally incompetent on or after August 20, 1976, shall be paid the monthly benefit which that person would otherwise receive when qualified by age.

(b) A qualified child is any unmarried child of the deceased member under age eighteen, or under age twenty-two if the child is attending an institution of learning or training pursuant to a program designed to complete in each school year the equivalent of at least two-thirds of the full-time curriculum requirements of such institution and as further determined by board policy, or regardless of age if adjudged physically or mentally incompetent at the time of the member's death.

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

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

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

Upon the death of any subsequent spouse who was a member of the public employees retirement system, state teachers retirement system, or

school employees retirement system, the surviving spouse of such member may elect to continue receiving benefits under this division, or to receive survivor's benefits, based upon the subsequent spouse's membership in one or more of the systems, for which such surviving spouse is eligible under this section or section ~~3307.49~~ 3307.66 or 3309.45 of the Revised Code. If the surviving spouse elects to continue receiving benefits under this division, such election shall not preclude the payment of benefits under this division to any other qualified survivor.

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

(5) Benefits to a qualified spouse shall be paid in the amount determined for the first qualifying survivor in division (B)(1) of this section, but shall not be less than one hundred six dollars per month if the deceased member had ten or more years of Ohio service credit. All other qualifying survivors shall share equally in the benefit or remaining portion thereof.

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

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

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

If the retirement system did not receive notice that a deceased member has one or more qualified children prior to making payment under section

145.43 of the Revised Code to a beneficiary as determined by the retirement system, the payment is a full discharge and release of the system from any future claims under this section or section 145.43 of the Revised Code.

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

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

Sec. 171.04. The Ohio retirement study council shall:

(A) Make an impartial review from time to time of all laws governing the administration and financing of the pension and retirement funds under Chapters 145., 146., 742., 3307., 3309., and 5505. of the Revised Code and recommend to the general assembly any changes it may find desirable with respect to the allowances and benefits, sound financing of the cost of benefits, the prudent investment of funds, and the improvement of the language, structure, and organization of the laws;

(B) Make an annual report to the governor and to the general assembly covering its evaluation and recommendations with respect to the operations of the state retirement systems and their funds;

(C) Study all changes in the retirement laws proposed to the general assembly and report to the general assembly on their probable costs, actuarial implications, and desirability as a matter of public policy;

(D) Review semiannually the policies, objectives, and criteria adopted under sections 145.11, 742.11, 3307.15, 3309.15, and 5505.06 of the Revised Code for the operation of the investment programs of the state retirement systems, including a review of asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, relative volatility, and performance evaluation guidelines. The council shall, not later than thirty days after completing a review, submit to the governor and the general assembly a report summarizing its findings.

(E) Have prepared by an independent actuary, at least once every ten years, an actuarial review of the annual actuarial valuations and quinquennial actuarial investigations prepared under sections 145.22,

742.14, 3307.20, 3309.21, and 5505.12 of the Revised Code, including a review of the actuarial assumptions and methods, the data underlying the valuations and investigations, and the adequacy of each system's employee and employer contribution rates to amortize its unfunded actuarial pension liability, if any, and to support the payment of benefits authorized by Chapter 145., 742., 3307., 3309., or 5505. of the Revised Code. The council shall submit to the governor and the general assembly a report summarizing the review.

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 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 OPFPPF retirant, the Ohio police and fire pension fund shall not pay, or if paid shall recover, the amount to be forfeited by the OPFPPF retirant in accordance with section 145.38, ~~3307.384~~ 3307.35, or 3309.341 of the Revised Code.

(F)(1)(a) On termination of employment under this section, an OPFPPF 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 OPFPPF retirant or other system retirant and credited to the retirant's individual account in the fund, 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 OPFPPF retirant or other system retirant and credited to the retirant's individual account in the fund, 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 OPFPPF retirant or other system retirant of age sixty;

(c) If the OPFPPF 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 OPFPPF 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. 742.379. (A) As used in this section:

(1) "Full-time service" has the meaning established by rule of the board of trustees of the Ohio police and fire pension fund.

(2) "Qualified contributions" means contributions to the public employees retirement system, school employees retirement system, or state teachers retirement system attributable to full-time service or purchase of credit for service in the armed forces of the United States.

(B) In computing the pension and benefits payable under section 742.37 or 742.39 of the Revised Code, the Ohio police and fire pension fund shall

give a member of the fund who is in the active service of a police or fire department and is not receiving a pension or benefit payment from the fund full credit for service credit earned for full-time service as a member of the Cincinnati retirement system or purchased from the retirement system for service in the armed forces of the United States if, for each year of service credit, the fund receives the sum of the following:

(1) An amount, which shall be paid by the member, equal to the amount withdrawn by the member from the retirement system that is attributable to the year of service credit, with interest on that amount from the date of withdrawal to the date of payment;

(2) Interest, which shall be paid either by the member or the retirement system, on the amount withdrawn by the member from the retirement system that is attributable to the year of service from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the withdrawal was made;

(3) An amount, which shall be paid by either the member or the retirement system, equal to the lesser of the amount contributed by the employer to the retirement system for the year of service or the amount that would have been contributed by the employer for the year of service had the member been employed by the member's current employer as a member of a police or fire department, with interest on that amount from the last day of the year for which the service credit was earned or in which military service was purchased or obtained to the date the payment is made;

(4) If the member became a member of the fund on or after September 16, 1998, the amount, which shall be paid by the member, determined pursuant to division (I) of this section.

Interest shall be determined in accordance with division (H) of this section.

(C) In computing the pension and benefits payable under section 742.37 or 742.39 of the Revised Code, the fund shall give a member of the fund who is in the active service of a police or fire department, is not receiving a pension or benefit payment from the fund, and has withdrawn the member's contributions from the public employees retirement system, school employees retirement system, or state teachers retirement system full credit for service credit earned for full-time service as a member of the public employees retirement system, school employees retirement system, or state teachers retirement system or purchased from one of those retirement systems for service in the armed forces of the United States if, for each year of service, the fund receives the sum of the following:

(1) An amount, which shall be paid by the member, equal to the amount

withdrawn by the member from the former retirement system that is attributable to that year of service credit, with interest on that amount from the date of withdrawal to the date of payment;

(2) Interest, which shall be transferred by the former retirement system, on the amount withdrawn by the member from the retirement system that is attributable to the year of service from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the withdrawal was made;

(3) An amount, which shall be transferred by the former retirement system, equal to the lesser of the amount contributed by the employer to the retirement system for the year of service or the amount that would have been contributed by the employer for the year of service had the member been employed by the member's current employer as a member of a police or fire department, with interest on the amount transferred from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the transfer is made;

(4) If the member became a member of the fund on or after September 16, 1998, the amount, which shall be paid by the member, determined pursuant to division (I) of this section.

On receipt of payment from the member, the fund shall notify the former retirement system, and on receipt of the notice, the retirement system shall make the transfer. Interest shall be determined in accordance with division (H) of this section.

(D) In computing the pension and benefits payable under section 742.37 or 742.39 of the Revised Code, the fund shall give a member of the fund who is in the active service of a police or fire department, is not receiving a pension or benefit from the fund, and has contributions on deposit with the public employees retirement system, school employees retirement system, or state teachers retirement system full credit for service credit earned for full-time service as a member of one of those retirement systems or purchased from one of the retirement systems for service in the armed forces of the United States if both of the following occur:

(1) The retirement system transfers to the fund, for each year of service, the sum of the following:

(a) An amount equal to the member's qualified contributions;

(b) An amount equal to the lesser of the employer's qualified contributions to the retirement system or the amount that would have been contributed by the employer for the full-time service had the member been employed by the member's current employer as a member of a police or fire department;

(c) Interest on the amounts specified in divisions (D)(1)(a) and (b) of this section from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the transfer is made.

(2) If the member became a member of the fund on or after September 16, 1998, the member pays the amount determined pursuant to division (I) of this section.

On receipt of a request from the member, the appropriate retirement system shall make the transfer specified in division (D)(1) of this section. Interest shall be determined in accordance with division (H) of this section.

(E) Subject to board rules, a member of the fund may choose to purchase in any one payment only part of the credit the member is eligible to purchase under division (B) or (C)(1) of this section.

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

(G) A member of the fund is ineligible to receive credit under this section for service that is used in the calculation of any retirement benefit currently being paid or payable in the future to the member, or service rendered concurrently with any other period for which service credit has already been granted.

(H) Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the fund or of the retirement system in which the credit was earned. The interest shall be compounded annually.

The board may, by rule, establish procedures for the receipt of service credit under this section.

(I) The amount to be paid pursuant to division (B)(4), (C)(4), or (D)(2) of this section is the sum of the following:

(1) An amount equal to the difference between the amount the member paid as employee contributions for the service and the amount the member would have paid had the member been employed by the member's current employer as a member of a police or fire department;

(2) An amount equal to the difference between the amount paid or transferred under division (B)(3), (C)(3), or (D)(1)(b) of this section and the amount that would have been contributed by the employer for the service had the member been employed by the member's current employer as a member of a police or fire department;

(3) Interest, determined in accordance with division (H) of this section, on the amounts specified in divisions (I)(1) and (2) of this section.

At the request of a member, in lieu of requiring payment of all or part of the amount determined under this division the fund may grant the member an amount of service credit under division (B), (C), or (D) of this section that is less than the amount for which the member is eligible. The service credit granted shall be the same percentage of the service credit for which the member is eligible that the amount the fund receives under division (B), (C), or (D) of this section is of the total amount it would receive under those divisions if the full amount determined under this division was paid.

(J)(1) Except as provided in division (J)(2) of this section and notwithstanding any contrary provision of this section, the board shall, in computing a pension or benefit under section 742.37 or 742.39 of the Revised Code, give a member of the fund who is not receiving a pension or disability benefit from the fund full credit for service credit purchased under this section for service that was less than full-time service if the member provides evidence satisfactory to the board that, after receiving written notice from the fund indicating that the member would be permitted to purchase service credit for service that was less than full-time, the member changed or ceased the member's employment with the understanding that the credit identified in the notice would be used in computing a pension or benefit. If the board has canceled service credit purchased under this section for service that was less than full-time service and the member meets the requirements of division (J)(1) of this section, the board shall restore the service credit on repayment to the fund of the amount refunded to the member at the time of cancellation.

(2) If a member of the fund who is not receiving a pension or disability benefit from the fund purchased credit under this section for service that was less than full-time service and does not meet the requirements of division (J)(1) of this section, the board shall refund to the member any amounts paid to purchase the credit, with interest at a rate determined by the board from the date the member purchased the credit to the date of the refund.

(K) A member of the fund who has purchased service credit under this section, or the member's estate, is entitled to a refund of the amount or portion of the amount paid to purchase the credit if the purchased credit or portion of credit does not increase a pension or benefit payable under section 742.37 or 742.39 of the Revised Code. The refund cancels an equivalent amount of service credit.

(L) If a member or former member of the fund who is not a current contributor and has not received a refund of accumulated contributions

elects to receive credit under section 145.295, ~~3307.412~~ 3307.761, or 3309.351 of the Revised Code for service for which the member contributed to the fund or purchased credit for service in the armed forces of the United States, the fund shall transfer to the public employees retirement system, school employees retirement system, or state teachers retirement system the amount specified in division (A) of section 145.295 of the Revised Code, division (A) of section ~~3307.412~~ 3307.761 of the Revised Code, or division (A) of section 3309.351 of the Revised Code.

(M) The board shall adopt rules establishing a payroll deduction plan for the purchase of service credit under this section. The rules shall meet the requirements described in section 742.56 of the Revised Code.

Sec. 742.3721. The board of trustees of the Ohio police and fire pension fund may establish and maintain a qualified governmental excess benefit arrangement that meets the requirements of division (m) of section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, and any regulations adopted thereunder. If established, the arrangement shall be a separate portion of the fund and be maintained solely for the purpose of providing to retired members that part of a benefit otherwise payable under this chapter that exceeds the limits established by section 415 of the "Internal Revenue Code of 1986," as amended.

Members participating in an arrangement established under this section shall not be permitted to elect to defer compensation to the arrangement. Contributions to and benefits paid under an arrangement shall not be payable from a trust that is part of the fund unless the trust is maintained solely for the purpose of providing such benefits.

The board shall adopt rules to administer an arrangement established under this section.

Sec. 2329.66. (A) Every person who is domiciled in this state may hold property exempt from execution, garnishment, attachment, or sale to satisfy a judgment or order, as follows:

(1)(a) In the case of a judgment or order regarding money owed for health care services rendered or health care supplies provided to the person or a dependent of the person, one parcel or item of real or personal property that the person or a dependent of the person uses as a residence. Division (A)(1)(a) of this section does not preclude, affect, or invalidate the creation under this chapter of a judgment lien upon the exempted property but only delays the enforcement of the lien until the property is sold or otherwise transferred by the owner or in accordance with other applicable laws to a person or entity other than the surviving spouse or surviving minor children of the judgment debtor. Every person who is domiciled in this state may

hold exempt from a judgment lien created pursuant to division (A)(1)(a) of this section the person's interest, not to exceed five thousand dollars, in the exempted property.

(b) In the case of all other judgments and orders, the person's interest, not to exceed five thousand dollars, in one parcel or item of real or personal property that the person or a dependent of the person uses as a residence.

(2) The person's interest, not to exceed one thousand dollars, in one motor vehicle;

(3) The person's interest, not to exceed two hundred dollars in any particular item, in wearing apparel, beds, and bedding, and the person's interest, not to exceed three hundred dollars in each item, in one cooking unit and one refrigerator or other food preservation unit;

(4)(a) The person's interest, not to exceed four hundred dollars, in cash on hand, money due and payable, money to become due within ninety days, tax refunds, and money on deposit with a bank, savings and loan association, credit union, public utility, landlord, or other person. Division (A)(4)(a) of this section applies only in bankruptcy proceedings. This exemption may include the portion of personal earnings that is not exempt under division (A)(13) of this section.

(b) Subject to division (A)(4)(d) of this section, the person's interest, not to exceed two hundred dollars in any particular item, in household furnishings, household goods, appliances, books, animals, crops, musical instruments, firearms, and hunting and fishing equipment, that are held primarily for the personal, family, or household use of the person;

(c) Subject to division (A)(4)(d) of this section, the person's interest in one or more items of jewelry, not to exceed four hundred dollars in one item of jewelry and not to exceed two hundred dollars in every other item of jewelry;

(d) Divisions (A)(4)(b) and (c) of this section do not include items of personal property listed in division (A)(3) of this section.

If the person does not claim an exemption under division (A)(1) of this section, the total exemption claimed under division (A)(4)(b) of this section shall be added to the total exemption claimed under division (A)(4)(c) of this section, and the total shall not exceed two thousand dollars. If the person claims an exemption under division (A)(1) of this section, the total exemption claimed under division (A)(4)(b) of this section shall be added to the total exemption claimed under division (A)(4)(c) of this section, and the total shall not exceed one thousand five hundred dollars.

(5) The person's interest, not to exceed an aggregate of seven hundred fifty dollars, in all implements, professional books, or tools of the person's

profession, trade, or business, including agriculture;

(6)(a) The person's interest in a beneficiary fund set apart, appropriated, or paid by a benevolent association or society, as exempted by section 2329.63 of the Revised Code;

(b) The person's interest in contracts of life or endowment insurance or annuities, as exempted by section 3911.10 of the Revised Code;

(c) The person's interest in a policy of group insurance or the proceeds of a policy of group insurance, as exempted by section 3917.05 of the Revised Code;

(d) The person's interest in money, benefits, charity, relief, or aid to be paid, provided, or rendered by a fraternal benefit society, as exempted by section 3921.18 of the Revised Code;

(e) The person's interest in the portion of benefits under policies of sickness and accident insurance and in lump-sum payments for dismemberment and other losses insured under those policies, as exempted by section 3923.19 of the Revised Code.

(7) The person's professionally prescribed or medically necessary health aids;

(8) The person's interest in a burial lot, including, but not limited to, exemptions under section 517.09 or 1721.07 of the Revised Code;

(9) The person's interest in the following:

(a) Moneys paid or payable for living maintenance or rights, as exempted by section 3304.19 of the Revised Code;

(b) Workers' compensation, as exempted by section 4123.67 of the Revised Code;

(c) Unemployment compensation benefits, as exempted by section 4141.32 of the Revised Code;

(d) Cash assistance payments under the Ohio works first program, as exempted by section 5107.75 of the Revised Code;

(e) Disability assistance payments, as exempted by section 5115.07 of the Revised Code.

(10)(a) Except in cases in which the person was convicted of or pleaded guilty to a violation of section 2921.41 of the Revised Code and in which an order for the withholding of restitution from payments was issued under division (C)(2)(b) of that section or in cases in which an order for withholding was issued under section 2907.15 of the Revised Code, and only to the extent provided in the order, and except as provided in sections 3105.171, 3105.63, 3111.23, and 3113.21 of the Revised Code, the person's right to a pension, benefit, annuity, retirement allowance, or accumulated contributions, the person's right to a participant account in any deferred

compensation program offered by the Ohio public employees deferred compensation board, a government unit, or a municipal corporation, or the person's other accrued or accruing rights, as exempted by section 145.56, 145.75, 146.13, 742.47, ~~3307.71~~ 3307.41, 3309.66, or 5505.22 of the Revised Code, and the person's right to benefits from the Ohio public safety officers death benefit fund;

(b) Except as provided in sections 3111.23 and 3113.21 of the Revised Code, the person's right to receive a payment under any pension, annuity, or similar plan or contract, not including a payment from a stock bonus or profit-sharing plan or a payment included in division (A)(6)(b) or (10)(a) of this section, on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the person and any of the person's dependents, except if all the following apply:

(i) The plan or contract was established by or under the auspices of an insider that employed the person at the time the person's rights under the plan or contract arose.

(ii) The payment is on account of age or length of service.

(iii) The plan or contract is not qualified under the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, as amended.

(c) Except for any portion of the assets that were deposited for the purpose of evading the payment of any debt and except as provided in sections 3111.23 and 3113.21 of the Revised Code, the person's right in the assets held in, or to receive any payment under, any individual retirement account, individual retirement annuity, "Roth IRA," or education individual retirement account that provides benefits by reason of illness, disability, death, or age, to the extent that the assets, payments, or benefits described in division (A)(10)(c) of this section are attributable to any of the following:

(i) Contributions of the person that were less than or equal to the applicable limits on deductible contributions to an individual retirement account or individual retirement annuity in the year that the contributions were made, whether or not the person was eligible to deduct the contributions on the person's federal tax return for the year in which the contributions were made;

(ii) Contributions of the person that were less than or equal to the applicable limits on contributions to a Roth IRA or education individual retirement account in the year that the contributions were made;

(iii) Contributions of the person that are within the applicable limits on rollover contributions under subsections 219, 402(c), 403(a)(4), 403(b)(8), 408(b), 408(d)(3), 408A(c)(3)(B), 408A(d)(3), and 530(d)(5) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(d) Except for any portion of the assets that were deposited for the purpose of evading the payment of any debt and except as provided in sections 3111.23 and 3113.21 of the Revised Code, the person's right in the assets held in, or to receive any payment under, any Keogh or "H.R. 10" plan that provides benefits by reason of illness, disability, death, or age, to the extent reasonably necessary for the support of the person and any of the person's dependents.

(11) The person's right to receive spousal support, child support, an allowance, or other maintenance to the extent reasonably necessary for the support of the person and any of the person's dependents;

(12) The person's right to receive, or moneys received during the preceding twelve calendar months from, any of the following:

(a) An award of reparations under sections 2743.51 to 2743.72 of the Revised Code, to the extent exempted by division (D) of section 2743.66 of the Revised Code;

(b) A payment on account of the wrongful death of an individual of whom the person was a dependent on the date of the individual's death, to the extent reasonably necessary for the support of the person and any of the person's dependents;

(c) Except in cases in which the person who receives the payment is an inmate, as defined in section 2969.21 of the Revised Code, and in which the payment resulted from a civil action or appeal against a government entity or employee, as defined in section 2969.21 of the Revised Code, a payment, not to exceed five thousand dollars, on account of personal bodily injury, not including pain and suffering or compensation for actual pecuniary loss, of the person or an individual for whom the person is a dependent;

(d) A payment in compensation for loss of future earnings of the person or an individual of whom the person is or was a dependent, to the extent reasonably necessary for the support of the debtor and any of the debtor's dependents.

(13) Except as provided in sections 3111.23 and 3113.21 of the Revised Code, personal earnings of the person owed to the person for services in an amount equal to the greater of the following amounts:

(a) If paid weekly, thirty times the current federal minimum hourly wage; if paid biweekly, sixty times the current federal minimum hourly wage; if paid semimonthly, sixty-five times the current federal minimum hourly wage; or if paid monthly, one hundred thirty times the current federal minimum hourly wage that is in effect at the time the earnings are payable, as prescribed by the "Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C. 206(a)(1), as amended;

(b) Seventy-five per cent of the disposable earnings owed to the person.

(14) The person's right in specific partnership property, as exempted by division (B)(3) of section 1775.24 of the Revised Code;

(15) A seal and official register of a notary public, as exempted by section 147.04 of the Revised Code;

(16) The person's interest in a tuition credit or a payment under section 3334.09 of the Revised Code pursuant to a tuition credit contract, as exempted by section 3334.15 of the Revised Code;

(17) Any other property that is specifically exempted from execution, attachment, garnishment, or sale by federal statutes other than the "Bankruptcy Reform Act of 1978," 92 Stat. 2549, 11 U.S.C.A. 101, as amended;

(18) The person's interest, not to exceed four hundred dollars, in any property, except that division (A)(18) of this section applies only in bankruptcy proceedings.

(B) As used in this section:

(1) "Disposable earnings" means net earnings after the garnishee has made deductions required by law, excluding the deductions ordered pursuant to section 3111.23 or 3113.21 of the Revised Code.

(2) "Insider" means:

(a) If the person who claims an exemption is an individual, a relative of the individual, a relative of a general partner of the individual, a partnership in which the individual is a general partner, a general partner of the individual, or a corporation of which the individual is a director, officer, or in control;

(b) If the person who claims an exemption is a corporation, a director or officer of the corporation; a person in control of the corporation; a partnership in which the corporation is a general partner; a general partner of the corporation; or a relative of a general partner, director, officer, or person in control of the corporation;

(c) If the person who claims an exemption is a partnership, a general partner in the partnership; a general partner of the partnership; a person in control of the partnership; a partnership in which the partnership is a general partner; or a relative in, a general partner of, or a person in control of the partnership;

(d) An entity or person to which or whom any of the following applies:

(i) The entity directly or indirectly owns, controls, or holds with power to vote, twenty per cent or more of the outstanding voting securities of the person who claims an exemption, unless the entity holds the securities in a fiduciary or agency capacity without sole discretionary power to vote the

securities or holds the securities solely to secure to debt and the entity has not in fact exercised the power to vote.

(ii) The entity is a corporation, twenty per cent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the person who claims an exemption or by an entity to which division (B)(2)(d)(i) of this section applies.

(iii) A person whose business is operated under a lease or operating agreement by the person who claims an exemption, or a person substantially all of whose business is operated under an operating agreement with the person who claims an exemption.

(iv) The entity operates the business or all or substantially all of the property of the person who claims an exemption under a lease or operating agreement.

(e) An insider, as otherwise defined in this section, of a person or entity to which division (B)(2)(d)(i), (ii), (iii), or (iv) of this section applies, as if the person or entity were a person who claims an exemption;

(f) A managing agent of the person who claims an exemption.

(3) "Participant account" has the same meaning as in section 145.71 of the Revised Code.

(4) "Government unit" has the same meaning as in section 145.74 of the Revised Code.

(C) For purposes of this section, "interest" shall be determined as follows:

(1) In bankruptcy proceedings, as of the date a petition is filed with the bankruptcy court commencing a case under Title 11 of the United States Code;

(2) In all cases other than bankruptcy proceedings, as of the date of an appraisal, if necessary under section 2329.68 of the Revised Code, or the issuance of a writ of execution.

An interest, as determined under division (C)(1) or (2) of this section, shall not include the amount of any lien otherwise valid pursuant to section 2329.661 of the Revised Code.

Sec. 3305.01. As used in this chapter:

(A) "Public institution of higher education" means a state university as defined in section 3345.011 of the Revised Code, the medical college of Ohio at Toledo, the northeastern Ohio universities college of medicine, or a university branch, technical college, state community college, community college, or municipal university established or operating under Chapter 3345., 3349., 3355., 3357., or 3358. of the Revised Code.

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

system created under Chapter 145. of the Revised Code, the state teachers retirement system created under Chapter 3307. of the Revised Code, or the school employees retirement system created under Chapter 3309. of the Revised Code.

(C) "Academic or administrative employee" means any full-time employee who is a member of the faculty or administrative staff of a public institution of higher education serving in a position in the unclassified civil service pursuant to section 124.11 of the Revised Code and is not receiving any benefit, allowance, or other payment from a state retirement system. In all cases of doubt, the board of trustees of the public institution of higher education shall determine whether any person is an academic or administrative employee for purposes of this chapter, and the board's decision shall be final.

(D) "Electing employee" means any academic or administrative employee who elects, pursuant to section 3305.05 of the Revised Code, to participate in an alternative retirement plan provided pursuant to this chapter.

(E) An electing employee is "continuously employed" if no more than one year intervenes between each period of employment by a public institution of higher education in a position for which three or more alternative retirement plans are available under this chapter.

(F) "Compensation," for purposes of an electing employee, has the same meaning as the applicable one of the following:

(1) If the electing employee would be subject to Chapter 145. of the Revised Code had the employee not made an election pursuant to section 3305.05 of the Revised Code, "earnable salary" as defined in division (R) of section 145.01 of the Revised Code;

(2) If the electing employee would be subject to Chapter 3307. of the Revised Code had the employee not made an election pursuant to section 3305.05 of the Revised Code, "compensation" as defined in division ~~(U)~~(L) of section 3307.01 of the Revised Code;

(3) If the electing employee would be subject to Chapter 3309. of the Revised Code had the employee not made an election pursuant to section 3305.05 of the Revised Code, "compensation" as defined in division (V) of section 3309.01 of the Revised Code.

Sec. 3305.06. (A) Each electing employee shall contribute an amount, which shall be a certain percentage of the employee's compensation, to the alternative retirement plan in which the employee participates. This percentage shall be the percentage the electing employee would have otherwise been required to contribute to the state retirement system that

applies to the employee's position, except that the percentage shall not be less than three per cent. Employee contributions under this division may be treated as employer contributions in accordance with Internal Revenue Code 414(h).

(B) Each public institution of higher education employing an electing employee shall contribute an amount, which shall be a certain percentage of the employee's compensation, to the alternative retirement plan the employee has elected. This percentage shall be determined by the board of trustees of the public institution.

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

(2) The full amount of the electing employee's contribution under division (A) of this section and the full amount of the employer's contribution made on behalf of that employee under division (B) of this section shall be paid to the entity providing the employee's alternative retirement plan for application to that plan in accordance with any contract the electing employee has entered into for purposes of that plan. In no event shall any benefits be paid under that plan prior to the time an electing employee ceases to be continuously employed.

(D) An electing employee may make voluntary deposits to the employee's alternative retirement plan in addition to the employee contribution required under division (A) of this section.

(E) Each public institution of higher education employing an electing employee shall contribute on behalf of that employee to the state retirement system that otherwise applies to the electing employee's position an amount equal to six per cent of the electing employee's compensation to mitigate any negative financial impact of the alternative retirement program on the state retirement system; provided that on the first day of July following the first year after the department of insurance designates an alternative retirement plan under section 3305.03 of the Revised Code and every third year thereafter, the Ohio retirement study council shall cause an independent actuarial study to be completed and submitted to the Ohio board of regents. The study shall determine any adjustments in contributions necessary to reflect any change in the level of the negative financial impact resulting from the establishment of the alternative retirement program. The amount contributed to the state retirement system pursuant to this division shall be increased or decreased to reflect the amount needed to mitigate the negative

financial impact, if any, on the system, as determined by each actuarial study. Any increase or decrease in contributions shall become effective on the first day of July in the year in which the actuarial study is completed. Contributions on behalf of an electing employee shall continue in accordance with this division until the occurrence of the following:

(1) If the electing employee would be subject to Chapter 145. of the Revised Code had the employee not made an election pursuant to section 3305.05 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 145.325 or 145.58 of the Revised Code, is fully amortized, as determined by the annual actuarial valuation prepared under section 145.22 of the Revised Code;

(2) If the electing employee would be subject to Chapter 3307. of the Revised Code had the employee not made an election pursuant to section 3305.05 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section ~~3307.405~~ 3307.39 or ~~3307.74~~ 3307.61 of the Revised Code, is fully amortized, as determined by the annual actuarial valuation prepared under section ~~3307.20~~ 3307.51 of the Revised Code;

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

Sec. 3307.01. As used in this chapter:

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

(B) "Teacher" means ~~any~~ all of the following:

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

(2) Any person employed as a teacher by a community school pursuant to Chapter 3314. of the Revised Code; ~~and any~~

(3) Any person holding an internship certificate issued under section

3319.28 of the Revised Code and employed in a public school in this state:

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

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

(6) The educational employees of the department of education, as determined by the state superintendent of public instruction, ~~shall be considered teachers for the purpose of membership in this system In~~

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

"Teacher" does not include any academic or administrative employee of a public institution of higher education, as defined in section 3305.01 of the Revised Code, who participates in an alternative retirement plan established under Chapter 3305. of the Revised Code.

(C) ~~"Prior service" means all service as a teacher before September 1, 1920, military service credit, all service prior to September 1, 1920, as an employee of any employer who comes within the public employees retirement system, the school employees retirement system, or any other state retirement system established under the laws of Ohio, and similar service in another state, credit for which was procured by a member under section 3307.33 of the Revised Code, prior to June 25, 1945. Prior service credit shall not be granted to any member for service for which credit or benefits have been received in any other state retirement system in Ohio or for credit that was forfeited by withdrawal of contributions, unless the credit has been restored. If the teacher served as an employee in any two or all of the capacities, "prior service" means the total combined service in the capacities prior to September 1, 1920.~~

~~If a teacher who has been granted prior service credit for service rendered prior to September 1, 1920, as an employee of an employer who comes within the public employees retirement system or the school employees retirement system, establishes, subsequent to September 16,~~

1957, and before retirement, three years of contributing service in the public employees retirement system, or one year in the school employees retirement system, the prior service credit granted shall become, at retirement, the liability of the other system if the prior service or employment was in a capacity covered by that system.

(D) "Total service," "total service credit," except as provided in section 3307.41 of the Revised Code, or "Ohio service credit" means all service of a member of the state teachers retirement system since last becoming a member and, in addition thereto, restored service credit under section 3307.28 of the Revised Code, all prior service credit, all military service credit computed as provided in this chapter, and all other service credit established under sections 3307.22, 3307.31, 3307.311, 3307.32, 3307.35, 3307.411, 3307.412, 3307.51, 3307.512, 3307.513, 3307.514, 3307.515, and 3307.73 and former section 3307.52 of the Revised Code, and Section 3 of Amended Substitute Senate Bill No. 530 of the 114th general assembly. All service credit purchased under section 3307.33 of the Revised Code shall be used exclusively for the purpose of qualifying for service retirement.

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

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

(2) A person denied membership pursuant to section ~~3307.27~~ 3307.24 of the Revised Code;

(3) ~~A superannuate or An~~ other system retirant, as defined in section ~~3307.381~~ 3307.35 of the Revised Code, or a superannuate;

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

(F)(D) "Contributor" means any person who has an account in the teachers' savings fund or defined contribution fund.

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

(H)(1) "Service retirement" means retirement as provided in section 3307.38 or 3307.39 of the Revised Code.

(2) "Disability retirement" means retirement as provided in section 3307.43 of the Revised Code.

~~(I) "Accumulated contributions" means the sum of all amounts credited to a contributor's individual account in the teachers' savings fund, together with interest credited thereon at the rates approved by the state teachers retirement board prior to retirement.~~

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

~~(K) "Pensions" means annual payments for life derived from appropriations made by an employer and paid from the annuity and pension reserve fund. All pensions shall be paid in twelve equal monthly installments.~~

~~(L)(1) "Allowance" or "benefit" means the pension plus the annuity, or any other payment under this chapter, and includes a disability allowance or disability benefit.~~

~~(2) "Disability allowance" means an allowance paid on account of disability under section 3307.431 of the Revised Code.~~

~~(3) "Disability benefit" means a benefit paid as disability retirement under section 3307.43 of the Revised Code, as a disability allowance under section 3307.431 of the Revised Code, or as a disability benefit under section 3307.41 of the Revised Code.~~

~~(M) "Annuity reserve" means the present value, computed upon the basis of mortality tables adopted by the state teachers retirement board with interest, of all payments to be made on account of any annuity, or benefit in lieu of any annuity, granted to a member.~~

~~(N) "Pension reserve" means the present value, computed upon the basis of mortality tables adopted by the state teachers retirement board with interest, of all payments to be made on account of any pension, or benefit in lieu of any pension, granted to a member or to a beneficiary.~~

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

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

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

~~(R)(I) "Five years of service credit;" for the exclusive purpose of~~

~~satisfying the service credit requirements and determining eligibility for benefits under section 3307.38 of the Revised Code,~~ means employment covered under this chapter and employment covered under a former retirement plan operated, recognized, or endorsed by a college, institute, university, or political subdivision of this state prior to coverage under this chapter.

~~(S)(J)~~ "Actuary" means the actuarial consultant to the state teachers retirement board, who shall be either of the following:

- (1) A member of the American academy of actuaries;
- (2) A firm, partnership, or corporation of which at least one person is a member of the American academy of actuaries.

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

- (1) Exercises any discretionary authority or control with respect to the management of the system, or with respect to the management or disposition of its assets;
- (2) Renders investment advice for a fee, direct or indirect, with respect to money or property of the system;
- (3) Has any discretionary authority or responsibility in the administration of the system.

~~(U)(L)~~ (1) Except as ~~otherwise~~ provided in this division, "compensation" means all salary, wages, and other earnings paid to a teacher by reason of the teacher's employment, including compensation paid pursuant to a supplemental contract. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the teachers' savings fund or defined contribution fund under section ~~3307.51~~ 3307.26 of the Revised Code and without regard to whether any of the salary, wages, or other earnings are treated as deferred income for federal income tax purposes.

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

- (a) Payments for accrued but unused sick leave or personal leave, including payments made under a plan established pursuant to section 124.39 of the Revised Code or any other plan established by the employer;
- (b) Payments made for accrued but unused vacation leave, including payments made pursuant to section 124.13 of the Revised Code or a plan established by the employer;
- (c) Payments made for vacation pay covering concurrent periods for which other salary, compensation, or benefits under this chapter are paid;
- (d) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the teacher or the teacher's family, or amounts paid by

the employer to the teacher in lieu of providing the insurance;

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

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

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

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

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

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

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

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

(i) Payments made to or on behalf of a teacher that are in excess of the annual compensation that may be taken into account by the retirement system under division (a)(17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a)(17), as amended. For a teacher who first establishes membership before July 1, 1996, the annual compensation that may be taken into account by the retirement system shall be determined under division (d)(3) of section 13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472.

(j) Payments made under division (B) or (D) of section 5923.05 of the Revised Code or Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly;

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

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

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

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

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

~~(V) "Retirant" means any former member who is granted age and service retirement as provided in sections 3307.38, 3307.39, 3307.41, and 3307.50 of the Revised Code.~~

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

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

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

(2) A former teacher receiving any benefit from the system under a plan established under section 3307.81 of the Revised Code.

For purposes of section 3307.35 of the Revised Code, "superannuate" also means a former teacher receiving from the system a combined service retirement benefit paid in accordance with section 3307.57 of the Revised Code, regardless of which retirement system is paying the benefit.

Sec. 3307.031. The state teachers retirement system shall consist of the plan described in sections 3307.50 to 3307.79 and the one or more plans established under section 3307.81 of the Revised Code.

Sec. 3307.05. The state teachers retirement board shall consist of the following nine members:

(A) The superintendent of public instruction;

(B) The auditor of state;

(C) The attorney general;

(D) Five members, known as teacher members, who shall be members of the state teachers retirement system;

(E) A former member of the system, known as the retired teacher member, who shall be a ~~recipient of service retirement benefits under section 3307.38 or 3307.39 of the Revised Code~~ superannuate.

Sec. 3307.07. All elections of members of the state teachers retirement board shall be held under the direction of the board. Any member of the state teachers retirement system, who has been nominated by a petition signed by five hundred or more members of the system, shall be eligible for election as a teacher member of the board. The petition shall contain the

signatures of twenty or more members of the system from each of at least ten counties wherein members of the system are employed.

Any retired teacher who is a ~~recipient of service retirement benefits under section 3307.38 or 3307.39 of the Revised Code~~ superannuate and is a resident of Ohio is eligible for election as the retired teacher member of the board, if such retired teacher has been nominated by a petition signed by five hundred or more retired teachers, who are also ~~recipients of benefits under section 3307.38 or 3307.39 of the Revised Code~~ superannuates. The petition shall contain the signatures of twenty or more retired teachers from each of at least ten counties wherein ~~retirants~~ superannuates under the system reside.

The board shall place the name of any eligible candidate upon the appropriate ballot as a regular candidate. At any election, qualified voters, as defined in this section, may vote for the regular candidates or for other eligible candidates, in which case the names of such persons shall be written upon the appropriate ballots, except that members of the system and former members of the system who are ~~recipients of service retirement benefits under section 3307.38 or 3307.39 of the Revised Code~~ superannuates shall vote respectively for teacher members and the retired teacher member of the board. The candidate who receives the highest number of votes for any term of office shall be elected to the board. If, at any election, teacher members are to be elected for concurrent terms, eligible candidates shall be placed on the ballot, and the candidates who receive the highest numbers of votes shall be elected to the board.

Elected members of the board shall be elected on the basis of the total number of ballots cast by qualified voters, who shall consist of members of the system and former members of the system who are ~~recipients of service retirement benefits under section 3307.38 or 3307.39 of the Revised Code~~ superannuates.

Sec. 3307.08. Each member of the state teachers retirement board upon appointment or election shall take an oath of office that ~~he~~ the member will support the constitution of the United States, the constitution of the state, and that ~~he~~ the member will diligently and honestly administer the affairs of the ~~said~~ board, and that ~~he~~ the member will not knowingly violate or willfully permit to be violated any law applicable to ~~sections 3307.01 to 3307.72, inclusive, of the Revised Code~~ this chapter. Such oath shall be subscribed to by the member making it, and certified by the officer before whom it is taken, and shall be immediately filed in the office of the secretary of state.

Sec. 3307.09. A majority of the members of the state teachers retirement

board constitutes a quorum for the transaction of any business. All meetings of the board shall be open to the public except executive sessions as set forth in division (G) of section 121.22 of the Revised Code, and any portions of any sessions discussing medical records or the degree of disability of a member excluded from public inspection by section ~~3307.24~~ 3307.20 of the Revised Code.

Sec. 3307.10. (A) The members of the state teachers retirement board shall serve without compensation, except that members shall be reimbursed from the expense fund for all actual necessary expenses incurred while serving on the board.

(B) The board may secure insurance coverage designed to indemnify board members and employees for their actions or conduct in the performance of official duties, and may pay required premiums for such coverage from the expense fund.

(C) If the officers of the board determine that a meeting of the entire membership, or any part thereof, is necessary, such determination shall be final, and teacher members shall be given time off from their employment to attend any such meeting. The employer of a teacher member shall not reduce the member's earned compensation as a teacher or any contribution required under section ~~3307.51~~ 3307.26 of the Revised Code, because of the teacher member's absence from employment to attend any such meeting.

The portion of the employer contribution required under section ~~3307.53~~ 3307.28 of the Revised Code that represents earned compensation of a teacher member paid for the period of an absence from employment to attend a board meeting, shall be annually transferred from the expense fund and forwarded to the employer of the teacher member.

(D) The board shall adopt rules in accordance with section 111.15 of the Revised Code establishing a policy for reimbursement of travel expenses incurred by board members in the performance of their official duties. As part of any audit performed under Chapter 117. of the Revised Code, an inquiry shall be made into whether board members have complied with these rules.

(E) No board member shall accept payment or reimbursement for travel expenses, other than for meals and other food and beverages provided to the member, from any source other than the expense fund. Except in the case of an emergency, no out-of-state travel expenses shall be reimbursed unless approved in advance by a majority of the board at a regular board meeting.

Sec. 3307.11. The state teachers retirement board shall elect from its membership, a ~~chairman~~ chairperson and a ~~vice-chairman~~ vice-chairperson. The board shall employ an executive director who shall serve as secretary,

and shall employ other persons necessary to operate the system and to fulfill the board's duties and responsibilities under Chapter 3307. of the Revised Code. The compensation of all employees and all other expenses of the board necessary for the proper operation of the system shall be paid in such amounts as the board approves.

Every expense voucher of an employee, officer, or board member of the state teachers retirement system shall itemize all purchases and expenditures.

The board shall receive all applications for retirement under the plans described in section 3307.031 of the Revised Code, shall provide for the payment of all retirement allowances and other benefits payable under this chapter, and shall make other expenditures authorized by ~~Chapter 3307. of the Revised Code~~ this chapter.

Sec. 3307.121. The treasurer of state shall furnish annually to the state teachers retirement board a sworn statement of the amount of the funds in the treasurer of state's custody belonging to the state teachers retirement system.

Sec. ~~3307.65~~ 3307.14. The state teachers retirement board shall be the trustee of certain funds hereby created as follows:

(A) The "teachers' savings fund" is the fund in which shall be accumulated the contributions deducted from the compensation of teachers ~~and faculty members participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code~~, as provided by section ~~3307.51~~ 3307.26 of the Revised Code, together with the interest credited thereon. Such accumulated contributions refunded upon withdrawal, or payable to an estate or beneficiary as provided in this chapter, shall be paid from this fund. Any accumulated contributions forfeited by the failure of a contributor, an estate, or a beneficiary to claim the same shall be transferred from this fund to the guarantee fund. The accumulated contributions of a member or of a teacher who qualifies for a benefit under section ~~3307.381~~ 3307.35 of the Revised Code shall be transferred at ~~his~~ the member's or teacher's retirement from the teachers' savings fund to the annuity and pension reserve fund. The accumulated contributions of a member who dies prior to superannuation retirement that are forfeited by the qualified beneficiary in exchange for monthly survivor benefits, as provided by section ~~3307.49~~ 3307.66 of the Revised Code, shall be transferred to the survivors' benefit fund. The accumulated contributions of a superannuate or other system retirant as defined in section ~~3307.381~~ 3307.35 of the Revised Code shall be transferred to the survivors' benefit fund for payment of a lump-sum benefit to a beneficiary as provided in that section ~~3307.381 of the Revised Code~~ As

used in this division, "accumulated contributions" has the same meaning as in section 3307.50 of the Revised Code.

(B) The "employers' trust fund" is the fund to which the employer contribution made on behalf of a teacher participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code shall be credited and in which shall be accumulated the reserves held in trust for the payment of all pensions or other benefits provided by sections ~~3307.38~~ 3307.35, ~~3307.381~~ 3307.58, ~~3307.39~~ 3307.59, ~~3307.43~~ 3307.60, ~~3307.431~~ 3307.63, ~~3307.49~~ 3307.631, ~~3307.50~~ 3307.66, ~~3307.70~~ 3307.6912, and ~~3307.78~~ 3307.98 of the Revised Code, to teachers retiring or receiving disability benefits in the future or to their qualified beneficiaries, and from which the reserves for such pensions and other benefits shall be transferred to the annuity and pension reserve fund and to the survivors' benefit fund. The balances as of August 31, 1957, in the employers accumulation fund shall be transferred to this fund. As of September 1, 1957, an additional amount shall be transferred from the employers' trust fund to the annuity and pension reserve fund in the amount required to complete the funding of the prior service, as defined in section 3307.50 of the Revised Code, and military service pensions then payable.

(C) The "annuity and pension reserve fund" is the fund from which shall be paid all annuities, pensions, and disability benefits under the plan described in section 3307.50 to 3307.79 of the Revised Code for which reserves have been transferred from the teachers' savings fund and the employers' trust fund.

(D) The "survivors' benefit fund" is the fund from which shall be paid the survivors' benefits provided by section ~~3307.49~~ 3307.66 of the Revised Code and the lump sum payment to beneficiaries as provided in section ~~3307.381~~ 3307.35 of the Revised Code, and to which shall be transferred from the employers' trust fund the amount required to fund all liabilities as of the end of each year.

(E) The "guarantee fund" is the fund from which interest is transferred and credited on the amounts in the funds described in divisions (A), (B), (C), and (D) of this section, and is a contingent fund from which the special requirements of said funds may be paid by transfer from this fund. All income derived from the investment of funds by the state teachers retirement board as trustee under section 3307.15 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 this chapter, shall be paid by transfers of amounts from the guarantee fund to such fund or funds. Should

the amount in the guarantee fund be insufficient at any time to meet the amounts payable therefrom, the amount of such deficiency, with regular interest, shall be paid by an additional employer rate of contribution as determined by the actuary and shall be approved by the ~~state teachers retirement~~ board, and the amount of such additional employer contribution shall be credited to the guarantee fund.

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

(F) The expense fund is the fund from which shall be paid the expenses for the administration and management of the state teachers retirement system as provided by this chapter.

(G) The "defined contribution fund" is the fund in which shall be accumulated the contributions deducted from the compensation of teachers participating in a plan established under section 3307.81 of the Revised Code, as provided in section 3307.26 of the Revised Code, together with any earnings and employer contributions credited thereon.

Sec. ~~3307.66~~ 3307.141. Wherever in ~~sections 3307.01 to 3307.72, inclusive, of the Revised Code~~ this chapter, reference is made to the teachers' savings fund, the employers' ~~normal accumulation fund, the employers' deficiency accumulation trust~~ fund, the annuity and pension reserve fund, the guarantee fund, the survivors' benefit fund, ~~or the expense fund, or the defined contribution fund~~, such reference shall be construed to have been made to each as a separate legal entity. This section does not prevent the deposit or investment of all such moneys intermingled for such purpose but such funds shall be separate and distinct legal entities for all other purposes.

Sec. ~~3307.651~~ 3307.142. (A) Interest compounded annually shall be credited to the accounts of members participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code and to the various funds listed in divisions (A) to (F) of section 3307.14 of the Revised Code, and shall be assumed in determining actuarial factors, at rates recommended by the actuary and approved by the state teachers retirement board, but not less than three and twenty-five hundredths per cent effective September 1, 1965, except as follows:

(1) For the years stated the rates shall be as follows:

Years

Rates

9-1-1920/8-31-1955	4.00%
9-1-1955/8-31-1963	3.00
9-1-1963/8-31-1965	3.25

(2) Subsequent to August 31, 1959, interest shall be credited to accounts only at retirement.

(3) If the amount of the account at retirement is not a factor in determining the allowance, interest shall not be credited to such account after September 1, 1964.

(4) The actuary shall estimate the amount of interest reserve required in the teachers savings fund for credit to accounts when interest is to be a factor in determining the allowance, and the balance of the interest reserve in such fund shall be transferred to the employers trust fund as of September 1, 1965.

(B) Interest shall be credited to the accounts of members participating in a plan established under section 3307.81 of the Revised Code and to the defined contribution fund in accordance with that plan.

Sec. 3307.15. (A) The members of the state teachers retirement board shall be the trustees of the funds created by section ~~3307.65~~ 3307.14 of the Revised Code. The board shall have full power to invest the funds. The board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the system; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

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

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

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

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

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

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

the treasurer of state may enter into agreements to establish procedures for the purchase and sale of investments under this division and the custody of the investments.

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

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

Sec. ~~3307.144~~ 3307.151. The state teachers retirement system shall make no investments through, purchases from, or otherwise do any business with any individual who is, or any partnership, association, or corporation that is owned or controlled by, a person, who within the preceding three years was employed by, an officer, or a board member of the system or in which a person, who within the preceding three years was employed by, a board member of, or an officer of the system holds a fiduciary, administrative, supervisory or trust position, or any other position in which such person would be involved, on behalf of ~~his~~ the person's employer, in decisions or recommendations affecting the investment policy of the ~~state teachers retirement~~ system, and in which such person would benefit by any monetary gain.

Sec. ~~3307.14~~ 3307.181. (A) Except as provided in division (B) of this section, a fiduciary shall not cause the state teachers retirement system to engage in a transaction, if ~~he~~ the fiduciary knows or should know that such transaction constitutes a direct or indirect:

(1) Sale or exchange, or leasing, of any property between the system and a party in interest;

(2) Lending of money or other extension of credit between the system and a party in interest;

(3) Furnishing of goods, services, or facilities between the system and a party in interest;

(4) Transfer to, or use by or for the benefit of a party in interest, of any assets of the system; or

(5) Acquisition, on behalf of the system, of any employer security or employer real property.

(B) Nothing in this section shall prohibit any transaction between the ~~state teachers retirement~~ system and any fiduciary or party in interest if:

(1) All the terms and conditions of the transaction are comparable to the terms and conditions which might reasonably be expected in a similar transaction between similar parties who are not parties in interest; and

(2) The transaction is consistent with the fiduciary duties described in

Chapter 3307. of the Revised Code.

(C) A fiduciary shall not:

(1) Deal with the assets of the system in ~~his~~ the fiduciary's own interest or for ~~his~~ the fiduciary's own account;

(2) In ~~his~~ the fiduciary's individual or in any other capacity act in any transaction involving the system on behalf of a party (or represent a party) whose interests are adverse to the interests of the system or the interests of its participants or beneficiaries; or

(3) Receive any consideration for ~~his~~ the fiduciary's own personal account from any party dealing with such system in connection with a transaction involving the assets of the system.

(D) In addition to any liability which ~~he~~ the fiduciary may have under any other provision, a fiduciary with respect to the system shall be liable for a breach of fiduciary responsibility of any fiduciary with respect to the system in the following circumstances:

(1) If ~~he~~ the fiduciary participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach;

(2) If, by ~~his~~ the fiduciary's failure to comply with Chapter 3307. of the Revised Code, ~~he~~ the fiduciary has enabled such other fiduciary to commit a breach; or

(3) If ~~he~~ the fiduciary has knowledge of a breach by such other fiduciary, unless ~~he~~ the fiduciary makes reasonable efforts under the circumstances to remedy the breach.

(E) Every fiduciary of the system shall be bonded or insured to an amount of not less than one million dollars for loss by reason of acts of fraud or dishonesty.

Sec. 3307.19. The state teachers retirement board shall provide for the maintenance of an individual account ~~with for each contributor~~ member showing the amount of ~~his~~ the member's contributions and ~~the interest any accumulations thereon. It shall collect and keep in convenient form such data as is necessary for the preparation of the required mortality and service tables, and for the compilation of such other information as is required for the actuarial valuation of the assets and liabilities of the various funds created by section 3307.65 of the Revised Code. Upon the basis of the mortality and service experience of the members, retirants, and beneficiaries of the state teachers retirement system, and other system retirants contributing in accordance with section 3307.381 of the Revised Code, the board shall adopt the tables to be used for valuation purposes and for determining the amount of annuities to be allowed on the basis of the~~

~~contributions.~~

~~Sec. 3307.21 3307.20. (A) The treasurer of state shall furnish annually to the state teachers retirement board a sworn statement of the amount of the funds in the treasurer's custody belonging to the state teachers retirement system.~~

~~(B)(1)~~ As used in this ~~division~~, "personal section:

(1) "Personal history record" means information maintained by the state teachers retirement board on a member, former member, contributor, former contributor, retirant, or beneficiary that includes the address, telephone number, social security number, record of contributions, correspondence with the state teachers retirement system, or other information the board determines to be confidential.

(2) "Retirant" has the same meaning as in section 3307.50 of the Revised Code.

~~(B)~~ The records of the board shall be open to public inspection, except for the following, which shall be excluded, except with the written authorization of the individual concerned:

~~(a)(1)~~ The individual's personal records provided for in section ~~3307.29 3307.23~~ of the Revised Code;

~~(b)(2)~~ The individual's personal history record;

~~(c)(3)~~ Any information identifying, by name and address, the amount of a monthly allowance or benefit paid to the individual.

(C) All medical reports and recommendations under sections ~~3307.42 3307.62, 3307.44 3307.64, and 3307.49 3307.66~~ of the Revised Code are privileged, except that copies of such medical reports or recommendations shall be made available to the personal physician, attorney, or authorized agent of the individual concerned upon written release received from the individual or the individual's agent, or, when necessary for the proper administration of the fund, to the board assigned physician.

(D) Any person who is a member or contributor of the system shall be furnished, on written request, with a statement of the amount to the credit of the person's account. The board need not answer more than one request of a person in any one year.

(E) Notwithstanding the exceptions to public inspection in division ~~(B)(2)~~ of this section, the board may furnish the following information:

(1) If a member, former member, retirant, contributor, or former contributor is subject to an order issued under section 2907.15 of the Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Revised Code, on written request of a prosecutor as defined in section 2935.01 of the Revised Code, the board shall furnish to the

prosecutor the information requested from the individual's personal history record.

(2) Pursuant to a court or administrative order issued under section 3111.23 or 3113.21 of the Revised Code, the board shall furnish to a court or child support enforcement agency the information required under that section.

(3) At the written request of any person, the board shall provide to the person a list of the names and addresses of members, former members, retirants, contributors, former contributors, or beneficiaries. The costs of compiling, copying, and mailing the list shall be paid by such person.

(4) Within fourteen days after receiving from the director of human services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Revised Code, the board shall inform the auditor of state of the name, current or most recent employer address, and social security number of each member whose name and social security number are the same as that of a person whose name or social security number was submitted by the director. The board and its employees shall, except for purposes of furnishing the auditor of state with information required by this section, preserve the confidentiality of recipients of public assistance in compliance with division (A) of section 5101.181 of the Revised Code.

(F) A statement that contains information obtained from the system's records that is signed by an officer of the retirement system and to which the system's official seal is affixed, or copies of the system's records to which the signature and seal are attached, shall be received as true copies of the system's records in any court or before any officer of this state.

This is an interim section effective until July 1, 2000.

Sec. ~~3307.58~~ 3307.21. Each employer, before employing any teacher to whom ~~sections 3307.01 to 3307.72, inclusive, of the Revised Code,~~ this chapter applies, shall notify such person of ~~his~~ the person's duties and obligations under ~~such sections~~ this chapter as a condition of ~~his~~ the person's employment.

Any such appointment or reappointment of any teacher in the public day schools of the state, or service upon indefinite tenure, shall be conditioned upon the teacher's acceptance of ~~such sections~~ this chapter, as a part of the contract.

Sec. ~~3307.59~~ 3307.211. During September of each year, or at such other time as the state teachers retirement board approves, each employer shall certify to the board the names of all teachers to whom ~~sections 3307.01 to 3307.72, inclusive, of the Revised Code,~~ apply this chapter applies.

Sec. ~~3307.60~~ 3307.212. Each employer shall on the first day of each calendar month, or at such less frequent intervals as the state teachers retirement board approves, notify the board of ~~the employment of new teachers~~, removals, withdrawals, and changes in compensation of teachers that have occurred during the month preceding or the period since the period covered by the last notification.

Not later than ten days after the date of hire, each employer shall notify the board of the employment of a new teacher. Notice shall be on a form provided by the board.

Sec. ~~3307.63~~ 3307.213. Each employer shall keep such records and shall furnish such information and assistance to the state teachers retirement board as it requires in the discharge of its duties.

Sec. 3307.214. On receipt of notice under section 3307.212 of the Revised Code of the employment of a new teacher, the state teachers retirement system shall inform the teacher of the requirements of section 3307.25 of the Revised Code and the provisions of sections 3307.88 and 3307.881 of the Revised Code.

Sec. ~~3307.29~~ 3307.23. Each teacher, upon becoming employed, shall file a detailed statement of all ~~his~~ the teacher's previous service as a teacher and of such other service as comes under this chapter, and shall furnish such other facts as the state teachers retirement board requires for the proper operation of the state teachers retirement system. If a teacher fails to file the required membership record within ninety days after becoming employed, the secretary shall so advise ~~his~~ the teacher's employer who shall thereafter withhold all salary payments to such teacher until such record is filed with the state teachers retirement board.

Sec. ~~3307.30~~ 3307.231. To the extent to which it is used in determining the liability of any fund created by section ~~3307.65~~ 3307.14 of the Revised Code, the state teachers retirement board shall verify the statement provided for in section ~~3307.29~~ 3307.23 of the Revised Code by the best evidence it is able to obtain. If official records are not available as to the length of service, compensation, or other information required, the board may use its discretion as to the evidence to be accepted.

Sec. ~~3307.27~~ 3307.24. The state teachers retirement board may deny the right to contribute or the right to become members to any class of teachers whose compensation is partly paid by the state, who are not serving on a per annum basis, who are on a temporary basis, or who are not required to have an educator license, and it may also make optional with teachers in any such class their right to contribute, or their right to individual entrance into membership.

The state teachers retirement board may at any time deny the right to contribute or the right to membership to any teacher whose compensation, though disbursed by an employer, is reimbursed to the employer, in whole or in part, from other than public funds.

Sec. ~~3307.26~~ 3307.241. Members of a local district pension system maintained under the laws of the state from appropriations or contributions made wholly or in part by any employer and existing on August 8, 1919, are hereby excluded from membership in the state teachers retirement system.

If a majority of all the teachers participating in any such local district pension system apply for membership in the state teachers retirement system by a petition duly signed and verified, approved by their employer, and filed with the state teachers retirement board, all the teachers included in the membership of such local district pension system shall become members of the state teachers retirement system at such time within three months after the filing of such petition and the compliance with ~~sections 3307.01 to 3307.72, inclusive, of the Revised Code~~ this chapter, relative to the dissolution and discontinuance of such local district pension system as the board designates.

Sec. 3307.25. (A) An individual who becomes a member of the state teachers retirement system on or after the date on which the state teachers retirement board establishes a plan under section 3307.81 of the Revised Code shall make an election under this section. Not later than one hundred eighty days after the date on which employment begins, the individual shall elect to participate either in the plan described in sections 3307.50 to 3307.79 of the Revised Code or one of the plans established under section 3307.81 of the Revised Code. If a form evidencing an election under this section is not on file with the employer at the end of the one-hundred-eighty-day period, the individual is deemed to have elected to participate in the plan described in sections 3307.50 to 3307.79 of the Revised Code.

(B) An election under this section shall be made in writing on a form provided by the retirement system and filed with the employer's personnel officer. Not later than ten days after receiving the form evidencing the election, the employer shall transmit to the system a copy that includes a statement certifying that it is a true and accurate copy of the original.

(C) An election under this section shall take effect on the date employment began and, except as provided in section 3307.88 of the Revised Code, is irrevocable on receipt by the employer.

(D) An individual is ineligible to make an election under this section if one of the following applies:

(1) At the time employment begins, the individual is already a member or contributor participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code or a superannuate of the system;

(2) An election to participate in an alternative retirement plan under section 3305.05 of the Revised Code is in effect for employment covered by the system.

Sec. 3307.251. As used in this section, "accumulated contributions" and "total service credit" have the same meanings as in section 3307.50 of the Revised Code.

(A) A member of the state teachers retirement system who, as of the thirtieth day of June immediately preceding the date on which the system establishes a plan under section 3307.81 of the Revised Code, has less than five years of total service credit is eligible to make an election under this section.

Not later than one hundred eighty days after the day the board first establishes one or more plans under section 3307.81 of the Revised Code, an eligible member may elect to participate in a plan established under that section. If an election is not made, a member to whom this section applies is deemed to have elected to continue participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code.

(B) An election under this section shall be made in writing on a form provided by the system and filed with the system.

(C) On receipt of an election under this section, the system shall do both of the following:

(1) Credit to the account of the member in the defined contribution fund the accumulated contributions standing to the member's credit in the teachers' savings fund, plus an amount calculated under section 3307.563 of the Revised Code;

(2) Cancel all service credit and eligibility for any payment, benefit, or right under the plan described in sections 3307.50 to 3307.79 of the Revised Code.

(D) An election under this section shall be irrevocable on receipt by the system.

Sec. 3307.252. A member of the state teachers retirement system who elects to participate in a plan established under section 3307.81 of the Revised Code shall be ineligible for any benefit or payment under sections 3307.50 to 3307.79 of the Revised Code and, except as provided in section 3307.88 of the Revised Code, shall be forever barred from claiming or purchasing service credit with the system or any other Ohio state retirement system, as defined in section 3307.741 of the Revised Code, for service

covered by the election.

Sec. ~~3307.51~~ 3307.26. Each teacher shall contribute eight per cent of ~~his~~ the teacher's earned compensation ~~to the teachers' savings fund~~, except that the state teachers retirement board may raise the contribution rate ~~to the fund~~ to a rate not greater than ten per cent of the teacher's earned compensation. ~~Such~~ For teachers participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code, contributions shall be deposited in the teachers' savings fund. For teachers participating in a plan established under section 3307.81 of the Revised Code, contributions shall be deposited in the defined contribution fund. Contributions made pursuant to this section shall not exceed the limits established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

The contribution for all teachers shall be deducted by the employer on each payroll in an amount equal to the applicable per cent of such contributors' the teachers' paid compensation for such payroll period or other period as the state teachers retirement board may approve, provided all. All contributions on earned compensation for teachers participating in plans established under section 3307.81 of the Revised Code shall be remitted at intervals required by the state teachers retirement system under section 3307.86 of the Revised Code. All contributions on earned compensation are for teachers participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code shall be remitted to the state teachers retirement system by the thirtieth day of June of each year. Each school district shall encumber sufficient moneys by the thirtieth day of June of each year to account for the difference, if any, that may exist between contributions that would be withheld based upon compensation earned by a teacher during the year ending the thirtieth day of June and the contributions withheld based upon compensation paid to the teacher for the year. Deductions from payroll for contributions under this section, on an annual basis, shall not exceed eight per cent or other percentage established by the state teachers retirement board authorized by this section.

At retirement under the plan described in sections 3307.50 to 3307.79 of the Revised Code, or upon a member's death prior to retirement under that plan, if contributions have been made after September 1, 1959, in excess of the contributions normally required to provide the retirement or survivor benefit, such the excess contributions may be refunded to the member, to his the member's beneficiary, or to his the member's estate in a lump sum, or may be used to provide additional income.

The board may determine with regard to any member participating in

the plan described in sections 3307.50 to 3307.79 of the Revised Code whether the limits established by division ~~(B)(3)(C)~~ of section ~~3307.38~~ 3307.58 of the Revised Code have resulted in exclusion from use in the calculation of benefits under section ~~3307.38~~ 3307.58, ~~3307.39~~ 3307.59, or ~~3307.50~~ 3307.60 of the Revised Code of any compensation on which contributions have been made under this section. The board may adopt rules in accordance with section 111.15 of the Revised Code providing for the disposition of contributions attributable to such compensation and may dispose of the contributions in accordance with those rules. Any disposition of contributions made by the board in accordance with the rules shall be final.

The deductions under this section shall be made even though the minimum compensation provided by law for any teacher shall be reduced thereby. Every teacher shall be deemed to consent to the deductions made ~~and shall receipt in full for his salary or compensation, and payment.~~ Payment less the deductions shall be a complete discharge and acquittance of all claims and demands for the services rendered by the person during the period covered by the payment.

Additional deposits may be made to a member's account in the teachers' savings fund or defined contribution fund, subject to rules of the board. At retirement, the amount deposited with interest may be used to provide additional annuity income. The additional deposits may be refunded to the member before retirement, and shall be refunded if the member withdraws ~~his the member's~~ refundable account. The deposits may be refunded to the beneficiary or estate if the member dies before retirement.

Sec. ~~3307.511~~ 3307.261. Except as otherwise provided in section 124.385 of the Revised Code, any teacher who is granted disability leave pursuant to a program sponsored by ~~his the teacher's~~ employer, whereby the teacher receives a percentage of ~~his the teacher's~~ salary while on disability leave, shall not be required to make contributions for time off while on disability leave.

Except as otherwise provided in section 124.385 of the Revised Code, each employer described in division (A) of section 3307.01 of the Revised Code who sponsors a disability leave program shall make the periodic employee and employer contributions, in the amounts set pursuant to sections ~~3307.51~~ 3307.26 and ~~3307.53~~ 3307.28 of the Revised Code, for teachers granted disability leave, based on the teacher's rate of pay in effect at the time disability leave was granted.

Sec. 3307.27. The contributions required under section 3307.26 of the Revised Code may be paid by the employer in accordance with division (h)

of section 414 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 414(h), as amended.

Sec. ~~3307.53~~ 3307.28. Each employer shall pay annually to the ~~employers' trust fund state teachers retirement system~~ an amount certified by the secretary which shall be a certain per cent of the earnable compensation of all members, and which shall be known as the "employer contribution." ~~The~~ For members participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code, the employer contribution shall be deposited into the employers' trust fund. For members participating in a plan established under section 3307.81 of the Revised Code, the employer contribution shall be deposited into the defined contribution fund in accordance with the plan selected by the member, less the amount transferred under section 3307.84 of the Revised Code.

The rate per cent of ~~such the~~ contribution shall be fixed by the actuary on the basis of ~~his the actuary's~~ evaluation of the liabilities of the ~~state teachers retirement~~ system, not to exceed fourteen per cent, and shall be approved by the state teachers retirement board. The ~~state teachers retirement~~ board may raise the rate per cent of the contribution to fourteen per cent of the earnable compensation of all members. In making such evaluation, the actuary shall use, as the actuarial assumptions, such interest rates and mortality and other tables as are adopted by the ~~state teachers retirement~~ board. ~~He~~ The actuary shall compute the percentage of such earnable compensation, to be known as the "employer rate," required annually to fund the liability for all benefits ~~provided by this chapter under sections 3307.50 to 3307.79 of the Revised Code,~~ after deducting therefrom the ~~annuity and other~~ benefits provided by the member's accumulated contributions, as defined in section 3307.50 of the Revised Code, deposits, and other appropriations, and to fund any deficiencies in the ~~various~~ funds described in divisions (A) to (F) of section 3307.65 3307.14 of the Revised Code.

Sec. ~~3307.61~~ 3307.29. Each employer shall cause to be deducted, on each payroll of a contributor for each payroll period, the contribution payable by such contributor as provided in ~~sections 3307.01 to 3307.72, inclusive, of the Revised Code~~ this chapter Each employer shall certify to the treasurer of said employer on each payroll a statement as voucher for the amounts so deducted and for the amount of the normal contribution and the deficiency contribution payable by the employer. Each employer shall send a duplicate of such statement to the secretary of the state teachers retirement board.

Sec. ~~3307.62~~ 3307.291. The treasurer of each employer, on receipt from

the employer of the voucher for deductions from the compensation of teachers and for the contributions of the employer, shall transmit monthly or at such times as the state teachers retirement board designates the amounts specified in such voucher to the secretary of the board. The secretary ~~of the board,~~ after making a record of all such receipts, shall pay them to the treasurer of state for use according to ~~sections 3307.01 to 3307.72 of the Revised Code~~ this chapter.

Sec. ~~3307.64~~ 3307.30. Employers who obtain funds directly by taxation shall levy annually such additional taxes as are required to provide the additional funds necessary to meet the financial requirements imposed upon them by ~~sections 3307.01 to 3307.72, inclusive, of the Revised Code~~ this chapter, and said tax shall be placed before and in preference to all other items except for sinking fund or interest purposes.

Sec. ~~3307.56~~ 3307.31. Payments by boards of education to the ~~employers' trust fund of the state teachers retirement system,~~ as provided in sections ~~3307.61~~ 3307.29 and ~~3307.62~~ 3307.291 of the Revised Code, shall be made from the amount allocated under Chapter 3317. of the Revised Code prior to its distribution to the individual school districts. The amount due from each school district shall be certified by the secretary of the system to the superintendent of public instruction monthly, or at such times as may be determined by the state teachers retirement board.

The superintendent shall deduct, from the amount allocated to each district under Chapter 3317. of the Revised Code, the entire amounts due to the system from such district upon the certification to ~~him~~ 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. ~~3307.75~~ 3307.32. All amounts due the state teachers retirement system from the state treasury pursuant to this chapter shall be promptly paid upon warrant of the auditor of state pursuant to a voucher approved by the director of budget and management.

Sec. 3307.33. Membership in the state teachers retirement system shall cease on occurrence of any of the following: receipt of payment pursuant to section 3307.56 of the Revised Code or under a plan established under section 3307.81 of the Revised Code; retirement as provided in sections 3307.58 and 3307.59 of the Revised Code or under a plan established under section 3307.81 of the Revised Code; death; or denial of membership pursuant to section 3307.24 of the Revised Code.

Sec. ~~3307.381~~ 3307.35. (A) As used in this section:

(1) ~~"Superannuate" means a former teacher receiving a service~~

~~retirement allowance under section 3307.38 or 3307.39 of the Revised Code from the state teachers retirement system or a combined service retirement benefit paid in accordance with section 3307.41 of the Revised Code, regardless of which retirement system is paying the benefit.~~

(2). "Other 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 ~~a retirement~~ an allowance or benefit from the state teachers retirement system under this chapter for at least eighteen months.

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

(D) An 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 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 ~~3307.51~~ 3307.26 of the Revised Code and the employer shall contribute in accordance with sections ~~3307.53~~ 3307.28 and ~~3307.56~~ 3307.31 of the Revised Code. Such contributions shall be received as specified in section ~~3307.65~~ 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 ~~3307.74~~ 3307.39 of the Revised Code for employment subject to this section.

(F) 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 ~~3307.56~~ 3307.31 of the Revised Code.

(G) 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) A superannuate or other system retirant who has received a ~~retirement~~ an allowance or ~~disability~~ benefit for less than the applicable period under division (B), (C), or (D) of this section when employment as a teacher commences shall forfeit the ~~retirement~~ allowance or ~~disability~~ benefit for any month the superannuate or retirant is employed prior to the expiration of such period. 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) 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)(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 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 and an equal amount from the employers' trust created by section ~~3307.65~~ 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)(1) of this section shall be paid to the beneficiary designated under division (D) of section ~~3307.48~~ 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 ~~3307.48~~ 3307.562 of the Revised Code.

(4) No amount received under this section shall be included in determining an additional benefit under section ~~3307.403~~ 3307.67 of the Revised Code or any other post-retirement benefit increase.

(K) 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) A superannuate shall not receive the ~~pension portions of a retirement 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) 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) The ~~retirement board of the state teachers retirement system~~ board may make the necessary rules to carry into effect this section and to prevent the abuse of the rights and privileges thereunder.

Sec. ~~3307.72~~ 3307.37. (A) Notwithstanding any other provision of this chapter, any payment that is to be made under a pension, annuity, allowance, or other type of benefit payable under this chapter, other than a survivorship benefit, that has been granted to a person under this chapter, any payment of accumulated contributions standing to a person's credit under this chapter, and any payment of any other amounts to be paid to a person under this chapter upon the person's withdrawal of contributions pursuant to this chapter shall be subject to any withholding order issued pursuant to section 2907.15 of the Revised Code or division (C)(2)(b) of section 2921.41 of the Revised Code, and the state teacher's retirement board shall comply with that withholding order in making the payment.

(B) Notwithstanding any other provision of this chapter, if the board receives notice pursuant to section 2907.15 of the Revised Code or division (D) of section 2921.41 of the Revised Code that a person who has ~~accumulated~~ contributions standing to the person's credit pursuant to this chapter is charged with a violation of section 2907.02, 2907.03, 2907.04, 2907.05, or 2921.41 of the Revised Code, no payment of those ~~accumulated~~ contributions, of any other amounts to be paid under this chapter upon the person's withdrawal of contributions pursuant to this chapter, or of any amount to be paid as a lump sum or single payment under section ~~3307.381~~ 3307.35 of the Revised Code shall be made prior to whichever of the following is applicable:

(1) If the person is convicted of or pleads guilty to the charge and no motion for a withholding order for purposes of restitution has been filed

under section 2907.15 of the Revised Code or division (C)(2)(b)(i) of section 2921.41 of the Revised Code, thirty days after the day on which final disposition of the charge is made;

(2) If the person is convicted of or pleads guilty to the charge and a motion for a withholding order for purposes of restitution has been filed under section 2907.15 of the Revised Code or division (C)(2)(b)(i) of section 2921.41 of the Revised Code, the day on which the court decides the motion;

(3) If the charge is dismissed or the person is found not guilty or not guilty by reason of insanity of the charge, the day on which final disposition of the charge is made.

Sec. ~~3307.74~~ 3307.39. (A) The state teachers retirement board may enter into an agreement with insurance companies, health insuring corporations, or government agencies authorized to do business in the state for issuance of a policy or contract of health, medical, hospital, or surgical benefits, or any combination thereof, for those individuals receiving, under the plan described in sections 3307.50 to 3307.79 of the Revised Code, service retirement or a disability or survivor benefit ~~subscribing who subscribe~~ to the plan. Notwithstanding any other provision of this chapter, the policy or contract may also include coverage for any eligible individual's spouse and dependent children and for any of the individual's sponsored dependents as the board considers appropriate. If all or any portion of the policy or contract premium is to be paid by any individual receiving service retirement or a disability or survivor benefit, the individual shall, by written authorization, instruct the board to deduct the premium agreed to be paid by the individual to the companies, corporations, or agencies.

The board may contract for coverage on the basis of part or all of the cost of the coverage to be paid from appropriate funds of the state teachers retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate provided by section ~~3307.53~~ 3307.28 of the Revised Code.

The board may enter into an agreement under this division for coverage of recipients of benefits under a plan established under section 3307.81 of the Revised Code if the plan selected includes health, medical, hospital, or surgical benefits, or any combination thereof. The board may contract for coverage on the basis that the cost of the coverage will be paid by the recipient or by the plan to which the recipient contributed under this chapter. The board may offer to recipients plans that provide for different levels of coverage or for prepayment of the cost of coverage.

The board may provide for self-insurance of risk or level of risk as set

forth in the contract with the companies, corporations, or agencies, and may provide through the self-insurance method specific benefits as authorized by the rules of the board.

(B) If the board provides health, medical, hospital, or surgical benefits through any means other than a health insuring corporation, it shall offer to each individual eligible for the benefits the alternative of receiving benefits through enrollment in a health insuring corporation, if all of the following apply:

(1) The health insuring corporation provides health care services in the geographical area in which the individual lives;

(2) The eligible individual was receiving health care benefits through a health maintenance organization or a health insuring corporation before retirement;

(3) The rate and coverage provided by the health insuring corporation to eligible individuals is comparable to that currently provided by the board under division (A) of this section. If the rate or coverage provided by the health insuring corporation is not comparable to that currently provided by the board under division (A) of this section, the board may deduct the additional cost from the eligible individual's monthly benefit.

The health insuring corporation shall accept as an enrollee any eligible individual who requests enrollment.

The board shall permit each eligible individual to change from one plan to another at least once a year at a time determined by the board.

(C) ~~The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, make a monthly payment to each recipient of service retirement, or a disability or survivor benefit under the state teachers retirement system plan described in sections 3307.50 to 3307.79 of the Revised Code who is eligible for insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, and may make a monthly payment to a recipient of benefits under a plan established under section 3307.81 of the Revised Code who is eligible for that insurance coverage if the monthly payments are funded through the plan selected by the recipient.~~
The payment shall be the greater of the following:

(1) Twenty-nine dollars and ninety cents;

(2) An amount determined by multiplying the basic premium for the coverage by a percentage, not exceeding ninety per cent, determined by multiplying the years of service used in calculating the service retirement or benefit or, in the case of a recipient of benefits under a plan established under section 3307.81 of the Revised Code, the participant's years of service

by a percentage determined by the board not exceeding three per cent.

The board shall make all payments under this division beginning the month following receipt of satisfactory evidence of the payment for the coverage.

(D) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section or section ~~3307.405~~ 3307.61 of the Revised Code with any similar coverage, payment, or benefit made available to the same individual by the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, or state highway patrol retirement system.

(E) The board shall make all other necessary rules pursuant to the purpose and intent of this section.

Sec. ~~3307.741~~ 3307.391. The state teachers retirement board shall establish a program under which members of the state teachers retirement system, employers on behalf of members, and persons receiving ~~service, disability, or survivor~~ benefits under this chapter are permitted to participate in contracts for long-term health care insurance. Participation may include dependents and family members. If a participant in a contract for long-term care insurance leaves employment, the participant and the participant's dependents and family members may, at their election, continue to participate in a program established under this section in the same manner as if the participant had not left employment, except that no part of the cost of the insurance shall be paid by the participant's former employer.

Such program may be established independently or jointly with one or more of the other retirement systems. For purposes of this section, "retirement systems" has the same meaning as in division (A) of section 145.581 of the Revised Code.

The board may enter into an agreement with insurance companies, health insuring corporations, or government agencies authorized to do business in the state for issuance of a long-term care insurance policy or contract. However, prior to entering into such an agreement with an insurance company or health insuring corporation, the board shall request the superintendent of insurance to certify the financial condition of the company or corporation. The board shall not enter into the agreement if, according to that certification, the company or corporation is insolvent, is determined by the superintendent to be potentially unable to fulfill its contractual obligations, or is placed under an order of rehabilitation or conservation by a court of competent jurisdiction or under an order of supervision by the superintendent.

The board shall adopt rules in accordance with section 111.15 of the

Revised Code governing the program. The rules shall establish methods of payment for participation under this section, which may include establishment of a payroll deduction plan under section ~~3307.281~~ 3307.70 of the Revised Code, deduction of the full premium charged from a person's ~~service, disability, or survivor~~ benefit, or any other method of payment considered appropriate by the board. If the program is established jointly with one or more of the other retirement systems, the rules also shall establish the terms and conditions of such joint participation.

Sec. ~~3307.40~~ 3307.392. (A) ~~Upon the death of a retirant or disability benefit recipient who at the time of death is receiving a service retirement allowance or disability benefit pursuant to this chapter, a lump sum payment of one thousand dollars shall be paid to any designated or qualified beneficiary under division (D) of section 3307.48 of the Revised Code, or if none, the state teachers retirement board may approve payment to either the person responsible for the burial expenses or to the decedent's estate following the completion of an application on a form approved by the board.~~

(B) The state teachers retirement board may establish a death benefit plan providing for a lump sum payment to eligible beneficiaries, in addition to the lump sum payment made under ~~division (A) of this section~~ 3307.661 of the Revised Code, on the death of a person receiving a ~~service retirement~~ an allowance or ~~disability~~ benefit pursuant to this chapter. Any plan established under this ~~division~~ section shall be administered separately from any other benefit or plan governed by this chapter and shall require that charges paid by participants cover the additional liability resulting from the death benefit as determined by an actuary employed by the board. Participation shall be limited to persons receiving a ~~service retirement~~ an allowance or ~~disability~~ benefit pursuant to this chapter.

The board shall establish charges and conditions of eligibility for participation in any plan established under this ~~division~~ section. A person who elects to participate in a plan by written authorization shall instruct the board to deduct the amount charged under the plan from ~~his service retirement~~ the person's allowance or ~~disability~~ benefit. The board may enter into contracts with insurance companies, financial institutions, or other entities for the purpose of providing a death benefit plan under this ~~division~~ section.

Sec. ~~3307.71~~ 3307.41. The right of a person to a pension, an annuity, or a retirement allowance itself, any optional benefit, or any other right or benefit accrued or accruing to any person, under ~~sections 3307.01 to 3307.74 of the Revised Code~~ this chapter, or the various funds created by section ~~3307.65~~ 3307.14 of the Revised Code and all moneys and

ents and income thereof, are exempt from any state tax, except the tax imposed by section 5747.02 of the Revised Code and are exempt from any county, municipal, or other local tax, except taxes imposed pursuant to section 5748.02 or 5748.08 of the Revised Code and, except as provided in sections 3111.23, 3113.21, and ~~3307.72~~ 3307.37 of the Revised Code, shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or any other process of law whatsoever, and shall be unassignable except as specifically provided in this chapter or sections 3111.23; and 3113.21; ~~and 3307.01 to 3307.74~~ of the Revised Code.

Sec. ~~3307.711~~ 3307.42. The granting to any person of ~~a retirement~~ an allowance, annuity, or pension to any person, as defined in section 3307.50 of the Revised Code, or the granting of a benefit under a plan established under section 3307.81 of the Revised Code, pursuant to an action of the state teachers' retirement board vests a right in such person, so long as ~~he~~ the person remains the beneficiary of any of the funds established by section ~~3307.65~~ 3307.14 of the Revised Code, to receive ~~such retirement~~ the allowance, annuity, or pension, or benefit at the rate fixed at the time of granting ~~such retirement~~ the allowance, annuity, or pension, or benefit Such right shall also be vested with equal effect in the beneficiary of a grant heretofore made from any of the funds named in section ~~3307.65~~ 3307.14 of the Revised Code.

Sec. ~~3307.712~~ 3307.44. (A) Any person who is receiving an allowance, as defined in section 3307.50 of the Revised Code, benefit, or ~~any~~ increase under this chapter may, at any time, waive ~~his~~ the person's rights thereto, or to a portion thereof, by filing a written notice of waiver with the state teachers retirement board. Except as provided in division (B) of this section, such waiver shall remain in effect until the first day of the month following ~~his~~ the person's death or the filing of ~~his~~ the person's written cancellation of such waiver with the ~~state teachers retirement~~ board. Any amount so waived shall forever be forfeited.

(B) If a beneficiary waives in writing all claim to any benefits under this chapter prior to receipt of the first benefit, the waiver shall put into effect the succession of beneficiaries as provided in division (C) of section ~~3307.48~~ 3307.562 of the Revised Code and shall be irrevocable.

Sec. ~~3307.4012~~ 3307.46. Whenever the limits established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, are raised, the state teachers retirement board may increase the amount of the pension, benefit, or allowance of any person whose pension, benefit, or allowance payable under section ~~3307.38~~ 3307.58, ~~3307.39~~

3307.59, ~~3307.403~~ 3307.63, ~~3307.43~~ 3307.631, or ~~3307.431~~ 3307.67 of the Revised Code or a plan established under section 3307.81 of the Revised Code was limited by the application of section 415. The amount of the increased pension, benefit, or allowance shall not exceed the lesser of the amount the person would have received if the limits established by section 415 had not been applied or the amount the person is eligible to receive subject to the new limits established by section 415.

Sec. 3307.461. The state teachers retirement board may establish and maintain a qualified governmental excess benefit arrangement that meets the requirements of division (m) of section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, and any regulations adopted thereunder. If established, the arrangement shall be a separate portion of the state teachers retirement system and be maintained solely for the purpose of providing to retired members that part of a benefit otherwise payable under this chapter that exceeds the limits established by section 415 of the "Internal Revenue Code of 1986," as amended.

Members participating in an arrangement established under this section shall not be permitted to elect to defer compensation to the arrangement. Contributions to and benefits paid under an arrangement shall not be payable from a trust that is part of the system unless the trust is maintained solely for the purpose of providing such benefits.

The board shall adopt rules to administer an arrangement established under this section.

Sec. ~~3307.751~~ 3307.47. If a ~~member, former member, contributor, former contributor, retirant, or beneficiary~~ person is paid any benefit by the state teachers retirement system under the plans described in section 3307.031 of the Revised Code to which he the person is not entitled, the benefit shall be repaid to the ~~retirement~~ system by ~~him~~ the person. If ~~he the person~~ the person fails to make the repayment, the ~~retirement~~ system shall withhold the amount due from any benefit due ~~him the person~~ or his the person's beneficiary under this chapter, or may collect the amount in any other manner provided by law.

Sec. 3307.50. As used in sections 3307.50 to 3307.79 of the Revised Code:

(A) "Prior service" means all service as a teacher before September 1, 1920, military service credit, all service prior to September 1, 1920, as an employee of any employer who comes within the public employees retirement system, the school employees retirement system, or any other state retirement system established under the laws of Ohio, and similar service in another state, credit for which was procured by a member under

former section 3307.33 of the Revised Code, prior to June 25, 1945. Prior service credit shall not be granted to any member for service for which credit or benefits have been received in any other state retirement system in Ohio or for credit that was forfeited by withdrawal of contributions, unless the credit has been restored. If the teacher served as an employee in any two or all of the capacities, "prior service" means the total combined service in the capacities prior to September 1, 1920.

If a teacher who has been granted prior service credit for service rendered prior to September 1, 1920, as an employee of an employer who comes within the public employees retirement system or the school employees retirement system, establishes, subsequent to September 16, 1957, and before retirement, three years of contributing service in the public employees retirement system, or one year in the school employees retirement system, the prior service credit granted shall become, at retirement, the liability of the other system if the prior service or employment was in a capacity covered by that system.

(B) "Total service," "total service credit," except as provided in section 3307.57 of the Revised Code, or "Ohio service credit" means all service of a member of the state teachers retirement system since last becoming a member and, in addition thereto, restored service credit under section 3307.71 of the Revised Code, all prior service credit, all military service credit computed as provided in this chapter, and all other service credit established under sections 3307.26, former 3307.513, former 3307.514, 3307.53, 3307.54, 3307.72, 3307.73, 3307.74, 3307.76, 3307.761, 3307.77, 3307.771, and 33.07.78 and former section 3307.52 of the Revised Code, and Section 3 of Amended Substitute Senate Bill No. 530 of the 114th general assembly. All service credit purchased under section 3307.741 of the Revised Code shall be used exclusively for the purpose of qualifying for service retirement.

(C)(1) "Service retirement" means retirement as provided in section 3307.58 or 3307.59 of the Revised Code.

(2) "Disability retirement" means retirement as provided in section 3307.63 of the Revised Code.

(D) "Accumulated contributions" means the sum of all amounts credited to a contributor's individual account in the teachers' savings fund, together with interest credited thereon at the rates approved by the state teachers retirement board prior to retirement.

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

(F) "Pensions" means annual payments for life derived from appropriations made by an employer and paid from the annuity and pension reserve fund. All pensions shall be paid in twelve equal monthly installments.

(G)(1) "Allowance" means the pension plus the annuity, or any other payment under sections 3307.50 to 3307.79 of the Revised Code, and includes a disability allowance or disability benefit.

(2) "Disability allowance" means an allowance paid on account of disability under section 3307.631 of the Revised Code.

(3) "Disability benefit" means a benefit paid as disability retirement under section 3307.63 of the Revised Code, as a disability allowance under section 3307.631 of the Revised Code, or as a disability benefit under section 3307.57 of the Revised Code.

(H) "Annuity reserve" means the present value, computed upon the basis of mortality tables adopted by the state teachers retirement board with interest, of all payments to be made on account of any annuity, or benefit in lieu of any annuity, granted to a member.

(I) "Pension reserve" means the present value, computed upon the basis of mortality tables adopted by the state teachers retirement board with interest, of all payments to be made on account of any pension, or benefit in lieu of any pension, granted to a member or to a beneficiary.

(J) "Retirant" means any former member who is granted age and service retirement as provided in sections 3307.57, 3307.58, 3307.59, and 3307.60 of the Revised Code.

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

Sec. ~~3307.013~~ 3307.501. (A) As used in this section, "percentage increase" means the percentage that an increase in compensation is of the compensation paid prior to the increase.

(B) Notwithstanding division ~~(U)~~(L) of section 3307.01 of the Revised Code, for the purpose of determining final average salary under this section, "compensation" has the same meaning as in that division, except that it does not include any amount resulting from a percentage increase paid to a member during the member's two highest years of compensation that exceeds the greater of the following, unless the percentage increase results from employment by a different employer or promotion to a position held by another employee within the twelve-month period preceding the promotion;

(1) The highest percentage increase in compensation paid to the member during any of the three years immediately preceding the member's two

highest years of compensation and any subsequent partial year of compensation used in calculating the member's final average salary;

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

(C) The state teachers retirement board shall determine the final average salary of a member by dividing the sum of the member's annual compensation for the three highest years of compensation for which the member made contributions plus any amount determined under division (E) of this section by three, except that if the member has a partial year of contributing service in the year the member's employment terminates and the compensation for the partial year is at a rate higher than the rate of compensation for any one of the member's highest three years of compensation, the board shall substitute the compensation for the partial year for the compensation for the same portion of the lowest of the member's three highest years of compensation. If a member has less than three years of contributing membership, the member's final average salary shall be the member's total compensation for the period of contributing membership plus any amount determined under division (E) of this section divided by the total years, including any portion of a year, of contributing service.

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

(D) Contributions made by a member and an employer on amounts that, pursuant to division (B) of this section, are not compensation or are not included, pursuant to division (E) of this section, for the purpose of determining final average salary shall be treated as additional deposits to the

member's account under section ~~3307.51~~ 3307.26 of the Revised Code and used to provide additional annuity income.

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

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

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

Sec. ~~3307.20~~ 3307.51. (A) The state teachers retirement board shall have prepared annually by or under the supervision of an actuary an actuarial valuation of the pension assets, liabilities, and funding requirements of the ~~state teachers retirement system as established pursuant to this chapter~~ plan described in sections 3307.50 to 3307.79 of the Revised Code. The actuary shall complete the valuation in accordance with actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries and prepare a report of the valuation. The report shall include all of the following:

- (1) A summary of the benefit provisions evaluated;
- (2) A summary of the census data and financial information used in the valuation;
- (3) A description of the actuarial assumptions, actuarial cost method, and asset valuation method used in the valuation, including a statement of the assumed rate of payroll growth and assumed rate of growth or decline in the number of members contributing to the retirement system;
- (4) A summary of findings that includes a statement of the actuarial accrued pension liabilities and unfunded actuarial accrued pension liabilities;
- (5) A schedule showing the effect of any changes in the benefit provisions, actuarial assumptions, or cost methods since the last annual actuarial valuation;

(6) A statement of whether contributions to the retirement system are expected to be sufficient to satisfy the funding objectives established by the board.

The board shall submit the report to the Ohio retirement study ~~commission~~ council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the first day of ~~May~~ January following the year for which the valuation was made.

(B) At such times as the state teachers retirement board determines, and at least once in each quinquennial period, the board shall have prepared by or under the supervision of an actuary an actuarial investigation of the mortality, service, and other experience of the members, retirants, and beneficiaries of the system, and other system retirants as defined in section ~~3307.381~~ 3307.35 of the Revised Code to update the actuarial assumptions used in the actuarial valuation required by division (A) of this section. The actuary shall prepare a report of the actuarial investigation. The report shall be prepared and any recommended changes in actuarial assumptions shall be made in accordance with the actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The report shall include all of the following:

(1) A summary of relevant decrement and economic assumption experience observed over the period of the investigation;

(2) Recommended changes in actuarial assumptions to be used in subsequent actuarial valuations required by division (A) of this section;

(3) A measurement of the financial effect of the recommended changes in actuarial assumptions.

The board shall submit the report to the Ohio retirement study ~~commission~~ council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the first day of May following the last fiscal year of the period the report covers.

(C) The board may at any time request the actuary to make any other studies or actuarial valuations to determine the adequacy of the normal and deficiency rates of contribution provided by section ~~3307.53~~ 3307.28 of the Revised Code, and those rates may be adjusted by the board, as recommended by the actuary, effective as of the first of any year thereafter.

(D) The board shall have prepared by or under the supervision of an actuary an actuarial analysis of any introduced legislation expected to have a measurable financial impact on the retirement system. The actuarial analysis shall be completed in accordance with the actuarial standards of practice

promulgated by the actuarial standards board of the American academy of actuaries. The actuary shall prepare a report of the actuarial analysis, which shall include all of the following:

- (1) A summary of the statutory changes that are being evaluated;
- (2) A description of or reference to the actuarial assumptions and actuarial cost method used in the report;
- (3) A description of the participant group or groups included in the report;
- (4) A statement of the financial impact of the legislation, including the resulting increase, if any, in the employer normal cost percentage; the increase, if any, in actuarial accrued liabilities; and the per cent of payroll that would be required to amortize the increase in actuarial accrued liabilities as a level per cent of covered payroll for all active members over a period not to exceed thirty years;
- (5) A statement of whether the scheduled contributions to the system after the proposed change is enacted are expected to be sufficient to satisfy the funding objectives established by the board.

Not later than sixty days from the date of introduction of the legislation, the board shall submit a copy of the actuarial analysis to the legislative budget office of the legislative service commission, the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation, and the Ohio retirement study ~~commission~~ council.

(E) The board shall have prepared annually a report giving a full accounting of the revenues and costs relating to the provision of benefits under sections ~~3307.405~~ 3307.39 and ~~3307.74~~ 3307.61 of the Revised Code. The report shall be made as of June 30, 1997, and the thirtieth day of June of each year thereafter. The report shall include the following:

- (1) A description of the statutory authority for the benefits provided;
- (2) A summary of the benefits;
- (3) A summary of the eligibility requirements for the benefits;
- (4) A statement of the number of participants eligible for the benefits;
- (5) A description of the accounting, asset valuation, and funding method used to provide the benefits;
- (6) A statement of the net assets available for the provisions of benefits as of the last day of the fiscal year;
- (7) A statement of any changes in the net assets available for the provision of benefits, including participant and employer contributions, net investment income, administrative expenses, and benefits provided to participants, as of the last day of the fiscal year;
- (8) For the last six consecutive fiscal years, a schedule of the net assets

available for the benefits, the annual cost of benefits, administrative expenses incurred, and annual employer contributions allocated for the provision of benefits;

(9) A description of any significant changes that affect the comparability of the report required under this division;

(10) A statement of the amount paid under division (C) of section ~~3307.74~~ 3307.39 of the Revised Code.

The board shall submit the report to the Ohio retirement study ~~commission~~ council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the thirty-first day of December following the year for which the report was made.

Sec. 3307.511. The state teachers retirement board shall collect and keep in convenient form such data as is necessary for the preparation of the required mortality and service tables, and for the compilation of such other information as is required for the actuarial valuation of the assets and liabilities of the funds listed in divisions (A) to (F) of section 3307.14 of the Revised Code. On the basis of mortality and service experience of the members, retirants, and beneficiaries of the state teachers retirement system, and other system retirants contributing in accordance with section 3307.35 of the Revised Code, the board shall adopt tables to be used for valuation purposes and for determining the amount of annuities to be allowed on the basis of the contributions.

Sec. ~~3307.204~~ 3307.512. The state teachers retirement board shall establish a period of not more than thirty years to amortize the state teachers retirement system's unfunded actuarial accrued pension liabilities for benefits paid under sections 3307.50 to 3307.79 of the Revised Code If in any year the period necessary to amortize the unfunded actuarial accrued pension liability exceeds thirty years, as determined by the annual actuarial valuation required by section ~~3307.20~~ 3307.51 of the Revised Code, the board, not later than ninety days after receipt of the valuation, shall prepare and submit to the Ohio retirement study ~~commission~~ council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation a report that includes the following information:

(A) The number of years needed to amortize the unfunded actuarial accrued pension liability as determined by the annual actuarial valuation;

(B) A plan approved by the board that indicates how the board will reduce the amortization period of unfunded actuarial accrued pension liability to not more than thirty years.

Sec. ~~3307.421~~ 3307.513. Not later than September 1, 2000, and each first day of September for the succeeding five years, the state teachers retirement board shall make and submit a report for the preceding fiscal year of the disability retirement experience of each employer. The report shall specify the total number of disability applications submitted under section 3307.62 of the Revised Code, the status of each application as of the last day of the fiscal year, total applications granted or denied, and the percentage of disability benefit recipients, as defined in section 3307.50 of the Revised Code, to the total number of the employer's employees who are members of the state teachers retirement system. The report shall be submitted to the governor, the Ohio retirement study council, and the chairpersons of the standing committees and subcommittees of the senate and house of representatives with primary responsibility for retirement legislation.

Sec. ~~3307.36~~ 3307.52. At the time of retirement under the plan described in sections 3307.50 to 3307.79 of the Revised Code, the total service credited a teacher shall consist of all ~~his~~ the teacher's service as a teacher since ~~he~~ the teacher last became a member and, if ~~he~~ the teacher has a prior service certificate which is in full force and effect, all service certified on such prior service certificate, together with purchased service credit as provided in section ~~3307.33~~ 3307.741 of the Revised Code.

Sec. ~~3307.31~~ 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, 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. ~~3307.35~~ 3307.54. An employer may establish a retirement incentive plan for its employees who are members of the state teachers

retirement system participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code The plan shall provide for purchase by the employer of service credit for eligible employees who choose to participate in the plan and for payment by the employer of the entire cost of such service credit. A plan established under this section shall remain in effect until terminated by the employer, except that, once established, the plan must remain in effect for at least one year.

An employee who is a member of the state teachers retirement system shall be eligible to participate in a retirement incentive plan if the employee has attained age fifty and the employee agrees to retire and retires under section ~~3307.38~~ 3307.58 of the Revised Code effective within ninety days after receiving notice from the state teachers retirement system that service credit has been purchased for the member under this section.

Participation in the plan shall be available to all eligible employees except that the employer may limit the number of persons for whom it purchases credit in any calendar year to a specified percentage of its employees who, on the first day of January of that year, are members of the state teachers retirement system ~~on the first day of January of that year participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code~~. The percentage shall not be less than five per cent of such employees. If participation is limited, employees with a greater length of service with the employer have the right to elect to have credit purchased before employees with a lesser length of service with the employer.

The amount of service credit purchased for any participant shall be uniformly determined but shall not exceed the lesser of the following:

(A) Five years of service credit;

(B) An amount of service credit equal to one-fifth of the total service credited to the participant under former sections ~~3307.02, 3307.021, 3307.022, 3307.22, 3307.28, 3307.31, 3307.311, 3307.32, 3307.41, 3307.411, 3307.412, 3307.512, 3307.513, 3307.514, 3307.515, and 3307.52, and 3307.73~~ or sections 3307.53, 3307.57, 3307.71, 3307.72, 3307.73, 3307.74, 3307.75, 3307.751, 3307.752, 3307.76, 3307.761, 3307.77, 3307.771, and 3307.78 of the Revised Code.

For each year of service credit purchased under this section, the employer shall pay an amount specified by the state teachers retirement board equal to the additional liability resulting from the purchase of that year of service credit as determined by an actuary employed by the board. Payments shall be made in accordance with rules adopted by the board, and the board shall notify each member when the member is credited with service purchased under this section.

No payment made to the state teachers retirement system under this section shall affect any payment required by section ~~3307.53~~ 3307.28 of the Revised Code.

Sec. ~~3307.46~~ 3307.56. (A)(1) Subject to sections ~~3307.47~~ 3307.37 and ~~3307.72~~ 3307.561 of the Revised Code, a member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who ceases to be a teacher 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, shall be paid the accumulated contributions standing to the credit of the member's individual account in the teachers' savings fund plus an amount calculated in accordance with section ~~3307.80~~ 3307.563 of the Revised Code. If the member or the member's legal representative cannot be found within ten years after the member ceased making contributions pursuant to section ~~3307.51~~ 3307.26 of the Revised Code, the accumulated contributions may be transferred to the guarantee fund and thereafter paid to the member, to the member's beneficiaries, or to the member's estate, upon proper application.

(2) A member described in division (A)(1) of this section who is married at the time of application for payment and is eligible for age and service retirement under section ~~3307.38~~ 3307.58 or ~~3307.39~~ 3307.59 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. If the statement is not submitted under this division, the application shall be considered an application for service retirement and shall be subject to division (F)(1) of section ~~3307.50~~ 3307.60 of the Revised Code.

(B) This division applies to any member who ceases to be a teacher by electing an alternative retirement plan pursuant to section 3305.05 of the Revised Code and who is not otherwise employed as a teacher 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 sections ~~3307.47~~ 3307.37 and ~~3307.72~~ 3307.561 of the Revised Code, upon application of any member to whom this division applies who is continuously employed, the state teachers retirement board shall pay the accumulated contributions standing to the credit of the member's individual account in the teachers' savings fund plus an amount calculated in accordance with section ~~3307.80~~ 3307.563 of the Revised Code to the entity providing the 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 sections ~~3307.47~~ 3307.37 and ~~3307.72~~ 3307.561 of the Revised Code, upon application of any member to whom this division applies who has ceased to be continuously employed, the state teachers retirement board shall pay the accumulated contributions standing to the credit of the member's individual account in the teachers' savings fund plus an amount calculated in accordance with section ~~3307.80~~ 3307.563 of the Revised Code to the entity providing the alternative retirement plan for application to that plan in accordance with any contract the member has entered into for purposes of that plan.

Sec. ~~3307.47~~ 3307.561. 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 has ceased to be a teacher, and who is also a member of either the public employees retirement system or ~~the~~ school employees retirement system, or both, may not withdraw ~~his~~ the member's accumulated contributions unless ~~he~~ the member also withdraws ~~his~~ the member's contributions from ~~such~~ the other systems.

Sec. ~~3307.48~~ 3307.562. (A) As used in this section and section ~~3307.49~~ 3307.66 of the Revised Code:

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

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

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

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

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

(B) Except as provided in division ~~(G)(1)(B)~~ of section ~~3307.49~~ 3307.563 or division ~~(B)(G)(1)~~ of section ~~3307.80~~ 3307.66 of the Revised Code, should a member who is participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code die before service retirement, the member's accumulated contributions, plus an amount calculated in accordance with section ~~3307.80~~ 3307.563 of the Revised Code, and any amounts owed and unpaid to a disability benefit recipient shall be paid to

such beneficiaries as the member has nominated by written designation signed by the member and filed with the state teachers retirement board prior to death. The nomination of beneficiary shall be on a form provided by the retirement board. The last nomination of any beneficiary revokes all previous nominations. The member's marriage, divorce, marriage dissolution, legal separation, or withdrawal of account, or the birth of the member's child, or the member's adoption of a child, shall constitute an automatic revocation of the member's previous designation. If a deceased member was also a member of the public employees retirement system or the school employees retirement system, the beneficiary last established among the systems shall be the sole beneficiary in all the systems.

Any beneficiary ineligible for monthly survivor benefits as provided by section ~~3307.49~~ 3307.66 of the Revised Code may waive in writing all claim to any benefits and such waiver shall thereby put in effect the succession of beneficiaries under division (C) of this section, provided the beneficiary thereunder is immediately eligible and agrees in writing to accept survivor benefits as provided by section ~~3307.49~~ 3307.66 of the Revised Code. If the accumulated contributions of a deceased member are not claimed by a beneficiary, or by the estate of the deceased member, within ten years, they shall be transferred to the guarantee fund and thereafter paid to such beneficiary or to the member's estate upon application to the board. The board shall formulate and adopt rules governing all designations of beneficiaries.

(C) Except as provided in division (G)(1) of section ~~3307.49~~ 3307.66 of the Revised Code, if a member dies before service retirement and is not survived by a designated beneficiary, any beneficiaries shall qualify, in the following order of precedence, with all attendant rights and privileges:

- (1) Surviving spouse;
- (2) Children, share and share alike;
- (3) A dependent parent, if that parent elects to take survivor benefits under division (C)(2) of section ~~3307.49~~ 3307.66 of the Revised Code;
- (4) Parents, share and share alike;
- (5) Estate.

If any survivor dies before payment is made under this section or is not located prior to the ninety-first day after the board receives notification of the member's death, the survivor next in order of precedence shall qualify as a beneficiary, provided that benefits under division (C)(2) of section ~~3307.49~~ 3307.66 of the Revised Code are elected. In the event that the beneficiary originally determined is subsequently located, the beneficiary may qualify for benefits under division (C)(2) of section ~~3307.49~~ 3307.66 of

the Revised Code upon meeting the conditions of eligibility set forth in division (B) of that section, but in no case earlier than the first day of the month following application by such beneficiary. Any payment made to a beneficiary as determined by the board shall be a full discharge and release to the board from any future claims.

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

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

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

(E) If the validity of marriage cannot be established to the satisfaction of the board for the purpose of disbursing any amount due under this section or section ~~3307.49~~ 3307.66 of the Revised Code, the board may accept a decision rendered by a court having jurisdiction in the state in which the member was domiciled at the time of death that the relationship constituted a valid marriage at the time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing the distribution of the member's intestate personal property.

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. ~~3307.80~~ 3307.563. For the purposes of this section, "service credit" includes only service credit obtained pursuant to sections ~~3307.28~~ 3307.53, ~~3307.34~~ 3307.71, ~~3307.512~~ 3307.72, and ~~3307.73~~ 3307.77 of the Revised Code.

(A) The state teachers retirement system shall add to a member's accumulated contributions to be paid under section ~~3307.46~~ 3307.56 or ~~3307.48~~ 3307.562 of the Revised Code an amount paid from the employers' trust fund equal to one of the following:

(1) If the member has less than three full years of service credit, an amount equal to interest on the member's accumulated contributions, compounded annually, at a rate not greater than four per cent established by the board;

(2) If the member has three or more full years of service credit, but less than five full years, an amount equal to interest on the member's accumulated contributions, compounded annually, at a rate not greater than six per cent established by the board;

(3) If the member has five or more full years of service credit, the sum of the following amounts:

(a) An amount equal to interest on the member's accumulated contributions, compounded annually, at a rate not greater than six per cent established by the board;

(b) An amount equal to fifty per cent of the sum of the member's contributions and payments under sections ~~3307.28~~ 3307.26, ~~3307.51~~ 3307.71, and ~~3307.512~~ 3307.77 of the Revised Code plus an amount equal to interest on that amount at a rate not greater than six per cent established by the board.

Interest for each year included in the calculation under this section shall be calculated from the first day of the following year to the last day of the month preceding payment under section ~~3307.46~~ 3307.56 or ~~3307.48~~ 3307.562 of the Revised Code.

(B) Notwithstanding sections ~~3307.46~~ 3307.56 and ~~3307.48~~ 3307.562 of the Revised Code, neither the beneficiaries, survivors, nor estate of a deceased member who was granted disability benefits prior to death is eligible for the payment of any amount calculated under this section.

Sec. ~~3307.41~~ 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, the state teachers retirement system, and the school employees retirement system.

(2) In addition to the meaning given in ~~division (L)~~ of section ~~3307.01~~ 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 member's 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, 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.

(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 ~~3307.381~~ 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. ~~3307.38~~ 3307.58. Any member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has five years of service credit and has attained age sixty, or who has twenty-five years of service credit and has attained age fifty-five, or who has thirty years of service credit shall be granted service retirement after filing with the state teachers retirement board a completed application on a form approved by the board.

(A) Service retirement shall be effective on the first day of the month next following the later of:

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

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

Except as ~~otherwise~~ provided in division ~~(D)~~(E) of this section, the service retirement benefit shall be the greater of the benefits provided in divisions (B) and ~~(C)~~(D) of this section.

~~(B)(4)~~ Subject to any adjustment made under division ~~(B)(2)~~(C) of this section, the annual single lifetime benefit of a member shall be the greater of

the amounts determined by the member's Ohio service credit multiplied by one of the following:

~~(a)(1)~~ Eighty-six dollars;

~~(b) Two~~ (2)(a) The sum of the following amounts:

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

(ii) For each year or fraction of a year of Ohio service credit in excess of thirty years, two and two-tenths per cent of the member's final average salary or, subject to the limitation described in division (B)(2)(b) of this section, if the member has more than thirty years service credit earned under section 3307.31 or purchased under section 3307.512 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.77, or 3307.771 of the Revised Code, the per cent shall be division (A)(2) or (B) of former section 3307.513 of the Revised Code, former section 3307.514 of the Revised Code, section 3307.72 of the Revised Code earned after July 1, 1978, or any combination of service credit under those sections, the per cent of final average salary shown in the following schedule times the member's final average salary for each corresponding year or fraction of a year of service credit earned or purchased under those sections that is in excess of thirty years:

Year of Service Credit	Per Cent for that Year	Year of Service Credit	Per Cent for that Year
30.01- ~~31.00~~	2.5%	37.01- ~~38.00~~	3.2%
<u>31.00</u>		<u>38.00</u>	
31.01- ~~32.00~~	2.6	38.01- ~~39.00~~	3.3
<u>32.00</u>		<u>39.00</u>	
32.01-33.00	2.7	~~39.01-40.00~~	~~3.4~~
33.01-34.00	2.8	~~40.01-41.00~~	~~3.5~~
34.01-35.00	2.9	~~41.01-42.00~~	~~3.6~~
35.01-36.00	3.0	~~42.01-43.00~~	~~3.7~~

36.01-37.00 3.1

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

(b) For purposes of division (B)(2)(a) of this section, a percentage of final average salary in excess of two and two-tenths per cent shall be applied to service credit under section 3307.57 or 3307.761 of the Revised Code only if the service credit was established by contributions made under section 145.47, 742.31, 3309.47, 3309.58, or 5505.15 of the Revised Code or restored under section 145.31, 742.371, 3309.26, or 5505.20 of the Revised Code.

~~(2)(C)~~ The annual single lifetime benefit of a member determined under division (B)~~(4)~~ of this section shall be adjusted by the greater per cent shown in the following schedule opposite the member's attained age or Ohio service credit.

Attained or Age	Years of Ohio Service Credit	Per Cent of Base Amount
58	25	75%
59	26	80
60	27	85
61		88
	28	90
62		91
63		94
	29	95
64		97
65	30 or more	100

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

Attained Age	Per Cent of Base Amount
66	102%
67	104
68	106
69	108
70 or more	110

~~(3)~~ The annual single lifetime benefit determined under ~~this~~ division (B) of this section shall not exceed the lesser of one hundred per cent of the final

average salary or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

~~(C)(D)~~ The annual single lifetime benefit of a member shall not exceed the lesser of the sum of the following amounts or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended:

(1) An annuity with a reserve equal to the member's accumulated contributions;

(2) A pension equal to the amount in division ~~(C)(D)~~(1) of this section;

(3) An additional pension of forty dollars annually multiplied by the number of years of prior and military service credit, except years of credit purchased under section ~~3307.021~~ 3307.751 or 3307.752 of the Revised Code;

(4) An additional basic annual pension of one hundred eighty dollars, provided the member had ten or more years of Ohio service credit as of October 1, 1956, except that the additional basic annual pension shall not exceed the sum of the annual benefits provided by divisions ~~(C)(D)~~(1), (2), and (3) of this section.

~~(D)(E)~~ Benefits determined under this section shall be paid as provided in section ~~3307.50~~ 3307.60 of the Revised Code.

Sec. ~~3307.39~~ 3307.59. (A) A recipient of a disability allowance under section ~~3307.431~~ 3307.631 of the Revised Code who is subject to division (C)(3) of that section may make application for service retirement under this section. Retirement shall be effective on the first day of the first month following the last day for which the disability allowance is paid.

(B) The annual allowance payable under this section shall consist of the sum of the amounts determined under divisions (B)(1) and (2) of this section:

(1) The greater of the following:

(a) An allowance calculated as provided in section ~~3307.38~~ 3307.58 of the Revised Code, excluding any period during which the applicant received a disability benefit under section ~~3307.431~~ 3307.631 of the Revised Code;

(b) An allowance calculated by multiplying the applicant's total service credit, including service credit for the last continuous period during which ~~he the applicant~~ received a disability benefit under section ~~3307.431~~ 3307.631 of the Revised Code, by two and ~~one-tenth~~ two-tenths per cent of ~~his the applicant's~~ final average salary, except that the allowance shall be determined without application of division (B) of section ~~3307.013~~ 3307.501 of the Revised Code and shall not exceed forty-five per cent of the applicant's final average salary.

(2) An amount equal to the additional allowance the recipient would receive under section ~~3307.403~~ 3307.67 of the Revised Code, plus any other additional amount ~~he the recipient~~ would receive under this chapter, had ~~he the recipient~~ retired under section ~~3307.38~~ 3307.58 of the Revised Code effective on the effective date of ~~his the recipient's~~ most recent continuous period of receipt of a disability benefit under section ~~3307.431~~ 3307.631 of the Revised Code.

(C) The allowance calculated under division (B) of this section, exclusive of any amount added under division (B)(2) of this section based on section ~~3307.403~~ 3307.67 of the Revised Code, shall be the base for all future additional allowances under section ~~3307.403~~ 3307.67 of the Revised Code.

The anniversary date for future additional allowances under section ~~3307.403~~ 3307.67 of the Revised Code shall be the effective date of the recipient's most recent continuous period of receipt of a disability benefit under section ~~3307.431~~ 3307.631 of the Revised Code.

(D) The retirement allowance determined under this section shall be paid as provided in section ~~3307.38~~ 3307.58 of the Revised Code.

Sec. ~~3307.50~~ 3307.60. (A) Upon application for retirement as provided in section ~~3307.38~~ 3307.58 or ~~3307.39~~ 3307.59 of the Revised Code, the retirant may elect to receive a single lifetime benefit, or may elect to receive the actuarial equivalent of the retirant's benefit in a lesser amount, payable for life, and continuing after death to a beneficiary under one of the following optional plans:

(1) Option 1. The retirant's lesser benefit shall be paid for life to the sole beneficiary named at retirement.

(2) Option 2. Some other portion of the retirant's benefit shall be paid for life to the sole beneficiary named at retirement. The beneficiary's monthly amount shall not exceed the monthly amount payable to the retirant during the retirant's lifetime.

(3) Option 3. The retirant's lesser benefit established as provided under option 1 or option 2 shall be paid for life to the sole beneficiary named at retirement, except that in the event of the death of the sole beneficiary or termination of a marital relationship between the retirant and the sole beneficiary the retirant may elect to return to a single lifetime benefit equivalent as determined by the state teachers retirement board, if, in the case of termination of a marital relationship, the election is made with the written consent of the beneficiary or pursuant to an order of the court with jurisdiction over termination of the marital relationship.

(4) Option 4. Upon the retirant's death before the expiration of a certain

period from the retirement date and elected by the retirant, and approved by the board, the retirant's benefit shall be continued for the remainder of such period to the beneficiary. Monthly benefits shall not be paid to joint beneficiaries, but they may receive the present value of any remaining payments in a lump sum settlement. If all beneficiaries die before the expiration of the certain period, the present value of all payments yet remaining in such period shall be paid to the estate of the beneficiary last receiving.

(5) Option 5. A plan of payment established by the state teachers retirement board combining any of the features of options 1, 2, and 4.

(B) Until the first payment is made to a former member under section ~~3307.38~~ 3307.58 or ~~3307.39~~ 3307.59 of the Revised Code, the former member may change the selection of a plan of payment. If death occurs prior to an election of a plan of payment, option 1 shall be paid to the spouse or other sole dependent beneficiary.

(C) If the total benefit paid under this section is less than the balance in the teachers' savings fund, the difference shall be paid to the beneficiary provided under division (D) of section ~~3307.48~~ 3307.562 of the Revised Code.

(D) In the case of a retirant who elected an optional plan prior to September 15, 1989:

(1) The death of the spouse or other designated beneficiary following retirement shall, at the election of the retirant, cancel any optional plan selected at retirement to provide continuing lifetime benefits to the spouse or other beneficiary and return the retirant to a single lifetime benefit equivalent as determined by the board.

(2) A divorce, annulment, or marriage dissolution shall, at the election of the retirant, cancel any optional plan selected at retirement to provide continuing lifetime benefits to the spouse as designated beneficiary and return the retirant to a single lifetime benefit equivalent as determined by the board if the election is made with the written consent of the beneficiary or pursuant to an order of a court of common pleas or the court of another state with jurisdiction over the termination of the marriage.

(E) Following marriage or remarriage, a retirant may elect a new optional plan of payment based on the actuarial equivalent of the retirant's single lifetime benefit, as determined by the board, except that if the retirant is receiving a retirement allowance under an optional plan that provides for continuation of benefits after death to a former spouse, the retirant may elect a new optional plan of payment only with the written consent of the former spouse or pursuant to an order of the court with jurisdiction over the

termination of the marriage. Such plan shall become effective the first of the month following an application on a form approved by the board.

(F)(1) Unless one of the following occurs, an application for service retirement made pursuant to section ~~3307.38~~ 3307.58 or ~~3307.39~~ 3307.59 of the Revised Code by a married person shall be considered an election of a benefit under option 2 as provided for in division (A)(2) of this section under which one-half of the lesser benefit payable during the life of the retirant will be paid after death to the retirant's spouse for life as sole beneficiary:

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

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

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

(a) That, if the member is married, unless the spouse consents to another plan of payment, the member's retirement allowance will be paid under "option 2" and consist of the actuarial equivalent of the member's retirement allowance in a lesser amount payable for life and one-half of the lesser allowance continuing after death to the surviving spouse for the life of the spouse;

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

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

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

Consent shall be valid only if it is signed, in writing, and witnessed by a notary public.

(3) If the retirant does not select an optional plan of payment as described in division (F)(1)(a) of this section and the board does not receive the written statement provided for in division (F)(1)(b) of this section, it shall determine and pay the retirement allowance in accordance with this division, except that the board may provide by rule for waiver by the board

of the statement and payment of the benefits other than in accordance with this division or payment under section ~~3307.46~~ 3307.56 of the Revised Code if the retirant is unable to obtain the statement due to absence or incapacity of the spouse or other cause specified by the board.

(G) For the purpose of determining actuarial equivalence under this section, on the advice of an actuary employed by the board, the board shall adopt mortality tables that may take into consideration the membership experience of the state teachers retirement system and may also include the membership experience of the public employees retirement system and the school employees retirement system.

Sec. ~~3307.405~~ 3307.61. The ~~board of the state teachers retirement system~~ board shall make available to each member or former member receiving a monthly allowance or benefit under sections 3307.50 to 3307.79 of the Revised Code on or after January 1, 1968, who has attained the age of sixty-five years, and who is not eligible to receive hospital insurance benefits under the federal old age, survivors, and disability insurance program, hospital insurance coverage substantially equivalent to the federal hospital insurance benefits, Social Security Amendments of 1965, 79 Stat. 291, 42 U.S.C.A. 1395c, as amended. This coverage shall also be made available, to the wife, husband, widow, or widower of such member or former member, provided such wife, husband, widow, or widower has attained age sixty-five and is not eligible to receive hospital insurance benefits under the federal old age, survivors, and disability insurance program. The widow or widower of a member or former member shall be eligible for such coverage only if he or she is the recipient of a monthly allowance or benefit from this system. One-half of the cost of the premium for such coverage shall be paid from the appropriate funds of the state teachers retirement system and one-half by the recipient of the allowance or benefit.

The cost of such coverage, paid from the funds of the system, shall be included in the employer's contribution rate provided by sections ~~3307.53~~ 3307.28, ~~3307.56~~ 3307.30, and ~~3307.64~~ 3307.31 of the Revised Code. The retirement board is authorized to make all necessary rules pursuant to the purpose and intent of this section, and shall contract for such coverage as provided in section ~~3307.74~~ 3307.39 of the Revised Code.

Notwithstanding sections ~~3307.53~~ 3307.28, ~~3307.56~~ 3307.30, and ~~3307.64~~ 3307.31 of the Revised Code, the employer's contribution rate shall not be increased until July 1, 1969, or later to reflect the increased costs created by this section.

Sec. ~~3307.42~~ 3307.62. (A) The state teachers retirement system shall

provide disability coverage to each member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has at least five years of total service credit.

Not later than October 16, 1992, the state teachers retirement board shall give each person who is a member on July 29, 1992, the opportunity to elect disability coverage either under former section 3307.43 of the Revised Code or under former section 3307.431 of the Revised Code. The board shall mail notice of the election, accompanied by an explanation of the coverage under each of the Revised Code sections and a form on which the election is to be made, to each member at the member's last known address. The board shall also provide the explanation and form to any member on the member's request.

Regardless of whether the member actually receives notice of the right to make an election, a member who fails to file a valid election under this section shall be considered to have elected disability coverage under section ~~3307.43~~ 3307.63 of the Revised Code. To be valid, an election must be made on the form provided by the ~~retirement~~ board, signed by the member, and filed with the board not later than one hundred eighty days after the date the notice was mailed, or, in the case of a form provided at the request of a member, a date specified by rule of the ~~retirement~~ board. Once made, an election is irrevocable, but if the member ceases to be a member of the ~~retirement~~ system, the election is void. If a person who makes an election under this section also makes an election under section 145.35 or 3309.39 of the Revised Code, the election made for the system that pays a disability benefit to that person shall govern the benefit.

Disability coverage shall be provided under section ~~3307.431~~ 3307.631 of the Revised Code for persons who become members after July 29, 1992, and for members who elect under this division to be covered under section ~~3307.431~~ 3307.631 of the Revised Code.

The ~~retirement~~ board may adopt rules governing elections made under this division.

(B) Application for a disability benefit may be made by a member, by a person acting in the member's behalf, or by the member's employer, ~~provided if~~ if the member is participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code, has at least five years of total service credit, and has disability coverage under section ~~3307.43~~ 3307.63 or ~~3307.431~~ 3307.631 of the Revised Code. The application for a disability benefit shall be made on a form approved by the ~~state teachers retirement~~ board. The benefit payable to any member whose application is approved shall become effective on the first day of the month next following the later

of the following:

- (1) The last day for which compensation was paid;
- (2) The attainment of eligibility for a disability benefit.

(C) Medical examination of the member shall be conducted by a competent, disinterested physician or physicians selected by the ~~retirement~~ board to determine whether the member is mentally or physically incapacitated for the performance of duty by a disabling condition, either permanent or presumed to be permanent for twelve continuous months following the filing of an application. The disability must have occurred since last becoming a member, or it must have increased since last becoming a member to such an extent as to make the disability permanent or presumably permanent for twelve continuous months following the filing of an application.

(D) Application for a disability benefit must be made within two years from the date the member's contributing service terminated, unless the ~~retirement~~ board determines that the member's medical records demonstrate conclusively that at the time the two-year period expired, the member was physically or mentally incapacitated for duty as a teacher and unable to make application. Application may not be made by any person receiving service retirement benefits under section ~~3307.38~~ 3307.58 or ~~3307.39~~ 3307.59 of the Revised Code or any person who, pursuant to section ~~3307.46~~ 3307.56 of the Revised Code, has been paid the accumulated contributions standing to the credit of the person's individual account in the teachers' savings fund.

(E) If the physician or physicians determine that the member qualifies for a disability benefit, the ~~retirement~~ board concurs with the determination, and the member agrees to medical treatment as specified in division (G) of this section, the member shall receive a disability benefit under section ~~3307.43~~ 3307.63 or ~~3307.431~~ 3307.631 of the Revised Code. If such physician or physicians determine that the member does not qualify for a disability benefit, the report of the examiner or examiners shall be evaluated by a board of medical review composed of three physicians appointed by the retirement board.

(F) The state teachers retirement board shall render an order determining whether or not the applicant shall be granted a disability benefit. Notification to the applicant shall be issued, and upon the request of an applicant who is denied a disability benefit, a hearing or appeal relative to such order shall be conducted in accordance with procedures established by the retirement board.

(G) The state teachers retirement board shall adopt rules requiring each

disability benefit recipient, as a condition of continuing to receive a disability benefit, to agree in writing to obtain any medical treatment recommended by the board's physician and submit medical reports regarding the treatment. If the board determines that a disability benefit recipient is not obtaining the medical treatment or the board does not receive a required medical report, the disability benefit shall be suspended until the treatment is obtained, the report is received by the board, or the board's physician certifies that the treatment is no longer helpful or advisable. Should the recipient's failure to obtain treatment or submit a medical report continue for one year, the recipient's right to the disability benefit shall be terminated as of the effective date of the original suspension.

(H) If an employer files an application for a disability benefit as a result of a member having been separated from service because the member is considered to be incapacitated for the performance of duty, and the board denies the disability benefit, the board shall so certify to the employer and ~~such~~ the employer shall restore the member to the member's previous position and salary or to a similar position and salary.

Sec. ~~3307.43~~ 3307.63. A member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has elected disability coverage under this section, ~~has,~~ not attained age sixty, and is determined by the state teachers retirement board under section ~~3307.42~~ 3307.62 of the Revised Code to qualify for a disability benefit shall be retired on disability under this section.

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

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

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

If the member is not receiving a disability benefit under section ~~3307.41~~

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

A disability retirant under this section whose disability retirement has been terminated, when eligible, may apply for service retirement provided by section ~~3307.38~~ 3307.58 of the Revised Code.

Sec. ~~3307.431~~ 3307.631. (A) A member ~~with~~ participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has disability coverage under this section ~~who and~~ is determined by the state teachers retirement board under section ~~3307.42~~ 3307.62 of the Revised Code to qualify for a disability benefit shall receive a disability allowance under this section. The allowance shall be an annual amount equal to the greater of the following:

(1) Forty-five per cent of the member's final average salary;

(2) The member's total service credit multiplied by two and ~~one-tenth~~ two-tenths per cent of ~~his~~ the member's final average salary, not exceeding sixty per cent of ~~his~~ the member's final average salary.

(B) Sufficient reserves for payment of the disability allowance shall be transferred to the annuity and pension reserve fund from the employers' trust fund. The accumulated contributions of the member shall remain in the teachers' savings fund. No part of the allowance paid under this section shall be charged against the member's accumulated contributions.

(C) A disability allowance paid under this section shall terminate at the earliest of the following:

(1) The effective date of service retirement under section ~~3307.38~~ 3307.57 or ~~3307.41~~ 3307.58 of the Revised Code;

(2) The date the allowance is terminated under section ~~3307.44~~ 3307.64 of the Revised Code;

(3) The later of the last day of the month in which the recipient attains age sixty-five, or the last day of the month in which the benefit period ends as follows:

Attained Age at Effective Date of Disability Allowance	Benefit Period
60 or 61	60 months
62 or 63	48 months
64 or 65	36 months
66, 67, or 68	24 months

69 or older

12 months

Sec. ~~3307.44~~ 3307.64. A disability benefit recipient, notwithstanding section 3319.13 of the Revised Code, shall retain membership in the state teachers retirement system and shall be considered on leave of absence during the first five years following the effective date of a disability benefit.

The state teachers retirement board shall require any disability benefit recipient to submit to an annual medical examination by a physician selected by the board, except that the board may waive the medical examination if the board's physician certifies that the recipient's disability is ongoing. If a disability benefit recipient refuses to submit to a medical examination, the recipient's disability benefit shall be suspended until the recipient withdraws the refusal. If the refusal continues for one year, all the recipient's rights under and to the disability benefit shall be terminated as of the effective date of the original suspension.

After the examination, the examiner shall report and certify to the board whether the disability benefit recipient is no longer physically and mentally incapable of resuming the service from which the recipient was found disabled. If the board concurs in a report by the examining physician that the disability benefit recipient is no longer incapable, the payment of a disability benefit shall be terminated not later than the following thirty-first day of August or upon employment as a teacher prior thereto. If the leave of absence has not expired, the board shall so certify to the disability benefit recipient's last employer before being found disabled that the recipient is no longer physically and mentally incapable of resuming service that is the same or similar to that from which the recipient was found disabled. If the recipient was under contract at the time the recipient was found disabled, the employer by the first day of the next succeeding year shall restore the recipient to the recipient's previous position and salary or to a position and salary similar thereto, unless the recipient was dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance, or conviction of a felony.

A disability benefit shall terminate if the disability benefit recipient becomes employed as a teacher in any public or private school or institution in this state or elsewhere. An individual receiving a disability benefit from the ~~state teachers retirement~~ system shall be ineligible for any employment as a teacher and it shall be unlawful for any employer to employ the individual as a teacher. If any employer should employ or reemploy the individual prior to the termination of a disability benefit, the employer shall file notice of employment with the ~~state teachers retirement~~ board designating the date of the employment. If the individual should be paid

both a disability benefit and also compensation for teaching service for all or any part of the same month, the secretary of the ~~state teachers retirement~~ board shall certify to the employer or to the superintendent of public instruction the amount of the disability benefit received by the individual during the employment, which amount shall be deducted from any amount due the employing district under Chapter 3317. of the Revised Code or shall be paid by the employer to the annuity and pension reserve fund.

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

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

A disability benefit also may be terminated by the board at the request of the disability benefit recipient.

If disability retirement under section ~~3307.43~~ 3307.63 of the Revised Code is terminated for any reason, the annuity and pension reserves at that time in the annuity and pension reserve fund shall be transferred to the teachers' savings fund and the employers' trust fund, respectively. If the total disability benefit paid was less than the amount of the accumulated contributions of the member transferred to the annuity and pension reserve fund at the time of the member's disability retirement, then the difference shall be transferred from the annuity and pension reserve fund to another fund as required. In determining the amount of a member's account following the termination of disability retirement for any reason, the total amount paid shall be charged against the member's refundable account.

If a disability allowance paid under section ~~3307.431~~ 3307.631 of the Revised Code is terminated for any reason, the reserve on the allowance at that time in the annuity and pension reserve fund shall be transferred from that fund to the employers' trust fund.

If a former disability benefit recipient again becomes a contributor, other than as an other system retirant under section ~~3307.381~~ 3307.35 of the Revised Code, to this retirement system, the school employees retirement system, or the public employees retirement system, and completes at least

two additional years of service credit, the former disability benefit recipient shall receive credit for the period as a disability benefit recipient.

Sec. ~~3307.49~~ 3307.66. (A) As used in this section, "physically or mentally incompetent" means incapable of earning a living because of a physically or mentally disabling condition. Physical or mental incompetency may be determined by a court or by a doctor of medicine or osteopathic medicine appointed by the state teachers retirement board.

(B) For the purposes of this section:

(1) A qualified spouse is the surviving spouse of a deceased member of the state teachers retirement system participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who is one of the following:

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

(b) Caring for a qualified child;

(c) Adjudged physically or mentally incompetent;

(d) Any age if the deceased member was eligible for a service retirement allowance as provided in section ~~3307.38~~ 3307.58 of the Revised Code and the surviving spouse elects to receive a benefit under division (C)(1) of this section.

(2) A qualified child is the child of a deceased member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who is both of the following:

(a) Unmarried;

(b) Under age eighteen, or under age twenty-two if attending an institution of learning or training pursuant to a program designed to complete in each school year the equivalent of at least two-thirds of the full-time curriculum requirements of such institution and as further determined by board policy, or any age if adjudged physically or mentally incompetent.

(3) A qualified parent is a dependent parent of a deceased member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who is age sixty-five or older.

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

(C) Except as provided in division (G)(1) of this section, in lieu of accepting the payment of the accumulated account of a member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who dies before service retirement, a beneficiary, as determined in section ~~3307.48~~ 3307.562 of the Revised Code, may elect to

forfeit the accumulated account and to substitute benefits under this division.

(1) If a deceased member was eligible for a service retirement allowance as provided in section ~~3307.38~~ 3307.58 or ~~3307.39~~ 3307.59 of the Revised Code, a surviving spouse or an individual designated as the member's sole beneficiary pursuant to division (B) of section ~~3307.48~~ 3307.562 of the Revised Code who was a qualified child or dependent parent of the member or received one-half or more of support from the member during the twelve-month period preceding the member's death may elect to receive a monthly benefit computed as the joint-survivor allowance designated as option 1 in section ~~3307.50~~ 3307.60 of the Revised Code, which the member would have received had the member retired on the last day of the month of death and had the member at that time selected such joint-survivor plan. Payment shall begin with the month subsequent to the member's death.

(2) If a deceased member had completed at least one and one-half years of credit for Ohio service, with at least one-quarter year of Ohio contributing service credit within the two and one-half years prior to the date of death, or was receiving at the time of death a disability benefit as provided in section ~~3307.43~~ 3307.63 or ~~3307.431~~ 3307.631 of the Revised Code, a surviving spouse or other qualified survivor may elect to receive monthly benefits as provided in division (C)(2) of this section. The surviving spouse or other qualified survivor shall elect one of the following methods of calculating benefits elected under division (C)(2) of this section, which shall, except as provided in division (G)(1) of this section, remain in effect without regard to any change in the number of qualified survivors:

(a) Number of qualified survivors	Annual benefit as a per cent of member's final average salary	Or	
		Monthly benefit shall not be less than	
1	25%		\$ 96
2	40		186
3	50		236
4	55		236
5 or more	60		236
		Annual benefit as a per cent of member's final average salary	
(b) Years of service			
		20	29%
		21	33
		22	37

23	41
24	45
25	48
26	51
27	54
28	57
29	60

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

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

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

(E) Benefits payable under division (C)(2) of this section shall begin or resume on the first day of the month following the day a person becomes a qualified survivor and terminate or be suspended on the first day of the month following the day the person ceases to be a qualified survivor.

Benefits to a qualified survivor shall terminate upon a first marriage, abandonment, adoption, or during active military service. Benefits to a deceased member's surviving spouse that were terminated under a former version of this section that required termination due to remarriage and were not resumed prior to the effective date of this amendment shall resume on the first day of the month immediately following receipt by the board of an application on a form provided by the board.

Upon the death of any subsequent spouse who was a member of the public employees retirement system, state teachers retirement system, or school employees retirement system, the surviving spouse of such member may elect to continue receiving benefits under this division, or to receive

survivor's benefits, based upon the subsequent spouse's membership in one or more of the systems, for which such surviving spouse is eligible under this section or section 145.45 or 3309.45 of the Revised Code. If the surviving spouse elects to continue receiving benefits under this division, such election shall not preclude the payment of benefits under this division to any other qualified survivor.

(F) The beneficiary of a member who is also a member of the public employees retirement system, or the school employees retirement system, must forfeit the member's accumulated contributions in those systems, if the beneficiary elects to receive a benefit under division (C) of this section. Such benefit shall be exclusively governed by section ~~3307.41~~ 3307.57 of the Revised Code.

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

If, after determining the monthly benefits to be paid under division (C)(2) of this section, the system receives notice that there is a qualified survivor who was not considered when the determination was made, the system shall, notwithstanding section ~~3307.711~~ 3307.42 of the Revised Code, recalculate the monthly benefits with that qualified survivor included, even if the benefits to qualified survivors already receiving benefits are reduced as a result. The benefits shall be calculated as if the qualified survivor who is the subject of the notice became eligible on the date the notice was received and shall be paid to qualified survivors effective on the first day of the first month following the system's receipt of the notice.

If the ~~retirement~~ system did not receive notice that a deceased member has one or more qualified children prior to making payment under section ~~3307.48~~ 3307.562 of the Revised Code to a beneficiary as determined by the ~~retirement~~ system, the payment is a full discharge and release of the system from any future claims under this section or section ~~3307.48~~ 3307.562 of the Revised Code.

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

spouse or beneficiary at the time of the member's death and is effective on the first day of the month following receipt by the board of an application for benefits under division (C)(1) of this section.

(H) If the benefits due and paid under division (C) of this section are in a total amount less than the member's accumulated account that was transferred from the teachers' savings fund, school employees retirement fund, and public employees retirement fund, to the survivors' benefit fund, then the difference between the total amount of the benefits paid shall be paid to the beneficiary under section ~~3307.48~~ 3307.562 of the Revised Code.

Sec. 3307.661. On the death of a retirant or disability benefit recipient who at the time of death is receiving, under the plan described in sections 3307.50 to 3307.79 of the Revised Code, a service retirement allowance or disability benefit, the state teachers retirement system shall make a lump-sum payment of one thousand dollars to any designated or qualified beneficiary under division (D) of section 3307.562 of the Revised Code. If there is no beneficiary, the state teachers retirement board may approve payment to either the person responsible for the burial expenses or to the decedent's estate following the completion of an application on a form approved by the board.

Sec. ~~3307.403~~ 3307.67. (A) Beginning April 1, 1971, and each year thereafter, the ~~board of the~~ state teachers retirement ~~system~~ board shall determine the average percentage change in the consumer price index prepared by the United States bureau of labor statistics (U.S. City Average for Urban Wage Earners and Clerical Workers: "All Items 1982-84=100") for the twelve-calendar-month period prior to the first day of January over the next preceding twelve-calendar-month period, as reported by the bureau.

Upon a determination by the board in any year that the change in the consumer price index is an increase or that the change plus the accumulation described in division (B) of this section is an increase, the board shall increase each allowance or benefit payable under ~~this chapter~~ sections 3307.50 to 3307.79 of the Revised Code by a percentage equal to the percentage increase in the consumer price index or to that increase plus the accumulation, except that the increase shall not exceed three per cent and no allowance or benefit shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

The first increase is payable to all persons becoming eligible after June 30, 1971, upon such persons receiving an allowance or benefit for twelve months. The increased amount is payable for the ensuing twelve-month period or until the next increase is granted under this section, whichever is

later. Subsequent increases shall be determined from the date of the first increase paid to the former member in the case of an allowance being paid a beneficiary under an option, or from the date of the first increase to the survivor first receiving an allowance or benefit in the case of an allowance or benefit being paid to the subsequent survivors of the former member.

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

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

(B) Any percentage of change in the consumer price index in any year that is in excess of three per cent shall be accumulated and used to determine increases under this section in subsequent years. Any percentage of change in the consumer price index accumulated by an eligible person prior to ~~the effective date of this amendment~~ September 27, 1996, shall be used in determining any future increases under this section.

(C) The board shall make all rules necessary to carry out this section.

~~Sec. 3307.408~~ 3307.671. In December, 1980, and in December of each year thereafter, the state teachers retirement board may allocate an amount from the guarantee fund created in division (E) of section ~~3307.65~~ 3307.14 of the Revised Code to establish a temporary supplemental benefit fund for the purpose of making a lump sum benefit payment to all persons receiving an allowance, pension, or benefit under ~~Chapter 3307~~, sections 3307.50 to 3307.79 of the Revised Code for each of the twelve months preceding the first day of the following January.

On or after July 1, 1980, and on or after the first day of July of each year thereafter, the board may determine the amount to be placed in a temporary supplemental benefit fund. Such amount, if placed, shall be not more than twenty-five per cent of the income from investments for the twelve months preceding the first day of July not otherwise required to be credited to the several funds set forth in section ~~3307.65~~ 3307.14 of the Revised Code.

The board shall adopt rules to administer this supplemental benefit. The rules shall recognize the effective date of the allowance, pension, or benefit and the years of Ohio service credit for each recipient as an equitable basis for allocating the amount payable to each recipient.

If the board determines that a supplemental benefit shall be paid under this section, it shall pay such amount within sixty calendar days following its allocation to the supplemental benefit fund.

Amounts paid pursuant to this section shall not be included in the base for increasing an allowance, pension, or benefit provided in section

~~03 3307.67~~ of the Revised Code and shall not incur any obligation or liability for future payments under this section.

Sec. ~~3307.374~~ 3307.69. (A) On and after the first day of the month following ~~the effective date of this section~~ December 14, 1992, each person eligible to receive a benefit, pursuant to former sections 3307.38, 3307.41, 3307.43, 3307.50, and division (C)(1) of former section 3307.49, ~~and section 3307.50~~ of the Revised Code, that was based upon an award made effective before June 30, 1955, shall have the benefit payable as of September 30, 1974, recalculated by the state teachers retirement board so that each such person shall receive an annual single lifetime benefit or its actuarial equivalent of not less than one hundred forty dollars for each year of the member's total service credit, except that service credit exceeding thirty-two years shall not be used in the recalculation, and a final average salary limitation shall not be applied.

If the amount of the benefit recalculated under this division is less than the amount that is payable on the effective date of this section, then the greater benefit shall be continued.

(B) On and after the first day of the month following ~~the effective date of this section~~ December 14, 1992, each person receiving a benefit, pursuant to former sections 3307.38, 3307.41, 3307.43, 3307.50 and division (C)(1) of former section 3307.49, ~~and section 3307.50~~ of the Revised Code, that was effective on and after June 30, 1955, through June 30, 1971, shall be paid an increased benefit as follows:

Effective Date of the Member's Benefit:	Per Cent of Increase:
June 30, 1955, through June 29, 1959	33
June 30, 1959, through October 31, 1965	21
November 1, 1965 through June 30, 1968	14
July 1, 1968, through June 30, 1971	5

The increase shall be applied to the benefit payable on ~~the effective date of this section~~ December 14, 1992.

(C) On and after the first day of the month following ~~the effective date of this section~~ December 14, 1992, each person receiving or qualified to receive a benefit, pursuant to division (C)(2) of former section 3307.49 of the Revised Code, that was effective on and after June 14, 1951, through August 26, 1970, shall receive an increase in such benefit in the amount of

twenty per cent.

Sec. ~~3307.382~~ 3307.691. On and after ~~the effective date of this section August 20, 1976~~, the allowances of retirants receiving benefits based upon an award from the state teachers retirement system made before July 1, 1971, shall have the benefit recalculated by the state teachers retirement system so that each such person shall receive an annual lifetime benefit or its actuarial equivalent of not less than one hundred forty dollars for each year of the member's total service credit, multiplied by the total number of years of service credit, except that service credit exceeding thirty-two years shall not be used in the recalculation, and a final average salary limitation shall not be applied.

If the amount of the benefit recalculated under this section is less than the amount that is payable on ~~the effective date of this section August 20, 1976~~, then the greater benefit shall be continued.

Sec. ~~3307.384~~ 3307.692. A retirant who on ~~the effective date of this amendment August 6, 1997~~, is eligible to receive an annual single lifetime benefit under former section 3307.38, 3307.41, or 3307.50 of the Revised Code of less than nine thousand six hundred dollars or its actuarial equivalent shall have that benefit increased to nine thousand six hundred dollars or its actuarial equivalent if the benefit is based on an award arising from thirty or more years of Ohio service credit. The benefit increase provided by this ~~amendment~~ section shall take effect on the first day of the first month following ~~the effective date of this amendment August 6, 1997~~, and shall not be subject to any final average salary limitation.

Sec. ~~3307.401~~ 3307.693. On and after October 1, 1957, all persons in receipt of, or who are or become eligible to receive, a monthly allowance, pension, or other benefit effective prior to June 29, 1955, which is payable or becomes payable pursuant to the provisions of former sections 3307.26, 3307.38, 3307.43, and 3307.50 of the Revised Code, or an allowance payable at any time under an option elected by a member and effective prior to that date, shall be paid an increased allowance, pension, or benefit as follows:

(A) An amount determined by increasing the original allowance, pension, or benefit by the following percentages as determined by the calendar year in which the allowance, pension, or benefit became effective:

Calendar Year Effective	Per Cent of Increase
1921-1939	100
1940	94
1941	89

1942	77
1943	70
1944	68
1945	66
1946	55
1947	35
1948	23
1949	25
1950	23
1951	8
1952	4
1953	3
1954	2
Prior to June 29, 1955	2

(B) If the amount of any such allowance, pension, or other benefit is increased by division (A) of this section to an amount less than one hundred ten per cent of the present amount payable immediately prior to October 1, 1957, such present amount shall be increased by ten per cent.

(C) On and after August 1, 1959, the monthly allowance, pension, or other benefit effective prior to June 29, 1955, (exclusive of any amount receivable monthly by reason of a voluntary deposit made for additional annuity, or for purchase of out-of-state credit on or after June 25, 1945), together with the supplemental allowance payable pursuant to divisions (A) and (B) of this section, shall be increased by twelve per cent.

(D) Effective November 1, 1965, the allowances of all persons who retired before June 30, 1955, and who are receiving benefits as of October 31, 1965, except those granted under former section 3307.49 of the Revised Code, shall be increased ten dollars per month, notwithstanding the seventy-five per cent final average salary limitation in former section 3307.38 of the Revised Code and the sixty per cent final average salary limitation in former section 3307.43 of the Revised Code.

(E) Effective November 1, 1965, the allowances of all persons who retired on or after June 30, 1955, and who are receiving benefits as of October 31, 1965, except those granted under former section 3307.49 of the Revised Code, but including allowances payable at any time under an option elected by a member, shall be increased by ten dollars per month, which when added to the allowance in effect on October 31, 1965, shall not exceed the seventy-five per cent final average salary limitation in former section 3307.38 of the Revised Code or the sixty per cent final average salary limitation in former section 3307.43 of the Revised Code, provided that the

increase shall not be less than six dollars per month.

(F) Beginning November 1, 1965, the monthly benefit payable under division (C)(2) of former section 3307.49 of the Revised Code shall be increased six dollars for each survivor beneficiary receiving a benefit on October 31, 1965, and for each successor to such benefit. Beginning November 1, 1965, all survivor beneficiaries receiving benefits as of October 31, 1965, under division (C)(1) of former section 3307.49 of the Revised Code shall be increased six dollars per month.

On or before August 1, 1982, and on or before the first day of August in each year thereafter, the state teachers retirement board shall certify to the treasurer of state the amount required to be paid in the preceding fiscal year under divisions (A) and (B) of this section. Upon receipt of this certification, the treasurer of state shall pay the amount certified. The amount received by the state teachers retirement board shall be credited to the proper fund from which such additional payments are paid.

Sec. ~~3307.402~~ 3307.694. On and after July 1, 1968, all allowances, pensions, or other benefits which were payable before July 1, 1968, pursuant to the provisions of former sections 3307.26, 3307.38, 3307.41, 3307.43, 3307.49, and 3307.50 of the Revised Code, shall be increased by the percentages determined by the effective date of the allowance, pension, or benefit, as follows:

Effective Date of Benefit Calendar Year	Percentage of Increase
1920 through 1955	24.3
1956	22.5
1957	18.4
1958	15.2
1959	14.3
1960	12.5
1961	11.3
1962	10.1
1963	8.7
1964	7.3
1965	5.6
1966	2.6
1967	2.0
January 1, 1968, through June 30, 1968	2.0

All increases determined by applying the percentages in the preceding table shall be reduced by the dollar amount of the increases granted in 1965

pursuant to divisions (D), (E), and (F) of former section 3307.401 of the Revised Code, except that no allowance, pension, or benefit shall be reduced below the amount due on June 30, 1968, and no allowance granted under this section shall be less than a total annual sum of thirty-six dollars.

The allowances increased by this section shall exclude any monthly amount payable by reason of any voluntary deposits made under the provisions of sections ~~3307.33~~ 3307.26 and ~~3307.51~~ 3307.741 of the Revised Code, except for prior service purchased before June 25, 1945.

The increases provided by this section shall be granted notwithstanding the final average salary limitation in former sections 3307.38 and 3307.43 of the Revised Code.

The cost of the increases provided by this section shall be included in the employer's contribution rate provided by sections ~~3307.53~~ 3307.28, ~~3307.56~~ 3307.30, and ~~3307.64~~ 3307.31 of the Revised Code. Such employer's contribution rate shall not be increased until July 1, 1969, or later to reflect the increased costs created by this section.

Sec. ~~3307.404~~ 3307.695. On and after December 31, 1971, all persons who retired and were eligible to receive a pension that was payable prior to July 1, 1968, pursuant to former section 3307.38 or 3307.43 of the Revised Code, or in the event of the death of such persons, the person designated by the deceased to receive payments under former section 3307.50 of the Revised Code, shall receive an additional monthly payment of two dollars for each year between the member's effective date of retirement or disability and December 31, 1971, or an additional fifty dollars, whichever is less. On or before the first day of August in 1980 and on or before the first day of August in each year thereafter, the state teachers retirement board shall certify to the treasurer of state the amount required to be paid in the preceding fiscal year under this section. Upon receipt of such certification, the treasurer of state shall pay to the state teachers retirement system the amount certified.

Sec. ~~3307.406~~ 3307.696. Each person receiving benefits under former section 3307.49 of the Revised Code who became eligible to receive such benefits under former section 3307.48 of the Revised Code by virtue of the death of a member prior to July 1, 1968, shall receive an additional monthly payment of two dollars for each year between the date of such member's death and December 31, 1972, or an additional fifty dollars, whichever is less.

Sec. ~~3307.407~~ 3307.697. On and after ~~the effective date of this section~~ December 19, 1973, any person who retired or ~~his~~ the retiree's beneficiary, who was eligible to receive an allowance that was first payable on or after

July 1, 1968, and prior to July 1, 1971, and the beneficiary of a member who died before service retirement on or after July 1, 1968, and prior to July 1, 1971, receiving an allowance or benefit pursuant to former sections 3307.38, 3307.41, 3307.43, 3307.49, or 3307.50 of the Revised Code, shall receive an additional monthly payment of two dollars for each year between the member's effective date of retirement, disability or death and July 1, 1973.

Sec. ~~3307.409~~ 3307.698. (A) Effective July 1, 1981, each person eligible to receive an allowance, pension, or benefit pursuant to former sections 3307.38, 3307.41, 3307.43, division (C)(1) of former section 3307.49, and former section 3307.50 of the Revised Code that was based upon an award made effective before July 1, 1974, shall have ~~his~~ the person's monthly allowance, pension, or benefit increased by five per cent, except that the twelve-month sum of such increases shall not exceed five per cent of the first five thousand dollars of the annual allowance, pension, or benefit.

(B) Effective July 1, 1981, each person receiving or qualified to receive a benefit, pursuant to division (C)(2) of former section 3307.49 of the Revised Code, that was effective on and after June 14, 1951, through August 26, 1970, shall receive an increase in such benefit of five per cent.

(C) The increases provided in divisions (A) and (B) of this section shall be applied to the benefit payable on and after July 1, 1981.

(D) The increase in the monthly allowance, pension, or benefit provided in divisions (A) and (B) of this section shall be included in the calculation of additional benefits to recipients under section ~~3307.403~~ 3307.67 of the Revised Code.

(E) The benefit provided in divisions (A) and (B) of this section is a continuation of those first provided in Am. Sub. H.B. 204 as passed by the 113th general assembly.

(F) On or before the first day of August, 1982, and on or before the first day of August in each year thereafter, the state teachers retirement board shall certify to the treasurer of state the amounts needed to pay the cost of the additional payments required under this section for the preceding fiscal year. Upon receipt of these certifications, the treasurer of state shall pay the amount certified.

Sec. ~~3307.4010~~ 3307.699. As used in this section and section ~~3307.4011~~ 3307.6910 of the Revised Code, "benefit" means any allowance, pension, or other benefit to which an individual is entitled and that ~~he~~ the individual receives pursuant to former section 3307.38, 3307.41, 3307.43, 3307.49, or 3307.50 of the Revised Code.

The annual amount of each benefit that was payable prior to February 1,

1983, shall, after the adjustments required by former section 3307.403 of the Revised Code, be increased by five per cent.

Sec. ~~3307.4011~~ 3307.6910. (A) The annual amount of each benefit that was based on an award made effective before July 1, 1979, shall be increased as follows:

Effective Date of Award	Per Cent of Increase in Benefit
Prior to July 1, 1971	4.15
July 1, 1971, through August 31, 1976	2.65
September 1, 1976, through June 30, 1979	1.4

(B) Effective June 1, 1990, in addition to the increase provided under division (A) of this section, the annual amount of each benefit that was based on an award made effective before July 1, 1979, shall be increased as follows:

Effective Date of Award	Per Cent of Increase in Benefit
Prior to July 1, 1971	4.15
July 1, 1971, through August 31, 1976	2.65
September 1, 1976, through June 30, 1979	1.4

(C) Amounts paid pursuant to this section shall not be included in the base for future increases under former section 3307.403 of the Revised Code in any benefit.

Sec. ~~3307.4013~~ 3307.6911. (A) As used in this section:

(1) "Benefit" means a benefit, pension, or allowance payable under former section 3307.38, 3307.41, 3307.43, 3307.431, 3307.49, or 3307.50 of the Revised Code.

(2) "Cumulative percentage change in the CPI" means the total percentage change in the consumer price index prepared by the United States bureau of labor statistics for urban wage earners and clerical workers (CPI-W: U.S. city average, all items) from the thirty-first day of December immediately preceding the year in which the original benefit started through the thirty-first day of December immediately preceding ~~the effective date of this section~~ August 6, 1997.

(3) "Eligible recipient" means any person receiving a benefit on ~~the effective date of this section~~ August 6, 1997, that has been payable to that person or to any other person for at least twelve months.

(4) "Original benefit amount" means the initial amount of a benefit granted to the initial recipient of the benefit.

(B) As of ~~the effective date of this section~~ August 6, 1997, the state teachers retirement board shall determine an amount for each eligible recipient equal to the sum of the following amounts:

(1) An amount equal to seventy per cent of the original benefit amount for the recipient;

(2) An amount equal to the product obtained when seventy per cent of the original benefit amount is multiplied by the cumulative percentage change in the CPI for the recipient.

(C)(1) Except as provided in division (C)(2) of this section, if the amount of the annual benefit payable to an eligible recipient on ~~the effective date of this section~~ August 6, 1997, is less than the amount determined for the recipient under division (B) of this section, the board shall recalculate that annual benefit so that it equals the amount determined under division (B) of this section.

(2) If the recalculated benefit determined under division (C)(1) of this section for an eligible recipient whose retirement was effective before July 1, 1979, is less than one hundred three per cent of the annual benefit payable to the recipient on ~~the effective date of this section~~ August 6, 1997, the board shall recalculate the annual benefit so that it equals one hundred three per cent of the annual benefit payable to the recipient on ~~the effective date of this section~~ August 6, 1997.

An increase granted by division (C)(1) or (2) of this section to a benefit amount shall apply on and after the first day of the month following ~~the effective date of this section~~ August 6, 1997.

(D) The board shall include the increase in amount paid under this section in a person's base for purposes of future increases in any benefit under section ~~3307.403~~ 3307.67 of the Revised Code.

Sec. ~~3307.78~~ 3307.6912. Effective September 1, 1947, the retirement allowances of retired Ohio teachers, or their beneficiaries under options elected at retirement and still in effect, on the retired list as of that date shall be recalculated and paid in accordance with the following:

(A) Members retired on superannuation effective prior to August 31, 1945, shall have the prior service portion of their allowances recalculated as of the date of retirement in accordance with division (C) of former section 3307.38 of the Revised Code, with their "final average salary" determined as defined in former section 3307.01 of the Revised Code. Any allowance payable to members who retired on superannuation under an option selected at retirement, or payable to a beneficiary pursuant to such option, shall be

adjusted upon the basis of the amount of allowance payable in accordance with this division.

(B) Members retired on disability retirement prior to July 1, 1945, shall have their allowances recalculated as of the date of retirement in accordance with divisions (A) and (B) of former section 3307.43 of the Revised Code, and with their final average salaries determined as defined in former section 3307.01 of the Revised Code.

(C) Members retired on superannuation, commuted superannuation, or disability prior to June 30, 1947, with fifteen or more years of service credit shall receive a total allowance at the rate of not less than twenty dollars annually for each year of such service credit, except that a member retired on commuted superannuation shall have the reserve for any additional pension required to provide such minimum allowance commuted as of the date of retirement in the manner prescribed for the prior service pension in ~~division (C) of~~ former section 3307.40 of the Revised Code. Any allowance payable to members who retired on superannuation under an option selected at retirement, or payable to a beneficiary pursuant to such option, shall be adjusted upon the basis of the amount of allowance payable in accordance with this division. All pensions continued to pensioners following the merger of local district pension systems with the state teachers retirement system pursuant to former sections 3307.68, 3307.69, and 3307.70 of the Revised Code shall be increased ten dollars per month provided no other benefit is payable by this section.

(D) In no case shall any recalculated allowance be increased in excess of twenty-five dollars per month by divisions (A), (B), and (C) of this section and in no case shall any allowances be decreased thereby. In no case shall any such increases be payable prior to September 1, 1947. The cost of providing such increased superannuation and commuted superannuation allowances shall be included in the prior service pension deficiency contribution rate provided for in former section 3307.54 of the Revised Code. The cost of providing such increased disability allowances shall be included in the normal contribution rate provided for in section ~~3307.53~~ 3307.28 of the Revised Code.

Sec. 3307.6913. (A) As used in this section and in section 3307.6914 of the Revised Code, "eligible recipient" means any person receiving a benefit on July 1, 1999.

(B) For each eligible recipient of a benefit payable under section 3307.58, 3307.59, or 3307.60 of the Revised Code, the state teachers retirement board shall recalculate the annual single lifetime benefit, excluding any increases granted under section 3307.67 of the Revised Code,

of the benefit payable to the recipient using division (B) of section 3307.38 of the Revised Code as that section existed immediately prior to the effective date of this section, except that the recalculated annual single lifetime benefit shall be adjusted by the per cent shown in the schedule in the version of division (B) of section 3307.38 of the Revised Code that was in effect at the time the initial recipient's benefit was calculated on the basis of age and service.

(C) If the amount determined under division (B) of this section is greater than the annual single lifetime benefit granted the recipient, the board shall recalculate the recipient's benefit so that it equals the annual single lifetime benefit determined under division (B) of this section or its actuarial equivalent.

(D) The board shall include the increase in amount paid under this section in an individual's base for purposes of future increase in any benefit under section 3307.67 of the Revised Code.

(E) The board shall make the recalculations required under this section not later than one hundred eighty days after the effective date of this section. The board may adopt rules to implement this section.

Sec. 3307.6914. (A) As used in this section:

(1) "Cumulative percentage change in the CPI" means the total percentage change in the consumer price index prepared by the United States bureau of labor statistics for urban wage earners and clerical workers (CPI-W: U.S. city average, all items) from the thirty-first day of December immediately preceding the year in which the original benefit started through the thirty-first day of December immediately preceding the effective date of this section.

(2) "Original benefit amount" has the same meaning as in section 3307.6911 of the Revised Code.

(B)(1) Except as provided in division (B)(2) of this section, for each eligible recipient of a benefit payable under section 3307.58, 3307.59, 3307.60, 3307.63, 3307.631, or 3307.66 of the Revised Code, the board shall determine an amount equal to the sum of the following amounts:

(a) An amount equal to eighty-five per cent of the original benefit amount, except that if the recipient is not the individual to whom the original benefit amount was granted, the amount shall equal eighty-five per cent of the product obtained when the original benefit amount is multiplied by the percentage of the original benefit amount being paid to the recipient;

(b) An amount equal to the product obtained when the amount determined under division (B)(1) of this section is multiplied by the cumulative percentage change in the CPI.

(2) For each eligible recipient of a benefit under section 3307.66 of the Revised Code that is payable by reason of the death of a member who, at the time of death, was receiving a benefit under section 3307.63 or 3307.631 of the Revised Code, the board shall determine all of the following:

(a) The product obtained by multiplying the deceased member's final average salary by the cumulative percentage change in the CPI.

(b) Eighty-five per cent of the product obtained under division (B)(2)(a) of this section.

(c) The amount of the benefit that would be payable under section 3307.66 of the Revised Code if the product obtained under division (B)(2)(b) of this section was used as the deceased member's final average salary.

(C) If the amount determined under division (B) of this section is greater than the annual benefit being paid to the recipient, the board shall recalculate the annual benefit payable on the effective date of this section so that it equals the amount determined under that division. If the recipient's benefit was recalculated under division (C) of section 3307.6913 of the Revised Code, the board shall use the recalculated benefit in making a determination under this section.

(D) The board shall include the increase in amount paid under this section in an individual's base for purposes of future increase in any benefit under section 3307.67 of the Revised Code.

(E) The board shall make the recalculations required under this section not later than one hundred eighty days after the effective date of this section. The board may adopt rules to implement this section.

~~Sec. 3307.281~~ 3307.70. (A) The state teachers retirement board may establish by rule payroll deduction plans for payment of the following:

(1) The cost of restoring service credit under section ~~3307.28~~ 3307.71 or ~~3307.282~~ 3307.711 of the Revised Code or purchasing any service credit members of the state teachers retirement system are eligible to purchase under this chapter;

(2) Charges for participation in programs established under section ~~3307.741~~ 3307.391 of the Revised Code.

(B) In addition to any other matter considered relevant by the board, the rules adopted under this section shall specify all of the following:

(1) The types of service credit that may be paid for through payroll deduction, including the section of the Revised Code that authorizes the purchase of each type of service credit for which payment may be made by payroll deduction;

(2) The procedure for informing the member's employer and the system

that the member wishes to use payroll deduction to purchase service credit or pay for participation in programs established under section ~~3307.741~~ 3307.391 of the Revised Code;

(3) The procedure to be followed by the system and employers to determine for each request the amount to be deducted, the number of deductions to be made, and the interval at which deductions will be made. The rules may provide for a minimum amount for each deduction. They may also provide for a maximum number of deductions for the purchase of any type of service credit.

(4) The procedure to be followed by employers in transmitting amounts deducted from the compensation of their employees to the system;

(5) The procedure to be followed by the system in crediting service credit to members who choose to purchase it through payroll deduction;

(6) The time period within which employers are required to transmit amounts deducted from payrolls to the system.

(C)(1) If the board establishes a payroll deduction plan under this section, it shall certify to the member's employer, for each member for whom deductions are to be made, the amount of each deduction and the payrolls from which deductions are to be made. The employer shall make the deductions as certified and transmit the amounts deducted in accordance with the rules established by the board under this section.

(2) If an employer does not transmit amounts deducted from the compensation of an employee to the system within the time period specified in rules adopted under division (B)(6) of this section, the employer shall pay interest on the deducted amount compounded annually at a rate to be determined by the board from the date the amount is deducted to the date it is transmitted to the system.

(D) Rules adopted under this section shall not affect any right to purchase service credit conferred by any other section of the Revised Code, including the right of a member under any such section to purchase only part of the service credit the member is eligible to purchase.

(E) No payroll deduction made pursuant to this section may exceed the amount of a member's net compensation after all other deductions and withholdings required by law.

(F) No payments made to the system under this section shall affect any contribution required by section ~~3307.51~~ 3307.26 or ~~3307.53~~ 3307.28 of the Revised Code.

~~Sec. 3307.28 3307.71. The membership of any person in the state teachers retirement system shall cease on occurrence of any of the following: receipt of payment pursuant to section 3307.46 of the Revised~~

~~Code; retirement as provided in section 3307.38 or 3307.39 of the Revised Code; death; or denial of membership pursuant to section 3307.27 of the Revised Code.~~

Except as provided in this section, a member or former member of the state teachers retirement system with participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has at least one and one-half years of contributing service credit in this system, the public employees retirement system, the school employees retirement system, the Ohio police and fire pension fund, or the state highway patrol retirement system after the withdrawal and cancellation of service credit in this system may restore all or part of such service credit by repayment of the amount withdrawn. To this amount shall be added interest at a rate per annum, compounded annually, to be determined by the state teachers retirement board. Interest shall be payable from the first of the month of withdrawal through the month of repayment. A member may choose to purchase only part of such credit in any one payment. The cost for restoring partial service shall be calculated as the proportion that it bears to the total cost at the time of purchase and is subject to the rules established by the board. If a former member is eligible to buy the service credit as a member of the Ohio police and fire pension fund or state highway patrol retirement system, the former member is ineligible to restore that service credit under this section.

The total payment to restore canceled service credit shall be credited as follows:

(A) The amount that equals contributions made pursuant to section ~~3307.51~~ 3307.26 of the Revised Code, plus any interest on the contributions paid by the member pursuant to this section, to the member's account in the teachers' savings fund;

(B) The amount that equals the amount paid under section ~~3307.80~~ 3307.563 of the Revised Code, to the employers trust fund;

(C) The remainder of the payment to restore canceled service credit, to the guarantee fund.

Sec. ~~3307.282~~ 3307.711. (A) A member of the state teachers retirement system who has at least eighteen months of contributing service credit in the system, the police and firemen's disability and pension fund, public employees retirement system, school employees retirement system, or state highway patrol retirement system, and is a former member of or no longer contributing to the public employees retirement system or school employees retirement system may restore service credit under section 145.31 or 3309.26 of the Revised Code by making payments pursuant to this section through a payroll deduction plan established under section ~~3307.281~~

3307.70 of the Revised Code. A member seeking to restore this service credit shall notify the state teachers retirement system on a form approved by the state teachers retirement board. After receiving the notice, the state teachers retirement system shall request that the former retirement system calculate under section 145.312 or 3309.262 of the Revised Code the cost to the member to restore service credit for each year or portion of a year of service for which the member seeks to restore the service credit. The amount the former retirement system certifies as the cost of restoring the service credit, plus interest described in division (B) of this section, is the cost to the member of restoring the service credit. On receiving the certification from the former retirement system, the state teachers retirement system shall notify the member of the cost.

(B) For each year or portion of a year of service credit restored under section 145.31 or 3309.26 of the Revised Code, a member shall pay to the state teachers retirement system the amount certified by the former retirement system plus interest at a rate specified by the former retirement system under section 145.312 or 3309.262 of the Revised Code for the period during which deductions are made under section ~~3307.281~~ 3307.70 of the Revised Code.

(C) The state teachers retirement board shall annually notify the former retirement system that a payment to restore service credit under section 145.31 or 3309.26 of the Revised Code has been made. At the time the payment is transferred under division (D) of this section, the former retirement system shall restore the service credit for the year or portion of a year for which the payment was made.

(D) On application for a payment of accumulated contributions or an age and service retirement, disability, or survivor benefit under Chapter 145., 3307., or 3309. of the Revised Code by a member who made payments under this section to restore service credit in a former retirement system, the state teachers retirement system shall pay to the former retirement system an amount equal to the total amount paid by the member under this section.

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

Sec. ~~3307.283~~ 3307.712. After receiving a request from the public employees retirement system under division (A) of section 145.311 or the school employees retirement system under division (A) of section 3309.261 of the Revised Code, the state teachers retirement system shall do both of the following:

(A) Calculate and certify to the requesting retirement system the cost to a former member to restore service credit under section ~~3307.28~~ 3307.71 of the Revised Code for each year or portion of a year for which the former

member seeks to restore service credit under that section.

(B) Inform the requesting retirement system of the rate of interest charged to a member under a payroll deduction plan authorized under section ~~3307.281~~ 3307.70 of the Revised Code.

Sec. ~~3307.73~~ 3307.72. The state teachers retirement board shall credit years of service to a member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who was employed for teaching service by an employer who failed to make retirement contributions to the state teachers retirement system during any year or years beginning on or after September 1, 1920, if the member deposits in the teachers' savings fund a per cent of the member's annual compensation for such service, at the rate of contribution then in effect, plus interest compounded annually at a rate established by the ~~retirement~~ board. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

The employer shall, upon the request of such member, certify the amount of compensation by years of employment to the secretary of the board. For teaching service on or after July 1, 1978, the employer shall pay an amount equal to the employer contributions due at the time the service occurred, plus compound interest at a rate determined by the board from the date the service began to the date of payment.

Sec. ~~3307.22~~ 3307.73. (A)(1) Except as provided in division (A)(2) of this section, a member of the state teachers retirement system ~~with participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has~~ at least eighteen months of contributing service in the system, the public employees retirement system, or ~~the~~ school employees retirement system who chose to be exempted ~~himself~~ from membership in one or more of the systems pursuant to section 145.03, or 3309.23 of the Revised Code, or former section 3307.25 or 3309.25 of the Revised Code, or was exempt under section ~~3307.27~~ 3307.24 of the Revised Code, may purchase credit for each year or portion of a year of service for which ~~he~~ the member was exempted.

(2) A member may not purchase credit under this section for service that was exempted from contribution under section ~~3307.27~~ 3307.24 of the Revised Code and subject to the tax on wages imposed by the "Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 U.S.C.A. 3101, as amended.

(B) For each year or portion of a year of credit purchased under this section, a member shall pay to the state teachers retirement system an amount determined by multiplying the member's compensation for the twelve months of contributing service preceding the month in which ~~he~~ the

member applies to purchase the credit by a percentage rate established by rule of the state teachers retirement board adopted under division (F) of this section.

(C) Subject to board rules, a member may purchase all or part of the credit ~~he~~ the member is eligible to purchase under this section in one or more payments. If the member purchases the credit in more than one payment, compound interest at a rate specified by rule of the board shall be charged on the balance remaining after the first payment is made.

(D) Credit purchasable under this section shall not exceed one year of service for any twelve-month period. If the period of service for which credit is purchasable under this section is concurrent with a period of service that will be used to calculate a retirement benefit from this system, the public employees retirement system, or ~~the~~ school employees retirement system, the amount of the credit shall be adjusted in accordance with rules adopted by the ~~state teachers retirement~~ board.

A member who is also a member of the public employees retirement system or ~~the~~ school employees retirement system shall purchase credit for any service for which ~~he~~ the member exempted ~~himself~~ self under section 145.03 or 3309.23 of the Revised Code, or former section 3307.25 or 3309.25 of the Revised Code, or was exempt under section ~~3307.27~~ 3307.24 of the Revised Code, from the retirement system in which ~~he~~ the member has the greatest number of years of service credit. If the member receives benefits under section ~~3307.41~~ 3307.57 of the Revised Code, the state retirement system that determines and pays the retirement benefit shall receive from the other system or systems the amounts paid by the member for purchase of credit for exempt service plus interest at the actuarial assumption rate of the system paying that amount. The interest shall be for the period beginning on the date of the member's last payment for purchase of the credit and ending on the date of the member's retirement.

(E) If a member dies or withdraws from service, any payment made by the member under this section shall be considered as accumulated contributions of the member.

(F) The retirement board shall adopt rules to implement this section.

Sec. ~~3307.32~~ 3307.74. (A) Service credit purchased under this section shall be included in the member's total service credit. Credit may be purchased by a member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code for the following:

(1) Teaching service in a public or private school, college, or university of this or another state, and for teaching service in any school or entity operated by or for the United States government. Teaching credit purchased

under this section shall be limited to service rendered in schools, colleges, or universities chartered or accredited by the appropriate governmental agency.

(2) Public service with another state or the United States government, provided that such credit shall be limited to service that would have been covered by the state teachers retirement system, ~~the~~ school employees retirement system, ~~the~~ Ohio police and fire pension fund, ~~the~~ state highway patrol retirement system, or ~~the~~ public employees retirement system if served in a comparable public position in this state.

(3) Service for which contributions were made by the member or on the member's behalf to a municipal retirement system in this state.

The number of years of service purchased under this section shall not exceed the lesser of five years or the member's total accumulated number of years of Ohio service.

(B)(1) Except as otherwise provided in division (B)(2) of this section, for each year of service purchased under this section, a member shall pay to the state teachers retirement system for credit to the member's accumulated account an amount equal to the member's retirement contribution for full-time employment for the first year of Ohio service following termination of the service to be purchased. To this amount shall be added an amount equal to compound interest at a rate established by the state teachers retirement board from the date of membership in the state teachers retirement system to the date of payment.

(2) For each year of service described in division (A) of this section that commenced on or after July 1, 1989, and, without regard to when the service commenced, for each year of service purchased under division (A) of this section by a member who first established membership in the retirement system on or after July 1, 1989, the member shall pay to the retirement system for credit to the member's individual account an amount specified by the state teachers retirement board that shall be not less than fifty per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board.

(3) A member may choose to purchase only part of the credit the member is eligible to purchase under this section in any one payment, subject to board rules.

(C) A member is ineligible to purchase under this section service that is used in the calculation of any retirement benefit currently being paid or payable in the future to such member under any other retirement program, except social security. At the time the credit is purchased, the member shall certify on a form furnished by the ~~retirement~~ board that the member does and will conform to this requirement.

(D) Credit purchased under this section may be combined pursuant to section ~~3307.41~~ 3307.57 of the Revised Code with credit purchased under sections 145.293 and 3309.31 of the Revised Code, except that not more than a total of five years' service credit purchased under this section and sections 145.293 and 3309.31 of the Revised Code shall be used in determining retirement eligibility or calculating benefits under section ~~3307.41~~ 3307.57 of the Revised Code.

(E) The retirement board shall establish a policy to determine eligibility to purchase credit under this section, and its decision shall be final.

Sec. ~~3307.33~~ 3307.741. (A) As used in this section, "other Ohio state retirement system" means the public employees retirement system, the school employees retirement system, the Ohio police and fire pension fund, or the state highway patrol retirement system.

(B) Any member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code, in addition to service as a teacher, may purchase credit for either of the following:

(1) Similar service as a teacher in the public day schools, in state universities, state normal schools, and other state or municipal institutions of a character similar to the state or municipally supported schools of Ohio in which membership in the state teachers retirement system is allowed, of another state of the United States, or of any territory or possession of the United States, or of the District of Columbia;

(2) Similar service as an employee of an employer who comes within any other Ohio state retirement system but for service which is rendered at any time in another state of the United States or of any territory or possession thereof, or for service as an employee of the United States government, provided credit cannot be purchased for service credit or benefits received in any other state retirement system in Ohio.

(C) Any member who has at least ten years of total service credit may also purchase credit for similar service as a teacher in a private school, college, university, or other educational institution that is located in this or another state, in any territory or possession of the United States, or in the District of Columbia, and is chartered or accredited by the appropriate governmental agency.

(D) The state teachers retirement board shall have final authority to determine and fix the amount of the payment that shall be made for credit for service purchased under this section, provided that if the member established membership in the state teachers retirement system on or after July 1, 1989, or the credit is for service described in division (B) or (C) of this section that commenced on or after July 1, 1989, the amount of the

payment fixed by the board shall be not less than fifty per cent of the additional liability resulting from the credit as specified by an actuary employed by the board.

A member may choose to purchase only part of the credit the member is eligible to purchase under this section in any one payment, subject to board rules. Such payment, together with interest compounded annually at a rate to be determined by the board, may be refunded under the same conditions and in the same manner as refunds are made under section ~~3307.51~~ 3307.26 of the Revised Code, and the credit provided by such payment shall be canceled. At superannuation or commuted superannuation retirement such payment for service, with regular interest compounded annually at a rate to be determined by the board, shall be deposited in the annuity and pension reserve fund as the reserve for additional annuity as provided in section ~~3307.51~~ 3307.26 of the Revised Code, excepting moneys charged for any additional liabilities resulting from the purchase of the service credit as determined by the actuary employed by the board.

Sec. ~~3307.02~~ 3307.75. (A) As used in this section, "armed forces" of the United States includes both:

(1) Army, navy, air force, marine corps, coast guard, auxiliary corps as established by congress, army nurse corps, navy nurse corps, red cross nurse serving with the army, navy, air force, or hospital service of the United States, full-time service with the American red cross in a combat zone, and such other service as is designated by the congress as included therein;

(2) Personnel of the Ohio national guard, the Ohio military reserve, the Ohio naval militia, and the reserve components of the armed forces enumerated in division (A)(1) of this section who are called to active duty pursuant to an executive order issued by the president of the United States or an act of congress.

(B) Upon presentation of an honorable discharge or certificate of service, and subject to rules adopted by the state teachers retirement board, any member of the state teachers retirement system participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who was or is out of active service as a teacher by reason of having become a member of the armed forces of the United States on active duty or service shall be considered as on indefinite leave of absence and shall have such service not in excess of ten years considered as the equivalent of prior service, provided the member returns to service as a teacher within two years after the effective date of discharge and establishes one year of service credit, or becomes a member of either the public employees retirement system or the school employees retirement system within such two-year period and

blishes at least one year of service credit. The retirement board shall extend such two-year period an additional year if failure to return is due to continuous professional training as determined by said board. If such member, otherwise qualified for such credit, canceled membership by the withdrawal of the member's accumulated account, such military service credit shall be granted following the restoration of the member's canceled service credit as provided by section ~~3307.28~~ 3307.71 of the Revised Code. Any member of the state teachers retirement system or anyone who becomes a new entrant who is assigned or called to take charge of special training for essential national defense work or veterans' training courses in any of the public schools or universities of the state may make regular contributions to the state teachers retirement system even though the member's or new entrant's salary is paid from federal funds, provided the member's or new entrant's salary is disbursed by an employer.

(C) A member of the state teachers retirement system is ineligible to receive service credit under this section for any year of military service credit used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except social security, or used to obtain service credit pursuant to section ~~3307.024~~ 3307.751 or ~~3307.022~~ 3307.752 of the Revised Code. At the time such credit is requested, the member shall certify on a form supplied by the ~~retirement~~ board that the member does and will conform to this requirement. This division does not cancel any military service credit earned prior to March 15, 1979.

Sec. ~~3307.024~~ 3307.751. (A) A member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service incurred by reason of having been on active duty as a member of the armed forces of the United States, as defined in section ~~3307.02~~ 3307.75 of the Revised Code. The credit may be purchased at any time prior to the effective date of a benefit. The number of years purchased under this division shall not exceed five.

(B) For the purposes of this division, "prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States who was captured, separated, and incarcerated by an enemy of the United States.

A member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service such member was a prisoner of war. The number of years purchased under this

division shall not exceed five. Service credit may be purchased under this division for the same years of service used to purchase service credit under division (A) of this section.

(C) The total number of years purchased under this section shall not exceed the member's total accumulated number of years of Ohio service.

(D)(1) Except as otherwise provided in division (D)(2) of this section, for each year of service purchased under division (A) or (B) of this section, the member shall pay to the state teachers retirement system for credit to the member's accumulated account an amount determined by the member rate of contribution in effect at the time the military service began multiplied by the member's annual compensation for full-time employment during the first year of service in Ohio following termination of military service. If, however, a limit on maximum salary or maximum contribution was in effect at the time the military service began, the limit shall be applied to the salary received during the first year of service in Ohio to calculate the amount of payment. To this amount shall be added an amount equal to compound interest at a rate established by the state teachers retirement board from the date active military service terminated to date of payment.

(2) For each year of service purchased under division (A) or (B) of this section for military service that commenced on or after July 1, 1989, and, without regard to when the military service commenced, for each year of service purchased under division (A) or (B) of this section by a member who first established membership in the retirement system on or after July 1, 1989, the member shall pay to the retirement system for credit to the member's individual account an amount specified by the state teachers retirement board that shall be not less than fifty per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board.

(3) A member may choose to purchase only part of the credit the member is eligible to purchase under this section in any one payment, subject to board rules.

(E) A member of the state teachers retirement system is ineligible to purchase service credit under this section for any year of military service that was:

(1) Used in the calculation of any retirement benefit currently being paid to such member or payable in the future under any other retirement program, except for retired pay for non-regular service under Chapter 1223 of Section 1662 of Title XVI of the "National Defense Authorization Act for Fiscal Year 1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739, or social security;

(2) Used to obtain service credit pursuant to section ~~3307.02~~ 3307.75 or ~~3307.022~~ 3307.752 of the Revised Code.

At the time the credit is purchased, the member shall certify on a form furnished by the ~~retirement~~ board that the member does and will conform to this requirement.

(F) Credit purchased under this section may be combined pursuant to section ~~3307.41~~ 3307.57 of the Revised Code with credit for military service purchased under sections 145.301 and 3309.021 of the Revised Code, except that not more than a total of five years of credit purchased under division (A) of this section, division (A) of section 145.301, and division (A) of section 3309.021 and not more than a total of five years of credit purchased under division (B) of this section, division (B) of section 145.301, and division (B) of section 3309.021 of the Revised Code shall be used in determining retirement eligibility or calculating benefits under section ~~3307.41~~ 3307.57 of the Revised Code.

Sec. ~~3307.022~~ 3307.752. (A) As used in this section:

(1) "Service in the uniformed services" means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time national guard duty, and a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty.

(2) "Uniformed services" means the army, navy, air force, marine corps, coast guard, or any reserve components of such services; national guard; the commissioned corps of the United States public health service; service as a red cross nurse with the army, navy, air force, or hospital service of the United States, army nurse corps, navy nurse corps, or serving full-time with the American red cross in a combat zone; and any other category of persons designated by the president in time of war or emergency.

(B) On the re-employment of a member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code as a teacher by the same public employer that employed the member prior to the member's service in the uniformed services, the member may apply to the state teachers retirement system on a form provided by the system to purchase service credit for service in the uniformed services that shall be considered the equivalent of Ohio service credit. On receipt of the application, the ~~retirement~~ system shall request from the employer that employed the member as a teacher prior to the military service a certification that the member was employed by the employer prior to, and

returned to employment with the employer within three months of honorable discharge or release from, service in the uniformed services. If the employer can so certify, it shall do so and shall pay to the ~~retirement~~ system the employer's contribution required by this section. The service credit shall be granted the member if all of the following requirements are met:

(1) The member was a member of and maintained membership in the state teachers retirement system throughout service in the uniformed services;

(2) The member was out of active service as a teacher by reason of service in the uniformed services;

(3) The member was honorably discharged or released from service in the uniformed services;

(4) The member pays contributions to the ~~retirement~~ system in accordance with this section.

(C) Credit may be purchased pursuant to this section at any time prior to receipt of a benefit. The member may choose to purchase only part of the credit in any one payment, subject to board rules. The ~~retirement~~ system shall grant service credit under this section, not to exceed five years, for each period of service in the uniformed services for which contributions have been received.

(D) For service purchased under this section, the member and the member's employer, subject to board rules, shall pay to the ~~retirement~~ system for credit to the member's accumulated account an amount equal to the contributions that would have been paid pursuant to sections ~~3307.51~~ 3307.26 and ~~3307.53~~ 3307.28 of the Revised Code if the member had not been out of active service as a teacher by reason of service in the uniformed services.

If a member pays all or any portion of the contributions required by section ~~3307.51~~ 3307.26 of the Revised Code later than the lesser of five years or a period that is three times the member's period of service in the uniformed services beginning from the later of the member's date of re-employment as a teacher or ~~the effective date of this section~~ October 29, 1996, an amount equal to compound interest at a rate established by the board from the later of the member's date of re-employment as a teacher or ~~the effective date of this section~~ October 29, 1996, to the date of payment shall be added to the remaining amount to be paid by the member to purchase service credit under this section.

(E) This section does not cancel any military service credit or service in the uniformed services earned or granted under this chapter prior to ~~the effective date of this section~~ October 29, 1996.

(F) If a member purchased service credit under section ~~3307.021~~ 3307.751 of the Revised Code prior to ~~the effective date of this section~~ October 29, 1996, is not receiving a benefit, and would have been eligible to obtain service credit pursuant to this section had it been in effect at the time of purchase, the ~~retirement~~ system shall refund the amounts paid by the member for the purchase if both of the following requirements are met:

(1) The member makes a written request for a refund on a form provided by the ~~retirement~~ system;

(2) The member pays to the ~~retirement~~ system the contributions required by this section.

(G) If the member meets the requirements of division (F) of this section, the employer shall pay to the ~~retirement~~ system the employer's contributions required by this section.

Sec. ~~3307.411~~ 3307.76. (A) A member of the state teachers retirement system participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code shall, in computing years of total service, be given full credit for time served in the public employees retirement system under Chapter 145. of the Revised Code or in the school employees retirement system under Chapter 3309. of the Revised Code, provided that the member pays to the state teachers retirement system the amount specified in division (B) of this section.

(B) For each year of service described in division (A) of this section , a member shall pay an amount specified by the state teachers retirement board, which shall be not less than fifty per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board.

(C) A member may choose to purchase only part of the credit the member is eligible to purchase under this section in any one payment, subject to board rules.

A member is ineligible to purchase credit under this section if credit for the service may be obtained from the public employees retirement system or school employees retirement system or if the credit is for service that is used in the calculation of any retirement benefit currently being paid or payable in the future to the member.

Sec. ~~3307.412~~ 3307.761. (A) 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 has contributions on deposit with the Ohio police and fire pension fund or the state highway patrol retirement system shall, in computing years of total service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or purchased for

service in the armed forces of the United States if a transfer to the state teachers retirement system is made under this division. At the request of the member, the Ohio police and fire pension fund or state highway patrol retirement system shall transfer to the state teachers retirement system, for each year of service, the sum of the following:

(1) An amount equal to the member's payments for service in the armed forces of the United States and accumulated contributions to the transferring fund or system;

(2) An amount equal to the lesser of the employer's contributions to the Ohio police and fire pension fund or state highway patrol retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the state teachers retirement system;

(3) Interest, determined as provided in division (E) of this section, on the amounts specified in divisions (A)(1) and (2) of this section from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the transfer is made.

(B) A member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has at least eighteen months of contributing service with the state teachers retirement system, is a former member of the Ohio police and fire pension fund or state highway patrol retirement system, and has received a refund of contributions to that fund or system shall, in computing years of total service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or purchased for service in the armed forces of the United States if, for each year of service, the state teachers retirement system receives the sum of the following:

(1) An amount, which shall be paid by the member, equal to the amount refunded by the Ohio police and fire pension fund or the state highway patrol retirement system to the member for that year for accumulated contributions and payments for purchase of credit for service in the armed forces of the United States, with interest on that amount from the date of the refund to the date of the payment;

(2) Interest, which shall be transferred by the Ohio police and fire pension fund or state highway patrol retirement system, on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the refund was made;

(3) An amount, which shall be transferred by the Ohio police and fire

pension fund or state highway patrol retirement system, equal to the lesser of the amount contributed by the employer to the Ohio police and fire pension fund or state highway patrol retirement system for that year or the amount that would have been contributed by the employer for the year had the member been a member of the state teachers retirement system, with interest on that amount from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date of the transfer.

On receipt of payment from the member, the state ~~teaches~~ teachers retirement system shall notify the Ohio police and fire pension fund or the state highway patrol retirement system, which, on receipt of the notice, shall make the transfer required by this division. Interest shall be determined as provided in division (E) of this section.

A member may choose to purchase only part of the credit the member is eligible to purchase under this division in any one payment, subject to rules of the state teachers retirement board.

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

(D) If a member of the state teachers retirement system who is not a current contributor elects to obtain credit under section 742.379 or 5505.202 of the Revised Code for service for which the member contributed to the state teachers retirement system or purchased credit for service in the armed forces of the United States, the state teachers retirement system shall transfer to the Ohio police and fire pension fund or state highway patrol retirement system, as applicable, the amount specified in division (D) of section 742.379 or division (B)(2) of section 5505.202 of the Revised Code.

(E) Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or of the fund or retirement system in which the credit was earned. The interest shall be compounded annually.

(F) The state teachers retirement board shall credit to a member's account in the teachers' savings fund the amounts described in divisions (A)(1) and (B)(1) of this section, except that the interest paid by the member under division (B)(1) of this section shall be credited to the employers' trust fund. The board shall credit to the employers' trust fund the amounts described in divisions (A)(2), (3), and (B)(2) of this section.

Sec. ~~3307.512~~ 3307.77. (A) As used in this section, "employer" means the employer employing a member of the state teachers retirement system at

the time the member commences an absence, or is granted a leave described in this section.

(B) Any member of the state teachers retirement system participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who is, or has been, prevented from making contributions under section ~~3307.51~~ 3307.26 of the Revised Code because of an absence due to ~~his~~ the member's own illness or injury, or who is, or has been, granted a leave for educational, professional, or other purposes pursuant to section 3319.13, 3319.131, or 3345.28 of the Revised Code or for any other reason approved by the state teachers retirement board, may purchase service credit, not to exceed two years for each such period of absence or leave, either by having deductions made in accordance with division (C) of this section or by making the payment required by division (D) or (E) of this section.

(C) If the absence or leave begins and ends in the same year, the member may purchase credit for the absence or leave by having the employer deduct and transmit to the system from payrolls in that year employee contributions on the amount certified by the employer as the compensation the member would have received had ~~he~~ the member remained employed in the position ~~he~~ held when the absence or leave commenced. The deductions may be made even though the minimum compensation provided by law for the member is reduced thereby, unless the amount to be deducted exceeds the compensation to be paid the member from the time deductions begin until the end of the year, in which case credit may not be purchased under this division. The employer shall pay the system the employer contributions on the compensation amount certified under this division. Employee and employer contributions shall be made at the rates in effect at the time the absence or leave occurred. If the employee or employer rates in effect change during the absence or leave, the contributions for each month of the absence or leave shall be made at the rate in effect for that month.

(D) During or following the absence or leave, but no later than two years following the last day of the year in which the absence or leave terminates, a member may purchase credit for the absence or leave by paying to the employer, and the employer transmitting to the system, employee contributions on the amount certified by the employer as the compensation the member would have received had ~~he~~ the member remained employed in the position ~~he~~ held when the absence or leave commenced. The employer shall pay the system the employer contributions on the compensation amount certified under this division. Employee and employer contributions shall be made at the rates in effect at the time the

absence or leave occurred. If the employee or employer rates in effect change during the absence or leave, the contributions for each month of an absence or leave shall be made at the rate in effect for that month.

(E) After two years following the last day of the year in which an absence or leave terminated, a member may purchase credit for the absence or leave by paying the employer, and the employer transmitting to the system, the sum of the following for each year of credit purchased:

(1) An amount determined by multiplying the employee rate of contribution in effect at the time the absence or leave commenced by the member's annual compensation for ~~his~~ the member's last full year of service prior to the commencement of the absence or leave, or, if ~~he~~ the member has not had a full year of service, the compensation the member would have received for the year the absence or leave commenced had ~~he~~ the member continued in service for a full year;

(2) Interest compounded annually, at a rate determined by the board, on the amount determined under division (E)(1) of this section for the period commencing two years following the last day of the year in which the absence or leave terminated and ending on the date of payment;

(3) Interest compounded annually, at a rate determined by the board, on an amount equal to the employer's contribution required by this division for the period commencing two years following the last day of the year in which the absence or leave terminated and ending on the date of payment.

The employer shall pay to the system for each year of credit purchased under this division an amount determined by multiplying the employer contribution rate in effect at the time the absence or leave commenced by the member's annual compensation for ~~his~~ the member's last full year of service prior to the commencement of the absence or leave, or, if ~~he~~ the member has not had a full year of service, the compensation the member would have received for the year the absence or leave commenced had ~~he~~ the member continued in service for a full year.

(F) A member who chooses to purchase service credit under division (D) or (E) of this section may choose to purchase only part of the credit for which ~~he~~ the member is eligible in any one payment, but payments made more than two years following the last day of the year in which the absence or leave terminated shall be made in accordance with division (E) of this section.

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

Sec. ~~3307.515~~ 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 may purchase service credit for a period for which she did not make contributions under section ~~3307.51~~ 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, 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.

For each year of service credit purchased under this section, the member shall pay to the system for credit to her accumulated account an amount determined by multiplying the employee rate of contribution in effect at the time the leave or absence commenced by her 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 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 ~~3307.512~~ 3307.77 of the Revised Code. A member who has purchased service credit for an absence or leave under former section ~~3307.512~~, 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.

Sec. ~~3307.314~~ 3307.78. (A) As used in this section, "school board member" means a member of a city, local, exempted village, or joint vocational school district board of education and "governing board member" means a member of an educational service center governing board.

(B) A member of the state teachers retirement system participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who

does both of the following may purchase credit for service as a school board or governing board member, other than service subject to the tax on wages imposed by the "Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 U.S.C.A. 3101, as amended, if the member is eligible to retire under this chapter or will become eligible to retire as a result of purchasing the credit:

(1) Agrees to retire within ninety days after receiving notice of the additional liability under division (C) of this section;

(2) Provides evidence satisfactory to the state teachers retirement board of service as a school board or governing board member during the years for which the member wishes to purchase credit.

Credit may be purchased for service as a school board or governing board member between September 1, 1920, and the first day of January of the year in which the credit is purchased. A member is eligible to purchase one-quarter of a year's credit for each year of service as a school board or governing board member.

Credit purchased under this section shall be included in the member's total service credit for the purposes of section ~~3307.36~~ 3307.52 of the Revised Code.

(C) On receipt of a request from a member eligible to purchase credit under this section, the system shall obtain from its actuary certification of the additional liability to the system for each quarter year of credit the member is eligible to purchase and shall notify the member of such additional liability. Within ninety days after receiving notice of the additional liability, the member may purchase in quarter-year increments any portion of the credit the member is eligible to purchase. For each quarter year of credit purchased, the member shall pay to the system an amount equal to the additional liability resulting from the purchase. Payment shall be made in full at the time of purchase.

(D) The ~~state teachers retirement~~ board shall adopt rules in accordance with section 111.15 of the Revised Code concerning the purchase of credit under this section. In addition to any other matters considered relevant by the board, the rules shall specify the procedure to be followed to inform the system that a member wishes to purchase credit for service as a school board or governing board member.

(E) If the member does not retire within ninety days after purchasing credit under this section, the system shall withdraw the credit and refund the amount paid by the member.

Sec. ~~3307.383~~ 3307.79. (A) A member whose death occurred prior to July 1, 1973, who at the time of death had more than thirty-four but less than

thirty-five years of service credit shall be presumed to have completed thirty-five years of such credit. Any member whose death occurred on or after July 1, 1973, but prior to August 20, 1976, and who at the time of death had more than thirty-one but less than thirty-two years of service credit shall be presumed to have completed thirty-two years of such credit. Any member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code whose death occurs on or after August 20, 1976, and who at the time of death has more than twenty-nine but less than thirty years of service credit shall be presumed to have completed thirty years of such credit.

~~Upon~~ (B) On the death of a member who is participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code prior to service retirement, the surviving spouse or dependents of the deceased member shall have the right to purchase any service credit the member, had the member not died, would have been eligible to purchase pursuant to sections ~~3307.021~~ 3307.71, ~~3307.022~~ 3307.72, ~~3307.22~~ 3307.73, ~~3307.28~~ 3307.74, ~~3307.32~~ 3307.741, ~~3307.33~~ 3307.751, ~~3307.411~~ 3307.752, ~~3307.412~~ 3307.76, ~~3307.512~~ 3307.761, 3307.77, and ~~3307.73~~ 3307.771 of the Revised Code upon the same terms and conditions which the deceased member could have purchased such service credit had the deceased member not died. Any service credit purchased under this section shall be applied under the provisions of this chapter in the same manner as it would have been applied had it been purchased by the deceased member during the deceased member's lifetime.

Sec. 3307.80. The state teachers retirement board shall adopt rules to implement the plans established under section 3307.81 of the Revised Code.

Sec. 3307.81. The state teachers retirement board shall establish one or more plans consisting of benefit options that provide for an individual account for each participating member and under which benefits are based solely on the amounts that have accumulated in the account. The plans may include options under which a member participating in a plan may receive definitely determinable benefits.

Each plan established under this section shall meet the requirements of sections 3307.81 to 3307.89 of the Revised Code. It may include life insurance, annuities, variable annuities, regulated investment trusts, pooled investment funds, or other forms of investment.

The board may administer the plans, enter into contracts with other entities to administer the plans, or both. The board may contract with another entity to administer the plans if the entity agrees to meet all requirements of this chapter applicable to the plans.

Sec. 3307.811. Each plan established under section 3307.81 of the Revised Code shall meet the requirements necessary to qualify as a retirement system maintained by a state or local government entity under division (b)(7)(F) of section 3121 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 3121(b)(7)(F), as amended. Each participant in a plan shall qualify as a member of that system.

Sec. 3307.812. In establishing a plan under section 3307.81 of the Revised Code, the state teachers retirement board may do all things necessary to avoid the system being required to pay federal or state income taxes on contributions to the plan or amounts earned under the plan and, to the extent permitted under federal or state law, to allow members participating in the plan to make tax deferred contributions for periods of interrupted or prior service.

Sec. 3307.83. The right of each member participating in a plan established under section 3307.81 of the Revised Code to a retirement, disability, or survivor benefit, to health care insurance coverage, or to a withdrawal of contributions shall be governed by the plan selected by the member under section 3307.25 or 3307.251 of the Revised Code.

Sec. 3307.84. For each member participating in a plan established under section 3307.81 of the Revised Code, the state teachers retirement system shall transfer to the employers' trust fund a portion of the employer contribution required under section 3307.28 of the Revised Code that is equal to the percentage of compensation of members described in this section for whom the contributions are being made that is determined by the board's actuary to be necessary to mitigate any negative financial impact on the state teachers retirement system of the participation of members in a plan established under section 3307.81 of the Revised Code. The remainder shall be credited as provided in section 3307.28 of the Revised Code.

The state teachers retirement board shall have prepared annually an actuarial study to determine whether the percentage transferred under this section should be changed to reflect a change in the level of the negative financial impact resulting from participation of members in a plan established under section 3307.81 of the Revised Code. The percentage transferred under this section shall be increased or decreased to reflect the amount needed to mitigate the negative financial impact, if any, on the system, as determined by the actuarial study. An increase or decrease shall take effect on the first day of the month following the date the conclusions of the actuarial study are reported to the board.

The system shall make the transfer required under this section until the unfunded actuarial accrued liability for all benefits, except health care

benefits provided under section 3307.39 or 3307.61 of the Revised Code and benefit increases provided to members and former members participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code after the effective date of this section, is fully amortized, as determined by the annual actuarial valuation prepared under section 3307.51 of the Revised Code.

Sec. 3307.86. The state teachers retirement system may require members participating in a plan established under section 3307.81 of the Revised Code and their employers to furnish the contributions and information required under this chapter at more frequent intervals than those required for members participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code. The system has no duty to accept contributions by or on behalf of a member if a contribution or information is not furnished at such intervals.

Sec. 3307.87. (A)(1) If a member participating in a plan established under section 3307.81 of the Revised Code is married at the time any benefits under the plan commence, benefits shall be paid in accordance with division (A)(2) of this section, unless the spouse has consented under division (C) of this section to a different form of payment.

(2) The benefits described in division (A)(1) of this section shall be paid in the form of an annuity, which shall consist of the actuarial equivalent of the member's benefits, in an amount that is payable for the life of the member and one-half of the amount continuing after the member's death to the spouse for the life of the spouse.

(B) If a member participating in a plan established under section 3307.81 of the Revised Code is married at the time of the member's death, any benefits that are payable to the member shall be paid to the member's spouse, unless the spouse has consented under division (C) of this section to the designation of a different beneficiary.

(C) A plan established under section 3307.81 of the Revised Code shall include requirements for consent under this section that are the same as the requirements specified in division (a)(2) of section 417 of the Internal Revenue Code, 26 U.S.C.A. 417(a)(2), as amended. Each plan may waive consent if the spouse cannot be located or for any other reason specified in the regulations adopted under that section.

Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

Sec. 3307.88. (A) This section applies to a member of the state teachers retirement system who made an election under section 3307.25 of the Revised Code to participate in a plan established under section 3307.81 of

the Revised Code.

(B) On the first day of July following the fourth anniversary of the date membership began, a member shall begin participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code unless, prior to that day, the member elects under section 3307.881 of the Revised Code to remain in a plan established under section 3307.81 of the Revised Code.

(C) When, under division (B) of this section, a member begins participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code, the system shall do all of the following:

(1) Transfer from the member's account in the defined contribution fund to an account in the teachers' savings fund the sum of the following:

(a) An amount equal to the contributions made pursuant to section 3307.26 of the Revised Code;

(b) Any supplemental contributions made by the member;

(c) Any earnings from supplemental contributions.

(2) Transfer to the employers' trust fund the sum of the following:

(a) An amount equal to the contributions made pursuant to section 3307.28 of the Revised Code;

(b) Any amount remaining in the member's account in the defined contribution fund after the transfers described in divisions (C)(1) and (2)(a) of this section are made.

(3) Grant service credit in accordance with rules adopted under section 3307.53 of the Revised Code.

(D) If the amount in the member's account in the defined contribution fund is less than the amount the member would have had in an account in the teachers' savings fund had the member elected to participate in the plan described in sections 3307.50 to 3307.79 of the Revised Code, the system shall transfer from the guarantee fund established under section 3307.14 of the Revised Code to the teachers' savings fund the amount necessary to make the transfer required by division (C)(1)(a) of this section.

(E) Except for service credit granted under division (C)(3) of this section, a member who begins participation in the plan described in sections 3307.50 to 3307.79 of the Revised Code pursuant to this section shall have the same rights and privileges under the plan as a member who never had made an election to participate in a plan established under section 3307.81 of the Revised Code.

Sec. 3307.881. A member of the state teachers retirement system participating in a plan established under section 3307.81 of the Revised Code who is subject to section 3307.88 of the Revised Code may elect to continue participating in the plan. An election shall be made in writing on a

form provided by the state teachers retirement board and filed with the board not later than the thirtieth day of June following the fourth anniversary of the date membership began.

Sec. 3307.882. Not later than one hundred eighty days prior to the thirtieth day of June following the fourth anniversary of the date membership began, the state teachers retirement system shall notify a member who is subject to section 3307.88 of the Revised Code of the opportunity to elect to continue participation in a plan established under section 3307.81 of the Revised Code. The notice shall include an explanation of the provisions of section 3307.881 of the Revised Code.

Sec. 3307.89. The state teachers retirement board may offer to members participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code the opportunity to also participate in one or more of the benefit options available under a plan established under section 3307.81 of the Revised Code. A member's contributions to an option shall be credited to an individual account established for the member in the defined contribution fund.

Sec. ~~3307.68~~ 3307.96. If a local district pension system votes to merge with the state teachers retirement system as provided in section ~~3307.26~~ 3307.241 of the Revised Code, the state teachers retirement board shall employ an actuary to value the assets and liabilities which will be taken over by the ~~state teachers retirement~~ system hereby created in the event of such merger. The actuary ~~so employed~~ shall be an actuary also approved by the employer in whose district the local district pension system is operated, and the expense of the valuation shall be paid by ~~such~~ the employer. The actuary shall compute the present value of the liabilities on account of teachers in service in the local district pension system and on account of pensioners in the rolls of such local district pension system. ~~He~~ The actuary shall also compute the present value of the prospective amount to be received by reason of the payment of the normal contributions by the employer on behalf of the active teachers of such local system in the event of the contemplated merger. From the present value of the total liability for pensions on account of teachers in service in the local district pension system as previously determined, the actuary shall deduct the present value of the normal contributions.

The amount remaining, together with any excess, of the present value of all payments, necessary to continue the pensions of the pensioners of the local district pension system, over and above the amount of moneys and securities of such system, shall be known as the "accrued liability." No teacher who is a member of a local district pension system on May 9, 1919,

shall receive a lesser total retirement allowance upon retirement after merger of the local system with the state teachers retirement system than said teacher would have received upon retirement under the local system.

Sec. ~~3307.69~~ 3307.97. That part of the accrued liability, due on account of pensions to pensioners already on the rolls of the local district pension system, referred to in section ~~3307.68~~ 3307.96 of the Revised Code, remaining unpaid on September 1, 1924, shall be paid by the employer at the rate of at least four per cent per annum of such accrued liability with interest at four per cent per annum on unpaid balances. Both the payment and interest shall be payable semiannually on dates to be fixed by the state teachers retirement board. Payments on that part of the accrued liability due to teachers in active service in the local district pension system shall be at the same rate per cent of the salaries of such teachers as the deficiency contribution rate fixed in former section 3307.54 of the Revised Code, and shall be made until the year in which the deficiency contribution payable by other employers who had no local pension system may be discontinued.

Sec. ~~3307.70~~ 3307.98. The increasing contribution determined as provided in sections ~~3307.68~~ 3307.96 and ~~3307.69~~ 3307.97 of the Revised Code by the actuary shall be paid by the employer. In the event of merger, the moneys and securities to the credit of the local district pension system, not exceeding an aggregate amount equal to the present value of the payments to be made on account of all pensions to the pensioners on the rolls of the local district pension system, shall be transferred to the employers' accumulation fund and the pensions then payable by the local district pension system shall thereafter be paid from the employers' accumulation fund until the reserves on these pensions with the other pensions payable from the employers' accumulation fund have been accumulated and shall be transferred to the annuity and pension reserve fund, from which fund they shall thereafter be payable. The pensions of the active members of the local district pension system and of the new entrants shall thereafter be payable as are the pensions of other members of the state teachers retirement system. The amount of the excess of the moneys and securities of the local district pension system over and above the present value of the payments to be made on account of all pensions to the pensioners of the rolls of the local district pension system shall be transferred to the teachers' savings fund and shall be credited pro rata to the active teachers of such local district pensions system on the basis of the amounts of their previous contributions to the local district pension system. In case such method of distribution is not found practicable by the state teachers retirement board, the board may use such other method of

apportionment as seems fair and equitable to such board. The amount so credited in any case shall be considered as a part of the teacher's accumulated contributions, as defined in section 3307.50 of the Revised Code, for all purposes except in the case of retirement under the plan described in sections 3307.50 to 3307.79 of the Revised Code in which it shall be considered as an amount in excess of the teacher's accumulated contributions and shall be used in purchasing from the annuity and pension reserve fund an annuity, in addition to any other annuity or pension benefit otherwise provided by this chapter.

After the moneys and securities of any local district pension system have been transferred to the employers' accumulation fund or to the teachers' savings fund, such local district pension system shall cease to exist.

Sec. 3309.021. (A) A member may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service incurred by reason of having been on active duty as a member of the armed forces of the United States, as defined in section 3309.02 of the Revised Code. All or part of the credit may be purchased at any time prior to receipt of a retirement allowance. The number of years purchased under this division shall not exceed five.

(B) For the purposes of this division, "prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States who was captured, separated, and incarcerated by an enemy of the United States.

A member may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service such member was a prisoner of war. The number of years purchased under this division shall not exceed five. Service credit may be purchased under this division for the same years of service used to purchase service credit under division (A) of this section. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

(C) The total number of years purchased under this section shall not exceed the member's total accumulated number of years of Ohio service.

(D) For each year of service purchased under division (A) or (B) of this section, the member shall pay to the school employees retirement system for credit to the member's accumulated account an amount determined by the member rate of contribution in effect at the time the military service began multiplied by the annual compensation for full-time employment during the first year of service covered by the school employees retirement system, public employees retirement system, or state teachers retirement system following termination of military service. If, however, a limit on maximum

salary or maximum contribution was in effect at the time the military service began, the limit shall be applied to the salary received during the first year of service in Ohio to calculate the amount of payment. To this amount shall be added an amount equal to compound interest at a rate established by the school employees retirement board from the date of the member's first service covered by the school employees retirement system, public employees retirement system, or state teachers retirement system following termination of the military service to date of payment.

(E) A member of the school employees retirement system is ineligible to purchase service credit under this section for any year of military service that was:

(1) Used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except for retired pay for nonregular service under Chapter 1223 of Section 1662 of Title XVI of the "National Defense Authorization Act for Fiscal Year 1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739, or social security;

(2) Used to obtain service credit pursuant to section 3309.02 or 3309.022 of the Revised Code.

At the time such credit is purchased, the member shall certify on a form furnished by the retirement board that the member does and will conform to this requirement.

(F) Credit purchased under this section may be combined pursuant to section 3309.35 of the Revised Code with credit for military service purchased under sections 145.301 and ~~3307.024~~ 3307.751 of the Revised Code, except that not more than an aggregate total of five years of credit purchased under division (A) of this section, division (A) of section 145.301, and division (A) of section ~~3307.024~~ 3307.751 of the Revised Code, and not more than an aggregate total of five years of credit purchased under division (B) of this section, division (B) of section 145.301, and division (B) of section ~~3307.024~~ 3307.751 of the Revised Code shall be used in determining retirement eligibility or calculating benefits under section 3309.35 of the Revised Code.

Sec. 3309.261. (A) A member of the school employees retirement system who has at least eighteen months of contributing service credit in the system, the Ohio police and ~~firemen's disability and fire~~ pension fund, public employees retirement system, state teachers retirement system, or state highway patrol retirement system, and is a former member of or no longer contributing to the public employees retirement system or state teachers retirement system may restore service credit under section 145.31

or ~~3307.28~~ 3307.71 of the Revised Code by making payments pursuant to this section through a payroll deduction plan established under section 3309.27 of the Revised Code. A member seeking to restore service credit shall notify the school employees retirement system on a form approved by the school employees retirement board. After receiving the notice, the school employees retirement system shall request that the former retirement system calculate under section 145.312 or ~~3307.283~~ 3307.712 of the Revised Code the cost to the member to restore service credit for each year or portion of a year of service for which the member seeks to restore the service credit. The amount the former retirement system certifies as the cost of restoring the service credit, plus interest described in division (B) of this section, is the cost to the member of restoring the service credit. On receiving the certification from the former retirement system, the school employees retirement system shall notify the member of the cost.

(B) For each year or portion of a year of service credit restored under section 145.31 or ~~3307.28~~ 3307.71 of the Revised Code, a member shall pay to the school employees retirement system the amount certified by the former retirement system plus interest at a rate specified by the former retirement system under section 145.312 or ~~3307.283~~ 3307.712 of the Revised Code for the period during which deductions are made under section 3309.27 of the Revised Code.

(C) The school employees retirement board shall annually notify the former retirement system that a payment to restore service credit under section 145.31 or ~~3307.28~~ 3307.71 of the Revised Code has been made. At the time the payment is transferred under division (D) of this section, the former retirement system shall restore the service credit for the year or portion of a year for which the payment was made.

(D) On application for a payment of accumulated contributions or an age and service retirement, disability, or survivor benefit under Chapter 145., 3307., or 3309. of the Revised Code by a member who made payments under this section to restore service credit in a former retirement system, the school employees retirement system shall pay to the former retirement system an amount equal to the total amount paid by the member under this section.

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

Sec. 3309.262. After receiving a request from the public employees retirement system under division (A) of section 145.311 or the state teachers retirement system under division (A) of section ~~3307.282~~ 3307.711 of the Revised Code, the school employees retirement system shall do both of the following:

(A) Calculate and certify to the requesting retirement system the cost to a former member to restore service credit under section 3309.26 of the Revised Code for each year or portion of a year for which the former member seeks to purchase service credit under that section.

(B) Inform the requesting retirement system of the rate of interest charged to a member under a payroll deduction plan authorized under section 3309.27 of the Revised Code.

Sec. 3309.301. (A)(1) Except as provided in division (A)(2) of this section, a member of the school employees retirement system with at least eighteen months of contributing service in the system, the public employees retirement system, or the state teachers retirement system who exempted ~~himself~~ self from membership in one or more of the systems pursuant to section 145.03 or 3309.23 of the Revised Code, or former section 3307.25 or 3309.25 of the Revised Code, or was exempt under section ~~3307.27~~ 3307.24 of the Revised Code, may purchase credit for each year or portion of a year of service for which ~~he~~ the member was exempted.

(2) A member may not purchase credit under this section for service that was exempted from contribution under section 3309.23 of the Revised Code and subject to the tax on wages imposed by the "Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 U.S.C.A. 3101, as amended.

(B) Upon receipt of a request from a member eligible to purchase credit under this section and certification of the member's service and compensation from the employer for which the exempt service was performed, the school employees retirement system shall determine the amount of credit the member is eligible to purchase in accordance with divisions (B)(1) and (2) of this section.

(1) If the credit to be purchased is for service exempted under section 3309.23 or former section 3309.25 of the Revised Code, determine the amount of credit that would have been earned had the service not been exempt.

(2) If the credit to be purchased is for service exempted under section 145.03 or ~~3307.27~~ 3307.24, or former section 3307.25 of the Revised Code, request certification from the applicable retirement system that the service was exempt and the amount of service credit that would have been earned had the service not been exempt.

(C) For each year or portion of a year of credit purchased under this section, a member shall pay to the retirement system an amount determined by multiplying the member's compensation for the twelve months of contributing service preceding the month in which ~~he~~ the member applies to purchase the credit by a percentage rate established by rule of the school

employees retirement board adopted under division (G) of this section.

(D) Subject to board rules, a member may purchase all or part of the credit ~~he~~ the member is eligible to purchase under this section in one or more payments. If the member purchases the credit in more than one payment, compound interest at a rate specified by rule of the board shall be charged on the balance remaining after the first payment is made.

(E) Credit purchasable under this section shall not exceed one year of service for any twelve-month period. If the period of service for which credit is purchasable under this section is concurrent with a period of service that will be used to calculate a retirement benefit from this system, the public employees retirement system, or the state teachers retirement system, the amount of the credit shall be adjusted in accordance with rules adopted by the school employees retirement board.

A member who is also a member of the public employees retirement system or the state teachers retirement system shall purchase credit for any service for which ~~he~~ the member exempted ~~himself~~ self under section 145.03 or 3309.23 of the Revised Code, or former section 3307.25 or 3309.25 of the Revised Code, or was exempt under section ~~3307.27~~ 3307.24 of the Revised Code, from the retirement system in which ~~he~~ the member has the greatest number of years of service credit. If the member receives benefits under section 3309.35 of the Revised Code, the state retirement system that determines and pays the retirement benefit shall receive from the other system or systems the amounts paid by the member for purchase of credit for exempt service plus interest at the actuarial assumption rate of the system paying that amount. The interest shall be for the period beginning on the date of the member's last payment for purchase of the credit and ending on the date of the member's retirement.

(F) If a member dies or withdraws from service, any payment made by the member under this section shall be considered as accumulated contributions of the member.

(G) The retirement board shall adopt rules to implement this section.

Sec. 3309.31. Service credit purchased under this section shall be included in the member's total service credit. Credit may be purchased for the following:

(A) School service in a public or private school, college, or university of this or another state, and for school service in any school or entity operated by or for the United States government. Credit purchased under this section for school service shall be limited to service rendered in schools, colleges, or universities chartered or accredited by the appropriate governmental agency.

(B) Public service with another state or the United States government, provided that such credit shall be limited to service that would have been covered by the state teachers retirement system, the Ohio police and fire pension fund, the state highway patrol retirement system, or the public employees retirement system if served in a comparable public position in this state.

(C) Service for which contributions were made by the member or on the member's behalf to a municipal retirement system in this state.

The number of years of service purchased under this section shall not exceed the lesser of five years or the member's total accumulated number of years of Ohio service.

For each year of service purchased under this section, a member shall pay to the school employees retirement system for credit to the member's accumulated account an amount equal to the member's retirement contribution for full-time employment for the first year of Ohio service following termination of the service to be purchased. To this amount shall be added an amount equal to compound interest at a rate established by the school employees retirement board from the date of membership in the school employees retirement system to date of payment. A member may choose to purchase only part of such credit in any one payment, subject to board rules.

A member is ineligible to purchase under this section service that is used in the calculation of any retirement benefit currently being paid or payable in the future to the member under any other retirement program, except social security. At the time the credit is purchased, the member shall certify on a form furnished by the retirement board that the member does and will conform to this requirement.

(D) Credit purchased under this section may be combined pursuant to section 3309.35 of the Revised Code with credit purchased under sections 145.293 and ~~3307.32~~ 3307.74 of the Revised Code, except that not more than an aggregate total of five years' service credit purchased under this section and sections 145.293 and ~~3307.32~~ 3307.74 of the Revised Code shall be used in determining retirement eligibility or calculating benefits under section 3309.35 of the Revised Code.

(E) The retirement board shall establish a policy to determine eligibility to purchase credit under this section, and its decision shall be final.

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 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 ~~3307.381~~ 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 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 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. 3309.35. (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, ~~3307.282~~ 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.

(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 ~~3307.381~~ 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. 3309.3712. The school employees retirement board may establish and maintain a qualified governmental excess benefit arrangement that meets the requirements of division (m) of section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, and any regulations adopted thereunder. If established, the arrangement shall be a separate portion of the school employees retirement system and be maintained solely for the purpose of providing to retired members that part of a benefit otherwise payable under this chapter that exceeds the limits established by section 415 of the "Internal Revenue Code of 1986," as amended.

Members participating in an arrangement established under this section shall not be permitted to elect to defer compensation to the arrangement. Contributions to and benefits paid under an arrangement shall not be payable from a trust that is part of the system unless the trust is maintained solely for the purpose of providing such benefits.

The board shall adopt rules to administer an arrangement established under this section.

Sec. 3309.39. (A) The school employees retirement system shall

e disability coverage to each member who has at least five years of total service credit.

Not later than October 16, 1992, the school employees retirement board shall give each person who is a member on July 29, 1992, the opportunity to elect disability coverage either under section 3309.40 of the Revised Code or under section 3309.401 of the Revised Code. The board shall mail notice of the election, accompanied by an explanation of the coverage under each of the Revised Code sections and a form on which the election is to be made, to each member at the member's last known address. The board shall also provide the explanation and form to any member at the member's request.

Regardless of whether the member actually receives notice of the right to make an election, a member who fails to file a valid election under this section shall be considered to have elected disability coverage under section 3309.40 of the Revised Code. To be valid, an election must be made on the form provided by the retirement board, signed by the member, and filed with the board not later than one hundred eighty days after the date the notice was mailed, or, in the case of a form provided at the request of a member, a date specified by rule of the retirement board. Once made, an election is irrevocable, but if the member ceases to be a member of the retirement system, the election is void. If a person who makes an election under this section also makes an election under section 145.35 or ~~3307.42~~ 3307.62 of the Revised Code, the election made for the system that pays a disability benefit to that person shall govern the benefit.

Disability coverage shall be provided under section 3309.401 of the Revised Code for persons who become members after July 29, 1992, and for members who elect under this division to be covered under section 3309.401 of the Revised Code.

The retirement board may adopt rules governing elections made under this division.

(B) Application for a disability benefit may be made by a member, by a person acting in the member's behalf, or by the member's employer, provided the member has at least five years of total service credit and has disability coverage under section 3309.40 or 3309.401 of the Revised Code. The application for a disability benefit shall be made on a form provided by the retirement board. The benefit payable to any member who is approved for a disability benefit shall become effective on the first day of the month next following the later of the following:

- (1) The last day for which compensation was paid;
- (2) The date on which the member was first incapacitated by the

sabbling condition.

(C) Medical examination of a member who has applied for a disability benefit shall be conducted by a competent disinterested physician or physicians selected by the retirement board to determine whether the member is mentally or physically incapacitated for the performance of the member's last assigned primary duty as an employee by a disabling condition either permanent or presumed to be permanent for twelve continuous months following the filing of an application. Such disability must have occurred since last becoming a member or have increased since last becoming a member to such extent as to make the disability permanent or presumed to be permanent for twelve continuous months following the filing of an application.

(D) Application for a disability benefit must be made within two years from the date the member's contributing service terminated, unless the retirement board determines that the member's medical records demonstrate conclusively that at the time the two-year period expired, the member was physically or mentally incapacitated for duty as an employee and unable to make application. Application may not be made by any person receiving a service retirement allowance or commuted service retirement allowance under section 3309.36, 3309.38, or 3309.381 of the Revised Code or any person who, pursuant to section 3309.42 of the Revised Code, has been paid the accumulated contributions standing to the credit of the person's individual account in the employees' savings fund.

(E) If the physician or physicians determine that the member qualifies for a disability benefit, the retirement board concurs with the determination, and the member agrees to medical treatment as specified in division (F) of this section, the member shall receive a disability benefit under section 3309.40 or 3309.401 of the Revised Code. The action of the board shall be final. At the time the board decides it concurs with the determination of the physician or physicians, the board shall determine the date on which the member was first incapacitated by the disabling condition.

(F) The school employees retirement board shall adopt rules requiring a disability benefit recipient, as a condition of continuing to receive a disability benefit, to agree in writing to obtain any medical treatment recommended by the board's physician and submit medical reports regarding the treatment. If the board determines that a disability benefit recipient is not obtaining the medical treatment or the board does not receive a required medical report, the disability benefit shall be suspended until the treatment is obtained, the report is received by the board, or the board's physician certifies that the treatment is no longer helpful or advisable.

Should the recipient's failure to obtain treatment or submit a medical report continue for one year, the recipient's right to the disability benefit shall be terminated as of the effective date of the original suspension.

(G) In the event an employer files an application for a disability benefit as a result of a member having been separated from service because the member is considered to be mentally or physically incapacitated for the performance of the member's last assigned primary duty as an employee, and the physician or physicians selected by the board report to the board that the member is physically and mentally capable of performing service similar to that from which the member was separated, and the board concurs in such report, then the board shall so certify to the employer and the employer shall restore the member to the member's previous position and salary or to a similar position and salary.

Sec. 3309.45. Except as provided in division (C)(1) of this section, in lieu of accepting the payment of the accumulated account of a member who dies before service retirement, the beneficiary, as determined in section 3309.44 of the Revised Code, may elect to forfeit the accumulated account and to substitute certain other benefits either under division (A) or (B) of this section.

(A) If a deceased member was eligible for a service retirement allowance as provided in section 3309.36, 3309.38, or 3309.381 of the Revised Code, a surviving spouse or other sole dependent beneficiary may elect to receive a monthly benefit computed as the joint-survivor allowance designated as "plan D" in section 3309.46 of the Revised Code, which the member would have received had the member retired on the last day of the month of death and had the member at that time selected such joint-survivor plan. Payment shall begin with the month subsequent to the member's death.

(B) If the deceased member had completed at least one and one-half years of credit for Ohio service, with at least one-quarter year of Ohio contributing service credit within the two and one-half years prior to the date of death, or was receiving at the time of death a disability benefit as provided in section 3309.40 or 3309.401 of the Revised Code, qualified survivors may elect to receive monthly benefits, provided in divisions (B)(1) and (5) of this section.

(1) Number of
Qualified

survivors

Annual Benefit as a Per

affecting

Cent of Decedent's Final

Or
Monthly
Benefit
shall not be

the benefit	Average Salary	less than
1	25%	\$ 96
2	40	186
3	50	236
4	55	236
5 or more	60	236

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

(a) A qualified spouse is the surviving spouse of the deceased member who is age sixty-two, or age fifty if the deceased member had ten or more years of Ohio service credit, or regardless of age if caring for a surviving child, or regardless of age if adjudged physically or mentally incompetent.

(b) A qualified child is any unmarried child of the deceased member under age eighteen, or under age twenty-two if the child is attending an institution of learning or training pursuant to a program designed to complete in each school year the equivalent of at least two-thirds of the full-time curriculum requirements of such institution and as further determined by board policy, or regardless of age if adjudged physically or mentally incompetent.

(c) A qualified parent is a dependent parent aged sixty-five or older.

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

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

Upon the death of any subsequent spouse who was a member of the public employees retirement system, state teachers retirement system, or school employees retirement system, the surviving spouse of such member may elect to continue receiving benefits under this division, or to receive survivor's benefits, based upon the subsequent spouse's membership in one or more of the systems, for which such surviving spouse is eligible under this section or section 145.45 or ~~3307.49~~ 3307.66 of the Revised Code. If the surviving spouse elects to continue receiving benefits under this division, such election shall not preclude the payment of benefits under this

division to any other qualified survivor.

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

(5) Benefits to a qualified spouse shall be paid in the amount determined for the first qualifying survivor in division (B)(1) of this section, but shall not be less than one hundred six dollars per month if the deceased member had ten or more years of Ohio service credit. All other qualifying survivors shall share equally in the benefit or remaining portion thereof.

(6) The beneficiary of a member who is also a member of the public employees retirement system, or of the state teachers retirement system, must forfeit the member's accumulated contributions in those systems, if the beneficiary takes a survivor benefit. Such benefit shall be exclusively governed by section 3309.35 of the Revised Code.

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

If, after determining the monthly benefits to be paid under division (B) of this section, the system receives notice that there is a qualified survivor who was not considered when the determination was made, the system shall, notwithstanding section 3309.661 of the Revised Code, recalculate the monthly benefits with that qualified survivor included, even if the benefits to qualified survivors already receiving benefits are reduced as a result. The benefits shall be calculated as if the qualified survivor who is the subject of the notice became eligible on the date the notice was received and shall be paid to qualified survivors effective on the first day of the first month following the system's receipt of the notice.

If the retirement system did not receive notice that a deceased member has one or more qualified children prior to making payment under section 3309.44 of the Revised Code to a beneficiary as determined by the retirement system, the payment is a full discharge and release of the system from any future claims under this section or section 3309.44 of the Revised Code.

(2) If benefits under division (C)(1) of this section to all persons, or to all persons other than a surviving spouse or other sole beneficiary, terminate, there are no children under the age of twenty-two years, and the surviving spouse or beneficiary qualifies for benefits under division (A) of

this section, the surviving spouse or beneficiary may elect to receive benefits under division (A) of this section. Benefits shall be effective on the first day of the month following receipt by the board of an application for benefits under division (A) of this section.

(D) If the survivor benefits due and paid under this section are in a total amount less than the member's accumulated account that was transferred from the employees' savings fund, the state teachers retirement fund, and the public employees retirement fund to the survivors' benefit fund, then the difference between the total amount of the benefits paid shall be paid to the beneficiary under section 3309.44 of the Revised Code.

Sec. 3313.975. As used in this section and in sections 3313.975 to 3313.979 of the Revised Code, "the pilot project school district" or "the district" means any school district included in the pilot project scholarship program pursuant to this section.

(A) The superintendent of public instruction shall establish a pilot project scholarship program and shall include in such program any school districts that are or have ever been under federal court order requiring supervision and operational management of the district by the state superintendent. The program shall provide for a number of students residing in any such district to receive scholarships to attend alternative schools, and for an equal number of students to receive tutorial assistance grants while attending public school in any such district.

(B) The state superintendent shall establish an application process and deadline for accepting applications from students residing in the district to participate in the scholarship program. In the initial year of the program students may only use a scholarship to attend school in grades kindergarten through third.

The state superintendent shall award as many scholarships and tutorial assistance grants as can be funded given the amount appropriated for the program. In no case, however, shall more than fifty per cent of all scholarships awarded be used by students who were enrolled in a nonpublic school during the school year of application for a scholarship.

(C)(1) The pilot project program shall continue in effect each year that the general assembly has appropriated sufficient money to fund scholarships and tutorial assistance grants. In each year the program continues, no new students may receive scholarships unless they are enrolled in grade kindergarten, one, two, or three. However, any student who has received a scholarship the preceding year may continue to receive one until the student has completed grade eight.

(2) If the general assembly discontinues the scholarship program, all

students who are attending an alternative school under the pilot project shall be entitled to continued admittance to that specific school through all grades up to the eighth grade that are provided in such school, under the same conditions as when they were participating in the pilot project. The state superintendent shall continue to make scholarship payments in accordance with division (A) or (B) of section 3313.979 of the Revised Code for students who remain enrolled in an alternative school under this provision in any year that funds have been appropriated for this purpose.

If funds are not appropriated, the tuition charged to the parents of a student who remains enrolled in an alternative school under this provision shall not be increased beyond the amount equal to the amount of the scholarship plus any additional amount charged that student's parent in the most recent year of attendance as a participant in the pilot project, except that tuition for all the students enrolled in such school may be increased by the same percentage.

(D) Notwithstanding sections 124.39, ~~3307.35~~ 3307.54, and 3319.17 of the Revised Code, if the pilot project school district experiences a decrease in enrollment due to participation in a state-sponsored scholarship program pursuant to sections 3313.974 to 3313.979 of the Revised Code, the district board of education may enter into an agreement with any teacher it employs to provide to that teacher severance pay or early retirement incentives, or both, if the teacher agrees to terminate the employment contract with the district board, provided any collective bargaining agreement in force pursuant to Chapter 4117. of the Revised Code does not prohibit such an agreement for termination of a teacher's employment contract.

Sec. 3317.011. On or before the third Wednesday of each month, the department of education shall certify to the director of budget and management for payment, for each county:

(A)(1) That portion of the allocation of money under sections 3317.022 to 3317.0211, 3317.11, 3317.16, 3317.17, and 3317.19 of the Revised Code that is required to be paid in that month to each school district located wholly within the county subsequent to the deductions described in division (A)(2) of this section; and

(2) The amounts deducted from such allocation under sections ~~3307.56~~ 3307.31 and 3309.51 of the Revised Code for payment directly to the school employees and state teachers retirement systems under such sections.

(B) If the district is located in more than one county, an apportionment of the amounts that would otherwise be certified under division (A) of this section. The amounts apportioned to the county shall equal the amounts certified under division (A) of this section times the percentage of the

district's resident pupils who reside both in the district and in the county.

Sec. 3317.13. (A) As used in this section and section 3317.14 of the Revised Code:

(1) "Years of service" includes the following:

(a) All years of teaching service in the same school district or educational service center, regardless of training level, with each year consisting of at least one hundred twenty days under a teacher's contract;

(b) All years of teaching service in a chartered, nonpublic school located in Ohio as a teacher licensed pursuant to section 3319.22 of the Revised Code or in another public school, regardless of training level, with each year consisting of at least one hundred twenty days under a teacher's contract;

(c) All years of teaching service in a chartered school or institution or a school or institution that subsequently became chartered or a chartered special education program or a special education program that subsequently became chartered operated by the state or by a subdivision or other local governmental unit of this state as a teacher licensed pursuant to section 3319.22 of the Revised Code, regardless of training level, with each year consisting of at least one hundred twenty days; and

(d) All years of active military service in the armed forces of the United States, as defined in section ~~3307.02~~ 3307.75 of the Revised Code, to a maximum of five years. For purposes of this calculation, a partial year of active military service of eight continuous months or more in the armed forces shall be counted as a full year.

(2) "Teacher" means all teachers employed by the board of education of any school district, including any cooperative education or joint vocational school district and all teachers employed by any educational service center governing board.

(B) No teacher shall be paid a salary less than that provided in the schedule set forth in division (C) of this section. In calculating the minimum salary any teacher shall be paid pursuant to this section, years of service shall include the sum of all years of the teacher's teaching service included in divisions (A)(1)(a), (b), (c), and (d) of this section; except that any school district or educational service center employing a teacher new to the district or educational service center shall grant such teacher a total of not more than ten years of service pursuant to divisions (A)(1)(b), (c), and (d) of this section.

Upon written complaint to the superintendent of public instruction that the board of education of a district or the governing board of an educational service center governing board has failed or refused to annually adopt a salary schedule or to pay salaries in accordance with the salary schedule set

forth in division (C) of this section, the superintendent of public instruction shall cause to be made an immediate investigation of such complaint. If the superintendent finds that the conditions complained of exist, the superintendent shall order the board to correct such conditions within ten days from the date of the finding. No moneys shall be distributed to the district or educational service center under this chapter until the superintendent has satisfactory evidence of the board of education's full compliance with such order.

Each teacher shall be fully credited with placement in the appropriate academic training level column in the district's or educational service center's salary schedule with years of service properly credited pursuant to this section or section 3317.14 of the Revised Code. No rule shall be adopted or exercised by any board of education or educational service center governing board which restricts the placement or the crediting of annual salary increments for any teacher according to the appropriate academic training level column.

(C) Minimum salaries exclusive of retirement and sick leave for teachers shall be as follows:

Years of Service	Teachers with Less than Bachelor's Degree		Teachers with a Bachelor's Degree		Teachers with Five Years of Training, but no Master's Degree		Teachers with a Master's Degree or Higher	
	Per Cent*	Dollar Amount	Per Cent*	Dollar Amount	Per Cent*	Dollar Amount	Per Cent*	Dollar Amount
0	86.5	\$14,705	100.0	\$17,000	103.8	\$17,646	109.5	\$18,615
1	90.0	15,300	103.8	17,646	108.1	18,377	114.3	19,431
2	93.5	15,895	107.6	18,292	112.4	19,108	119.1	20,247
3	97.0	16,490	111.4	18,938	116.7	19,839	123.9	21,063
4	100.5	17,085	115.2	19,584	121.0	20,570	128.7	21,879
5	104.0	17,680	119.0	20,230	125.3	21,301	133.5	22,695
6	104.0	17,680	122.8	20,876	129.6	22,032	138.3	23,511
7	104.0	17,680	126.6	21,522	133.9	22,763	143.1	24,327
8	104.0	17,680	130.4	22,168	138.2	23,494	147.9	25,143
9	104.0	17,680	134.2	22,814	142.5	24,225	152.7	25,959
10	104.0	17,680	138.0	23,460	146.8	24,956	157.5	26,775
11	104.0	17,680	141.8	24,106	151.1	25,687	162.3	27,591

* Percentages represent the percentage which each salary is of the base

amount.

For purposes of determining the minimum salary at any level of training and service, the base of one hundred per cent shall be the base amount. The percentages used in this section show the relationships between the minimum salaries required by this section and the base amount and shall not be construed as requiring any school district or educational service center to adopt a schedule containing salaries in excess of the amounts set forth in this section for corresponding levels of training and experience.

As used in this division:

(1) "Base amount" means seventeen thousand dollars.

(2) "Five years of training" means at least one hundred fifty semester hours, or the equivalent, and a bachelor's degree from a recognized college or university.

(D) For purposes of this section, all credited training shall be from a recognized college or university.

Sec. 3319.08. The board of education of each city, exempted village, local, and joint vocational school district and the governing board of each educational service center shall enter into written contracts for the employment and reemployment of all teachers. The board of each such school district or service center that authorizes compensation in addition to the base salary stated in the teachers' salary schedule for the performance of duties by a teacher that are in addition to the teacher's regular teaching duties, shall enter into a supplemental written contract with each teacher who is to perform additional duties. Such supplemental written contracts shall be limited contracts. Such written contracts and supplemental written contracts shall set forth the teacher's duties and shall specify the salaries and compensation to be paid for regular teaching duties and additional teaching duties, respectively, either or both of which may be increased but not diminished during the term for which the contract is made, except as provided in section 3319.12 of the Revised Code.

If a board adopts a motion or resolution to employ a teacher under a limited or continuing contract and the teacher accepts such employment, the failure of such parties to execute a written contract shall not void such employment contract.

Teachers must be paid for all time lost when the schools in which they are employed are closed due to an epidemic or other public calamity, and for time lost due to illness or otherwise for not less than five days annually as authorized by regulations which each board shall adopt.

Contracts for the employment of teachers shall be of two types, limited contracts and continuing contracts.

(A) A limited contract is:

(1) For a superintendent, a contract for such term as authorized by section 3319.01 of the Revised Code;

(2) For an assistant superintendent, principal, assistant principal, or other administrator, a contract for such term as authorized by section 3319.02 of the Revised Code;

(3) For all other teachers, a contract for a term not to exceed five years.

(B) A continuing contract is a contract that remains in effect until the teacher resigns, elects to retire, or is retired pursuant to former section 3307.37 of the Revised Code, or until it is terminated or suspended and shall be granted only to the following:

(1) Any teacher holding a professional, permanent, or life teacher's certificate;

(2) Any teacher holding a professional educator license who has completed the applicable one of the following:

(a) If the teacher did not hold a masters degree at the time of initially receiving a teacher's certificate under former law or an educator license, thirty semester hours of coursework in the area of licensure or in an area related to the teaching field since the initial issuance of such certificate or license, as specified in rules which the state board of education shall adopt;

(b) If the teacher held a masters degree at the time of initially receiving a teacher's certificate under former law or an educator license, six semester hours of graduate coursework in the area of licensure or in an area related to the teaching field since the initial issuance of such certificate or license, as specified in rules which the state board of education shall adopt.

This section applies only to contracts entered into after August 18, 1969.

Sec. 5101.181. (A) As used in this section and section 5101.182 of the Revised Code, "public assistance" includes, in addition to Ohio works first; prevention, retention, and contingency; medicaid; and disability assistance, general assistance provided prior to July 17, 1995, under former Chapter 5113. of the Revised Code.

(B) As part of the procedure for the determination of overpayment to a recipient of public assistance under Chapter 5107., 5108., 5111., or 5115. of the Revised Code, the director of human services shall furnish quarterly the name and social security number of each individual who receives public assistance to the director of administrative services, the administrator of the bureau of workers' compensation, and each of the state's retirement boards. Within fourteen days after receiving the name and social security number of an individual who receives public assistance, the director of administrative services, administrator, or board shall inform the auditor of state as to

whether such individual is receiving wages or benefits, the amount of any wages or benefits being received, the social security number, and the address of the individual. The director of administrative services, administrator, boards, and any agent or employee of those officials and boards shall comply with the rules of the department of human services restricting the disclosure of information regarding recipients of public assistance. Any person who violates this provision shall thereafter be disqualified from acting as an agent or employee or in any other capacity under appointment or employment of any state board, commission, or agency.

(C) The auditor of state may enter into a reciprocal agreement with the director of human services or comparable officer of any other state for the exchange of names, current or most recent addresses, or social security numbers of persons receiving public assistance under Title IV-A or under Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended.

(D)(1) The auditor of state shall retain, for not less than two years, at least one copy of all information received under this section and sections 145.27, 742.41, ~~3307.21~~ 3307.20, 3309.22, 4123.27, 5101.182, and 5505.04 of the Revised Code. The auditor shall review the information to determine whether overpayments were made to recipients of public assistance under Chapters 5107., 5108., 5111., and 5115. of the Revised Code. The auditor of state shall initiate action leading to prosecution, where warranted, of recipients who received overpayments by forwarding the name of each recipient who received overpayment, together with other pertinent information, to the director of human services and the attorney general, to the district director of human services of the district through which public assistance was received, and to the county director of human services and county prosecutor of the county through which public assistance was received.

(2) The auditor of state and the attorney general or their designees may examine any records, whether in computer or printed format, in the possession of the director of human services or any county director of human services. They shall provide safeguards which restrict access to such records to purposes directly connected with an audit or investigation, prosecution, or criminal or civil proceeding conducted in connection with the administration of the programs and shall comply with the rules of the department of human services restricting the disclosure of information regarding recipients of public assistance. Any person who violates this provision shall thereafter be disqualified from acting as an agent or

employee or in any other capacity under appointment or employment of any state board, commission, or agency.

(3) Costs incurred by the auditor of state in carrying out the auditor of state's duties under this division shall be borne by the auditor of state.

This is an interim section effective until July 1, 2000.

Sec. 5505.161. On receipt of notice from the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, or school employees retirement system of the re-employment of a retirant, the state highway patrol retirement system shall not pay, or if paid shall recover, any amount to be forfeited by the retirant in accordance with section 145.38, 742.26, ~~3307.381~~ 3307.35, or 3309.341 of the Revised Code.

Sec. 5505.177. The state highway patrol retirement board may establish and maintain a qualified governmental excess benefit arrangement that meets the requirements of division (m) of section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, and any regulations adopted thereunder. If established, the arrangement shall be a separate portion of the state highway patrol retirement system and be maintained solely for the purpose of providing to retired members that part of a benefit otherwise payable under this chapter that exceeds the limits established by section 415 of the "Internal Revenue Code of 1986," as amended.

Members participating in an arrangement established under this section shall not be permitted to elect to defer compensation to the arrangement. Contributions to and benefits paid under an arrangement shall not be payable from a trust that is part of the system unless the trust is maintained solely for the purpose of providing such benefits.

The board shall adopt rules to administer an arrangement established under this section.

Sec. 5505.202. (A) As used in this section:

(1) "Full-time service" means full-time service as defined by rule which shall be adopted by the state highway patrol retirement board.

(2) "Qualified contributions" means contributions to the public employees retirement system, state teachers retirement system, or school employees retirement system attributable to full-time service or purchase of credit for service in the armed forces of the United States.

(B)(1) For purposes of computing the pension payable under section 5505.17 or 5505.18 of the Revised Code, a member of the state highway patrol retirement system who is a former member of the public employees retirement system, school employees retirement system, or state teachers

retirement system and has received a return of contributions from the former retirement system shall be given full credit for service credit earned for full-time service as a member of the former retirement system or purchased for service in the armed forces of the United States if, for each year of service credit, the state highway patrol retirement system receives the sum of the following:

(a) An amount, which shall be paid by the member to the member's credit in the employees savings fund, equal to the amount received by the member from the former retirement system for that year that is attributable to contributions made for full-time service and payments for credit purchased for service in the armed forces of the United States, plus interest on that amount from the date payment was made to the member by the former retirement system to the date the member makes the payment to the state highway patrol retirement system;

(b) Interest, which shall be transferred by the former retirement system, on the amount received by the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which the military service credit was purchased or obtained to the date the amount was paid to the member;

(c) An amount, which shall be transferred by the former retirement system, equal to the lesser of the employer's qualified contributions to the former retirement system for the year of service or the amount that would have been contributed by the employer for the year of service had the member been a member of the state highway patrol retirement system, with interest on that amount from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the transfer is made.

On receipt of payment from the member, the state highway patrol retirement system shall notify the former retirement system, which, on receipt of the notice, shall make the transfer required by this division. Interest shall be determined in accordance with division (E) of this section.

(2) For purposes of computing the pension payable under section 5505.17 or 5505.18 of the Revised Code, a member of the state highway patrol retirement system who has contributions on deposit with the public employees retirement system, school employees retirement system, or state teachers retirement system shall be given full credit for service credit earned for full-time service as a member of that retirement system or purchased for service in the armed forces of the United States if, for each year of service, the public employees retirement system, school employees retirement system, or state teachers retirement system transfers to the state highway

patrol retirement system the sum of the following:

- (a) An amount equal to the member's qualified contributions;
- (b) An amount equal to the lesser of the employer's qualified contributions to the public employees retirement system, school employees retirement system, or state teachers retirement system or the amount that would have been contributed by the employer for the full-time service had the member been a member of the state highway patrol retirement system;
- (c) Interest, determined in accordance with division (E) of this section, on the amounts specified in divisions (B)(2)(a) and (b) of this section from the last day of the year for which the service credit was earned or in which military service credit was purchased or obtained to the date the transfer is made.

On receipt of a request from the member, the appropriate retirement system shall make the transfer.

(3) For purposes of computing the pension payable under section 5505.17 or 5505.18 of the revised Code, a member of the state highway patrol retirement system who has contributions on deposit with the Cincinnati retirement system shall be given full credit for service credit earned for full-time service as a member of that retirement system or purchased from the retirement system for service in the armed forces of the United States if, for each year of service credit, the state highway patrol retirement system receives the sum of the following:

- (a) An amount, which shall be paid by the member to the member's credit in the employees savings fund, equal to the amount withdrawn from the Cincinnati retirement system that is attributable to that year of service, with interest on that amount determined in accordance with division (I) of this section from the date of withdrawal to the date of payment;
- (b) Interest, which shall be paid either by the member or the Cincinnati retirement system, on the amount withdrawn from the Cincinnati retirement system that is attributable to the year of service from the last day of the year for which the service credit was earned or in which the military service credit was purchased or obtained to the date the amount was withdrawn;
- (c) An amount, which shall be paid either by the member or the Cincinnati retirement system, equal to the lesser of the amount contributed by the employer to the Cincinnati retirement system for the year of service or the amount that would have been contributed by the employer for the year of service had the member been a member of the state highway patrol retirement system, with interest on that amount from the last day of the year for which the service credit was earned or in which military service was purchased or obtained to the date the payment is made.

(C) If a member who is not a current contributor and has not received a refund of accumulated contributions elects to receive credit under section 145.295, ~~3307.412~~ 3307.761, or 3309.351 of the Revised Code for service for which the member contributed to the state highway patrol retirement system and credit purchased for service in the armed forces of the United States, the state highway patrol retirement system shall transfer to the appropriate retirement system the amount specified in division (A) of section 145.295, division (A) of section ~~3307.412~~ 3307.761, or division (A) of section 3309.351 of the Revised Code.

(D)(1) A member is ineligible to purchase or otherwise receive credit under this section for service that is used in the calculation of any retirement benefit currently being paid or that is payable in the future to the member, or service rendered concurrently with any other period for which service credit has already been granted.

(2) Except as provided under division (D)(3) of this section, no service credit purchased under this section or received as a result of a transfer requested under this section shall be used to determine any member's eligibility for retirement under sections 5505.16 and 5505.17 of the Revised Code.

(3) Service credit obtained under this section by a member for credit purchased for service in the armed forces of the United States or for service as a state highway patrol cadet attending training school pursuant to section 5503.05 of the Revised Code shall be used to determine the member's eligibility for retirement under sections 5505.16 and 5505.17 of the Revised Code.

(4) Subject to rules of the state highway patrol retirement system, a member may choose to purchase only part of the credit the member is eligible to purchase under division (B)(1) or (3) of this section.

(E) At the request of the state highway patrol retirement system, the public employees retirement system, school employees retirement system, state teachers retirement system, or Cincinnati retirement system shall certify to the state highway patrol retirement system a copy of the records of service, salary, and contributions of a member who seeks service credit under this section.

Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the state highway patrol retirement system or of the retirement system in which the credit was earned. The interest shall be compounded annually.

The state highway patrol retirement system board may adopt rules

establishing procedures for the purchase of service credit or the transfer of contributions under this section.

SECTION 2. That existing sections 145.28, 145.293, 145.301, 145.311, 145.312, 145.35, 145.37, 145.38, 145.45, 171.04, 742.26, 742.379, 2329.66, 3305.01, 3305.06, 3307.01, 3307.013, 3307.02, 3307.021, 3307.022, 3307.05, 3307.07, 3307.08, 3307.09, 3307.10, 3307.11, 3307.111, 3307.14, 3307.15, 3307.19, 3307.20, 3307.201, 3307.21, 3307.22, 3307.26, 3307.27, 3307.28, 3307.281, 3307.282, 3307.283, 3307.29, 3307.30, 3307.31, 3307.311, 3307.32, 3307.33, 3307.35, 3307.36, 3307.371, 3307.38, 3307.381, 3307.382, 3307.383, 3307.384, 3307.39, 3307.40, 3307.401, 3307.402, 3307.403, 3307.404, 3307.405, 3307.406, 3307.407, 3307.408, 3307.409, 3307.4010, 3307.4011, 3307.4012, 3307.4013, 3307.41, 3307.411, 3307.412, 3307.42, 3307.421, 3307.43, 3307.431, 3307.44, 3307.46, 3307.47, 3307.48, 3307.49, 3307.50, 3307.51, 3307.511, 3307.512, 3307.515, 3307.53, 3307.56, 3307.58, 3307.59, 3307.60, 3307.61, 3307.62, 3307.63, 3307.64, 3307.65, 3307.651, 3307.66, 3307.68, 3307.69, 3307.70, 3307.71, 3307.711, 3307.712, 3307.72, 3307.73, 3307.74, 3307.741, 3307.75, 3307.751, 3307.78, 3307.80, 3309.021, 3309.261, 3309.262, 3309.301, 3309.31, 3309.341, 3309.35, 3309.39, 3309.45, 3313.975, 3317.011, 3317.13, 3319.08, 5101.181, 5505.161, and 5505.202 and sections 3307.012, 3307.34, 3307.37, 3307.513, and 3307.514 of the Revised Code are hereby repealed.

SECTION 3. That sections 3307.21 and 5101.181 of the Revised Code, as amended by H.B. 471 of the 123rd General Assembly, be amended and that section 3307.21 (3307.20) of the Revised Code, as amended by H.B. 471 of the 123rd General Assembly, be amended for the purpose of adopting a new section number as indicated in parentheses, to read as follows:

Sec. ~~3307.21~~ 3307.20. (A) ~~The treasurer of state shall furnish annually to the state teachers retirement board a sworn statement of the amount of the funds in the treasurer's custody belonging to the state teachers retirement system.~~

~~(B)~~(1) As used in this ~~division~~, "personal section":

(1) "Personal history record" means information maintained by the state teachers retirement board on a member, former member, contributor, former contributor, retirant, or beneficiary that includes the address, telephone number, social security number, record of contributions, correspondence with the state teachers retirement system, or other information the board

determines to be confidential.

(2) "Retirant" has the same meaning as in section 3307.50 of the Revised Code.

(B) The records of the board shall be open to public inspection, except for the following, which shall be excluded, except with the written authorization of the individual concerned:

~~(a)~~(1) The individual's personal records provided for in section ~~3307.29~~ 3307.23 of the Revised Code;

~~(b)~~(2) The individual's personal history record;

~~(c)~~(3) Any information identifying, by name and address, the amount of a monthly allowance or benefit paid to the individual.

(C) All medical reports and recommendations under sections ~~3307.42~~ 3307.62, ~~3307.44~~ 3307.64, and ~~3307.49~~ 3307.66 of the Revised Code are privileged, except that copies of such medical reports or recommendations shall be made available to the personal physician, attorney, or authorized agent of the individual concerned upon written release received from the individual or the individual's agent, or, when necessary for the proper administration of the fund, to the board assigned physician.

(D) Any person who is a member or contributor of the system shall be furnished, on written request, with a statement of the amount to the credit of the person's account. The board need not answer more than one request of a person in any one year.

(E) Notwithstanding the exceptions to public inspection in division ~~(B)(2)~~ of this section, the board may furnish the following information:

(1) If a member, former member, retirant, contributor, or former contributor is subject to an order issued under section 2907.15 of the Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Revised Code, on written request of a prosecutor as defined in section 2935.01 of the Revised Code, the board shall furnish to the prosecutor the information requested from the individual's personal history record.

(2) Pursuant to a court or administrative order issued under section 3111.23 or 3113.21 of the Revised Code, the board shall furnish to a court or child support enforcement agency the information required under that section.

(3) At the written request of any person, the board shall provide to the person a list of the names and addresses of members, former members, retirants, contributors, former contributors, or beneficiaries. The costs of compiling, copying, and mailing the list shall be paid by such person.

(4) Within fourteen days after receiving from the director of job and

family services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Revised Code, the board shall inform the auditor of state of the name, current or most recent employer address, and social security number of each member whose name and social security number are the same as that of a person whose name or social security number was submitted by the director. The board and its employees shall, except for purposes of furnishing the auditor of state with information required by this section, preserve the confidentiality of recipients of public assistance in compliance with division (A) of section 5101.181 of the Revised Code.

(F) A statement that contains information obtained from the system's records that is signed by an officer of the retirement system and to which the system's official seal is affixed, or copies of the system's records to which the signature and seal are attached, shall be received as true copies of the system's records in any court or before any officer of this state.

Sec. 5101.181. (A) As used in this section and section 5101.182 of the Revised Code, "public assistance" includes, in addition to Ohio works first; prevention, retention, and contingency; medicaid; and disability assistance, general assistance provided prior to July 17, 1995, under former Chapter 5113. of the Revised Code.

(B) As part of the procedure for the determination of overpayment to a recipient of public assistance under Chapter 5107., 5108., 5111., or 5115. of the Revised Code, the director of job and family services shall furnish quarterly the name and social security number of each individual who receives public assistance to the director of administrative services, the administrator of the bureau of workers' compensation, and each of the state's retirement boards. Within fourteen days after receiving the name and social security number of an individual who receives public assistance, the director of administrative services, administrator, or board shall inform the auditor of state as to whether such individual is receiving wages or benefits, the amount of any wages or benefits being received, the social security number, and the address of the individual. The director of administrative services, administrator, boards, and any agent or employee of those officials and boards shall comply with the rules of the director of job and family services restricting the disclosure of information regarding recipients of public assistance. Any person who violates this provision shall thereafter be disqualified from acting as an agent or employee or in any other capacity under appointment or employment of any state board, commission, or agency.

(C) The auditor of state may enter into a reciprocal agreement with the

director of job and family services or comparable officer of any other state for the exchange of names, current or most recent addresses, or social security numbers of persons receiving public assistance under Title IV-A or under Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended.

(D)(1) The auditor of state shall retain, for not less than two years, at least one copy of all information received under this section and sections 145.27, 742.41, ~~3307.21~~ 3307.20, 3309.22, 4123.27, 5101.182, and 5505.04 of the Revised Code. The auditor shall review the information to determine whether overpayments were made to recipients of public assistance under Chapters 5107., 5108., 5111., and 5115. of the Revised Code. The auditor of state shall initiate action leading to prosecution, where warranted, of recipients who received overpayments by forwarding the name of each recipient who received overpayment, together with other pertinent information, to the director of job and family services and the attorney general, to the district director of job and family services of the district through which public assistance was received, and to the county director of job and family services and county prosecutor of the county through which public assistance was received.

(2) The auditor of state and the attorney general or their designees may examine any records, whether in computer or printed format, in the possession of the director of job and family services or any county director of job and family services. They shall provide safeguards which restrict access to such records to purposes directly connected with an audit or investigation, prosecution, or criminal or civil proceeding conducted in connection with the administration of the programs and shall comply with the rules of the director of job and family services restricting the disclosure of information regarding recipients of public assistance. Any person who violates this provision shall thereafter be disqualified from acting as an agent or employee or in any other capacity under appointment or employment of any state board, commission, or agency.

(3) Costs incurred by the auditor of state in carrying out the auditor of state's duties under this division shall be borne by the auditor of state.

SECTION 4. That all existing versions of sections 3307.21 and 5101.181 of the Revised Code are hereby repealed.

SECTION 5. Sections 3 and 4 of this act shall take effect on July 1, 2000.

SECTION 6. The State Teachers Retirement Board shall recalculate under section 3307.58, 3307.59, or 3307.631 of the Revised Code, as amended by this act, a benefit that is payable under those sections or section 3307.60 of the Revised Code and became effective on or after July 1, 1999, but before the effective date of this act. If the recalculated benefit is greater than the recipient's benefit prior to the recalculation, the board shall do both of the following:

(A) Pay the recalculated benefit;

(B) Make a one-time payment to the recipient equal to the difference between the benefits paid to the recipient between July 1, 1999, and the date of the payment and the increased benefits that would have been paid to the recipient had the amendments to sections 3307.58, 3307.59, and 3307.631 of the Revised Code gone into effect on July 1, 1999.

SECTION 7. As used in this section, "eligible recipient" has the same meaning as in section 3307.6913 of the Revised Code.

The State Teachers Retirement Board shall make a one-time payment to each eligible recipient whose benefit is increased under section 3307.6913 or 3307.6914 of the Revised Code, as enacted by this act. The payment shall equal the difference between the benefits paid to the recipient between July 1, 1999, and the date of the payment and the increased benefits that would have been paid to the recipient had those sections gone into effect on July 1, 1999.

SECTION 8. Section 3307.21 of the Revised Code is presented in Section 1 of this act as a composite of the section as amended by both Am. Sub. H.B. 627 and Am. Sub. H.B. 668 of the 121st General Assembly, with the new language of neither of the acts shown in capital letters. This is in recognition of the principle stated in division (B) of section 1.52 of the Revised Code that such amendments are to be harmonized where not substantively irreconcilable and constitutes a legislative finding that such is the resulting version in effect prior to the effective date 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 _____