

AN ACT

To amend sections 145.01, 145.04, 145.05, 145.091, 145.19, 145.191, 145.192, 145.20, 145.22, 145.23, 145.27, 145.35, 145.38, 145.384, 145.40, 145.45, 145.46, 145.56, 145.58, 145.80, 145.81, 145.811, 145.812, 145.813, 145.82, 145.85, 145.86, 145.87, 145.88, 145.91, 145.92, 145.95, 145.97, 742.14, 742.37, 742.372, 742.45, 3105.80, 3307.01, 3307.39, 3307.51, 3307.56, 3307.561, 3307.563, 3307.58, 3307.60, 3307.761, 3307.763, 3307.764, 3307.87, 3309.21, 3309.43, 3309.45, 3309.46, 3309.69, 5505.12, and 5505.28; to amend, for the purpose of adopting a new section number as indicated in parentheses, section 742.372 (742.371); to enact sections 145.193, 145.385, 145.402, 145.814, and 145.83; and to repeal sections 742.371 and 742.373 of the Revised Code to create in the State Teachers Retirement System (STRS), School Employees Retirement System, and Public Employees Retirement System (PERS) the option of receiving retirement benefits as a partial lump sum followed by a reduced monthly allowance, to make other changes to the law governing STRS to make changes to the Ohio Police and Fire Pension Fund (OP&F) cost of living increase, to eliminate a health maintenance organization requirement for public pension system retirees, to permit certain PERS reemployed retirants to elect resumption of a retirement allowance, to make permissive the redeposit of contributions previously withdrawn from OP&F by firefighters and police officers returning to the same employer after a period of absence,

and to alter provisions governing the PERS defined contribution retirement plan.

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

SECTION 1. That sections 145.01, 145.04, 145.05, 145.091, 145.19, 145.191, 145.192, 145.20, 145.22, 145.23, 145.27, 145.35, 145.38, 145.384, 145.40, 145.45, 145.46, 145.56, 145.58, 145.80, 145.81, 145.811, 145.812, 145.813, 145.82, 145.85, 145.86, 145.87, 145.88, 145.91, 145.92, 145.95, 145.97, 742.14, 742.37, 742.372, 742.45, 3105.80, 3307.01, 3307.39, 3307.51, 3307.56, 3307.561, 3307.563, 3307.58, 3307.60, 3307.761, 3307.763, 3307.764, 3307.87, 3309.21, 3309.43, 3309.45, 3309.46, 3309.69, 5505.12, and 5505.28 be amended, and section 742.372 (742.371) be amended for the purpose of adopting a new section number, and sections 145.193, 145.385, 145.402, 145.814, and 145.83 of the Revised Code be enacted to read as follows:

Sec. 145.01. As used in this chapter:

(A) "Public employee" means:

(1) Any person holding an office, not elective, under the state or any county, township, municipal corporation, park district, conservancy district, sanitary district, health district, metropolitan housing authority, state retirement board, Ohio historical society, public library, county law library, union cemetery, joint hospital, institutional commissary, state university, or board, bureau, commission, council, committee, authority, or administrative body as the same are, or have been, created by action of the general assembly or by the legislative authority of any of the units of local government named in division (A)(1) of this section, or employed and paid in whole or in part by the state or any of the authorities named in division (A)(1) of this section in any capacity not covered by section 742.01, 3307.01, 3309.01, or 5505.01 of the Revised Code.

(2) A person who is a member of the public employees retirement system and who continues to perform the same or similar duties under the direction of a contractor who has contracted to take over what before the date of the contract was a publicly operated function. The governmental unit with which the contract has been made shall be deemed the employer for the purposes of administering this chapter.

(3) Any person who is an employee of a public employer, notwithstanding that the person's compensation for that employment is derived from funds of a person or entity other than the employer. Credit for

such service shall be included as total service credit, provided that the employee makes the payments required by this chapter, and the employer makes the payments required by sections 145.48 and 145.51 of the Revised Code.

(4) A person who elects in accordance with section 145.015 of the Revised Code to remain a contributing member of the public employees retirement system.

In all cases of doubt, the public employees retirement board shall determine whether any person is a public employee, and its decision is final.

(B) "Member" means any public employee, other than a public employee excluded or exempted from membership in the retirement system by section 145.03, 145.031, 145.032, 145.033, 145.034, 145.035, or 145.38 of the Revised Code. "Member" includes a PERS retirant who becomes a member under division (C) of section 145.38 of the Revised Code. "Member" also includes a disability benefit recipient.

(C) "Head of the department" means the elective or appointive head of the several executive, judicial, and administrative departments, institutions, boards, and commissions of the state and local government as the same are created and defined by the laws of this state or, in case of a charter government, by that charter.

(D) "Employer" or "public employer" means the state or any county, township, municipal corporation, park district, conservancy district, sanitary district, health district, metropolitan housing authority, state retirement board, Ohio historical society, public library, county law library, union cemetery, joint hospital, institutional commissary, state medical college, state university, or board, bureau, commission, council, committee, authority, or administrative body as the same are, or have been, created by action of the general assembly or by the legislative authority of any of the units of local government named in this division not covered by section 742.01, 3307.01, 3309.01, or 5505.01 of the Revised Code. In addition, "employer" means the employer of any public employee.

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

from the date of appointment to the date membership was established in the public employees retirement system, at the rate in effect at the time of payment, and the employer has made payment of the corresponding full liability as provided by section 145.44 of the Revised Code. "Prior service" also means all service credited for active duty with the armed forces of the United States as provided in section 145.30 of the Revised Code.

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

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

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

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

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

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

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

(F) "Contributor" means any person who has an account in the employees' savings fund created by section 145.23 of the Revised Code. When used in the sections listed in division (B) of section 145.82 of the Revised Code, "contributor" includes any person participating in a PERS defined contribution plan ~~established under section 145.81 of the Revised Code.~~

(G) "Beneficiary" or "beneficiaries" means the estate or a person or persons who, as the result of the death of a member, contributor, or retiree, qualify for or are receiving some right or benefit under this chapter.

(H)(1) "Total service credit," except as provided in section 145.37 of the Revised Code, means all service credited to a member of the retirement system since last becoming a member, including restored service credit as provided by section 145.31 of the Revised Code; credit purchased under sections 145.293 and 145.299 of the Revised Code; all the member's prior service credit; all the member's military service credit computed as provided in this chapter; all service credit established pursuant to section 145.297 of the Revised Code; and any other service credited under this chapter. In addition, "total service credit" includes any period, not in excess of three years, during which a member was out of service and receiving benefits under Chapters 4121. and 4123. of the Revised Code. For the exclusive purpose of satisfying the service credit requirement and of determining eligibility for benefits under sections 145.32, 145.33, 145.331, 145.35, 145.36, and 145.361 of the Revised Code, "five or more years of total service credit" means sixty or more calendar months of contributing service in this system.

(2) "One and one-half years of contributing service credit," as used in division (B) of section 145.45 of the Revised Code, also means eighteen or more calendar months of employment by a municipal corporation that formerly operated its own retirement plan for its employees or a part of its employees, provided that all employees of that municipal retirement plan who have eighteen or more months of such employment, upon establishing membership in the public employees retirement system, shall make a payment of the contributions they would have paid had they been members of this system for the eighteen months of employment preceding the date membership was established. When that payment has been made by all such employee members, a corresponding payment shall be paid into the employers' accumulation fund by that municipal corporation as the employer of the employees.

(3) Where a member also is a member of the state teachers retirement system or the school employees retirement system, or both, except in cases of retirement on a combined basis pursuant to section 145.37 of the Revised Code or as provided in section 145.383 of the Revised Code, service credit for any period shall be credited on the basis of the ratio that contributions to the public employees retirement system bear to total contributions in all state retirement systems.

(4) Not more than one year of credit may be given for any period of

twelve months.

(5) "Ohio service credit" means credit for service that was rendered to the state or any of its political subdivisions or any employer.

(I) "Regular interest" means interest at any rates for the respective funds and accounts as the public employees retirement board may determine from time to time.

(J) "Accumulated contributions" means the sum of all amounts credited to a contributor's individual account in the employees' savings fund together with any interest credited to the contributor's account under section 145.471 or 145.472 of the Revised Code.

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

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

(3) For the purpose of calculating benefits payable to a member qualifying for service credit under division (Z) of this section, "final average salary" means the total earnable salary on which contributions were made divided by the total number of years during which contributions were made, including any fraction of a year. If contributions were made for less than twelve months, "final average salary" means the member's total earnable salary.

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

(M) "Annuity reserve" means the present value, computed upon the basis of the mortality and other tables adopted by the board, of all payments to be made on account of any annuity, or benefit in lieu of any annuity, granted to a retirant as provided in this chapter.

(N)(1) "Disability retirement" means retirement as provided in section 145.36 of the Revised Code.

(2) "Disability allowance" means an allowance paid on account of disability under section 145.361 of the Revised Code.

(3) "Disability benefit" means a benefit paid as disability retirement under section 145.36 of the Revised Code, as a disability allowance under section 145.361 of the Revised Code, or as a disability benefit under section 145.37 of the Revised Code.

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

(O) "Age and service retirement" means retirement as provided in sections 145.32, 145.33, 145.331, 145.34, 145.37, and 145.46 of the Revised Code.

(P) "Pensions" means annual payments for life derived from contributions made by the employer that at the time of retirement are credited into the annuity and pension reserve fund from the employers' accumulation fund and paid from the annuity and pension reserve fund as provided in this chapter. All pensions shall be paid in twelve equal monthly installments.

(Q) "Retirement allowance" means the pension plus that portion of the benefit derived from contributions made by the member.

(R)(1) Except as otherwise provided in division (R) of this section, "earnable salary" means all salary, wages, and other earnings paid to a contributor by reason of employment in a position covered by the retirement system. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the employees' savings fund under section 145.47 of the Revised Code and without regard to whether any of the salary, wages, or other earnings are treated as deferred income for federal income tax purposes. "Earnable salary" includes the following:

(a) Payments made by the employer in lieu of salary, wages, or other earnings for sick leave, personal leave, or vacation used by the contributor;

(b) Payments made by the employer for the conversion of sick leave, personal leave, and vacation leave accrued, but not used if the payment is made during the year in which the leave is accrued, except that payments made pursuant to section 124.383 or 124.386 of the Revised Code are not earnable salary;

(c) Allowances paid by the employer for full maintenance, consisting of housing, laundry, and meals, as certified to the retirement board by the employer or the head of the department that employs the contributor;

(d) Fees and commissions paid under section 507.09 of the Revised Code;

(e) Payments that are made under a disability leave program sponsored by the employer and for which the employer is required by section 145.296 of the Revised Code to make periodic employer and employee contributions;

(f) Amounts included pursuant to divisions (K)(3) and (Y) of this section.

(2) "Earnable salary" does not include any of the following:

(a) Fees and commissions, other than those paid under section 507.09 of the Revised Code, paid as sole compensation for personal services and fees and commissions for special services over and above services for which the contributor receives a salary;

(b) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the contributor or the contributor's family, or amounts paid by the employer to the contributor in lieu of providing the insurance;

(c) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, or use of the employer's property or equipment, or amounts paid by the employer to the contributor in lieu of providing the incidental benefits;

(d) Reimbursement for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development;

(e) Payments for accrued but unused sick leave, personal leave, or vacation that are made at any time other than in the year in which the sick leave, personal leave, or vacation was accrued;

(f) Payments made to or on behalf of a contributor that are in excess of the annual compensation that may be taken into account by the retirement system under division (a)(17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a)(17), as amended;

(g) Payments made under division (B), (C), or (E) of section 5923.05 of the Revised Code, Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly, Section 3 of Amended Substitute Senate Bill No. 164 of the 124th general assembly, or Amended Substitute House Bill No. 405 of the 124th general assembly;

(h) Anything of value received by the contributor that is based on or attributable to retirement or an agreement to retire, except that payments made on or before January 1, 1989, that are based on or attributable to an agreement to retire shall be included in earnable salary if both of the following apply:

(i) The payments are made in accordance with contract provisions that

were in effect prior to January 1, 1986;

(ii) The employer pays the retirement system an amount specified by the retirement board equal to the additional liability resulting from the payments.

(3) The retirement board shall determine by rule whether any compensation not enumerated in division (R) of this section is earnable salary, and its decision shall be final.

(S) "Pension reserve" means the present value, computed upon the basis of the mortality and other tables adopted by the board, of all payments to be made on account of any retirement allowance or benefit in lieu of any retirement allowance, granted to a member or beneficiary under this chapter.

(T)(1) "Contributing service" means all service credited to a member of the system since January 1, 1935, for which contributions are made as required by sections 145.47, 145.48, and 145.483 of the Revised Code. In any year subsequent to 1934, credit for any service shall be allowed by the following formula:

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

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

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

(U) "State retirement board" means the public employees retirement board, the school employees retirement board, or the state teachers retirement board.

(V) "Retirant" means any former member who retires and is receiving a monthly allowance as provided in sections 145.32, 145.33, 145.331, 145.34, and 145.46 of the Revised Code.

(W) "Employer contribution" means the amount paid by an employer as

determined under section 145.48 of the Revised Code.

(X) "Public service terminates" means the last day for which a public employee is compensated for services performed for an employer or the date of the employee's death, whichever occurs first.

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

(Z) "Five years of service credit," for the exclusive purpose of satisfying the service credit requirements and of determining eligibility for benefits under section 145.33 of the Revised Code, means employment covered under this chapter or under a former retirement plan operated, recognized, or endorsed by the employer prior to coverage under this chapter or under a combination of the coverage.

(AA) "Deputy sheriff" means any person who is commissioned and employed as a full-time peace officer by the sheriff of any county, and has

been so employed since on or before December 31, 1965, and whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of this state; any person who is or has been commissioned and employed as a peace officer by the sheriff of any county since January 1, 1966, and who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code and whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state; or any person deputized by the sheriff of any county and employed pursuant to section 2301.12 of the Revised Code as a criminal bailiff or court constable who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code and whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state.

(BB) "Township constable or police officer in a township police department or district" means any person who is commissioned and employed as a full-time peace officer pursuant to Chapter 505. or 509. of the Revised Code, who has received a certificate attesting to the person's satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code, and whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state.

(CC) "Drug agent" means any person who is either of the following:

(1) Employed full-time as a narcotics agent by a county narcotics agency created pursuant to section 307.15 of the Revised Code and has received a certificate attesting to the satisfactory completion of the peace officer training school as required by section 109.77 of the Revised Code;

(2) Employed full-time as an undercover drug agent as defined in section 109.79 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(DD) "Department of public safety enforcement agent" means a full-time employee of the department of public safety who is designated under section 5502.14 of the Revised Code as an enforcement agent and who is in compliance with section 109.77 of the Revised Code.

(EE) "Natural resources law enforcement staff officer" means a full-time employee of the department of natural resources who is designated a natural resources law enforcement staff officer under section 1501.013 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

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

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

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

(II) "Wildlife officer" means a full-time employee of the department of natural resources who is designated a wildlife officer under section 1531.13 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

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

(KK) "Park district police officer" means a full-time employee of a park district who is designated pursuant to section 511.232 or 1545.13 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(LL) "Conservancy district officer" means a full-time employee of a conservancy district who is designated pursuant to section 6101.75 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(MM) "Municipal police officer" means a member of the organized police department of a municipal corporation who is employed full-time, is in compliance with section 109.77 of the Revised Code, and is not a member of the Ohio police and fire pension fund.

(NN) "Ohio veterans' home police officer" means any person who is employed at the Ohio veterans' home as a police officer pursuant to section 5907.02 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

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

(PP) "Special police officer for an institution for the mentally retarded

and developmentally disabled" means any person who is designated as such pursuant to section 5123.13 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(QQ) "State university law enforcement officer" means any person who is employed full-time as a state university law enforcement officer pursuant to section 3345.04 of the Revised Code and who is in compliance with section 109.77 of the Revised Code.

(RR) "House sergeant at arms" means any person appointed by the speaker of the house of representatives under division (B)(1) of section 101.311 of the Revised Code who has arrest authority under division (E)(1) of that section.

(SS) "Assistant house sergeant at arms" means any person appointed by the house sergeant at arms under division (C)(1) of section 101.311 of the Revised Code.

(TT) "Regional transit authority police officer" means a person who is employed full time as a regional transit authority police officer under division (Y) of section 306.35 of the Revised Code and is in compliance with section 109.77 of the Revised Code.

(UU) "State highway patrol police officer" means a special police officer employed full time and designated by the superintendent of the state highway patrol pursuant to section 5503.09 of the Revised Code or a person serving full time as a special police officer pursuant to that section on a permanent basis on October 21, 1997, who is in compliance with section 109.77 of the Revised Code.

(VV) Notwithstanding section 2901.01 of the Revised Code, "PERS law enforcement officer" means a sheriff, deputy sheriff, township constable or police officer in a township police department or district, drug agent, department of public safety enforcement agent, natural resources law enforcement staff officer, park officer, forest officer, preserve officer, wildlife officer, state watercraft officer, park district police officer, conservancy district officer, Ohio veterans' home police officer, special police officer for a mental health institution, special police officer for an institution for the mentally retarded and developmentally disabled, state university law enforcement officer, municipal police officer, house sergeant at arms, assistant house sergeant at arms, regional transit authority police officer, or state highway patrol police officer.

(WW) "Hamilton county municipal court bailiff" means a person appointed by the clerk of courts of the Hamilton county municipal court under division (A)(3) of section 1901.32 of the Revised Code who is employed full time as a bailiff or deputy bailiff, who has received a

tificate attesting to the person's satisfactory completion of the peace officer basic training described in division (D)(1) of section 109.77 of the Revised Code, and whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of this state.

(XX) "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.

(YY) "Actuary" means an individual who satisfies all of the following requirements:

(1) Is a member of the American academy of actuaries;

(2) Is an associate or fellow of the society of actuaries;

(3) Has a minimum of five years' experience in providing actuarial services to public retirement plans.

(ZZ) "PERS defined benefit plan" means the plan described in sections 145.201 to 145.79 of the Revised Code.

(AAA) "PERS defined contribution plans" means the plan or plans established under section 145.81 of the Revised Code.

Sec. 145.04. The general administration and management of the public employees retirement system and the making effective of Chapter 145. of the Revised Code, are hereby vested in a board to be known as the "public employees retirement board," which shall consist of nine members as follows:

(A) The attorney general;

(B) The auditor of state;

(C) The director of administrative services;

(D) Five members, known as employee members, one of whom shall be a state employee member of the system, who shall be elected by ballot by the state employee members of the system from among their number; another of whom shall be a county employee member of the system, who shall be elected by ballot by the county employee members of the system from among their number; another of whom shall be a municipal employee member of the system, who shall be elected by ballot by the municipal employee members of the system from among their number; another of whom shall be a university or college employee member of the system, who shall be elected by ballot by the university and college employee members

of the system from among their number; and another of whom shall be a park district, conservancy district, sanitary district, health district, public library, township, metropolitan housing authority, union cemetery, joint hospital, or institutional commissary employee member of the system, who shall be elected by ballot by the park district, conservancy district, sanitary district, health district, metropolitan housing authority, township, public library, union cemetery, joint hospital, and institutional commissary employee members of the system from among their number, in a manner to be approved by the board. Members of the system who are receiving a disability benefit under this chapter are ineligible for membership on the board as employee members.

(E) One member, known as the retirant member, who shall be a former member of the public employees retirement system who is a resident of this state and a recipient of age and service retirement, a disability benefit, or benefits paid under a PERS defined contribution plan established under section 145.81 of the Revised Code. The retirant member shall be elected by ballot by former members of the system who are receiving age and service retirement, a disability benefit, or benefits paid under a PERS defined contribution plan established under section 145.81 of the Revised Code.

Sec. 145.05. (A) The terms of office of employee members of the public employees retirement board shall be for four years each beginning on the first day of January following election. The election of the county employee member of the board and the employee member of the board representing public library, health district, park district, conservancy district, sanitary district, township, metropolitan housing authority, union cemetery, joint hospital, and institutional commissary employees shall be held on the first Monday in October, 1945, and on the first Monday in October in each fourth year thereafter. The election of the state employee member of the board and the municipal employee member of the board shall be held on the first Monday in October, 1946, and on the first Monday in October in each fourth year thereafter. The election of the initial university-college employee member of the board shall be held on the first Monday in October, 1978, and elections for subsequent university-college employee members of the board shall be held on the first Monday in October in each fourth year thereafter.

(B) The term of office of the retirant member of the public employees retirement board shall be for four years beginning on the first day of January following the election. The election of the initial retirant member of the board shall be held on the first Monday in October, 1978, and elections for subsequent retirant members of the board shall be held on the first Monday

in October in each fourth year thereafter.

(C) All elections for employee members of the public employees retirement board shall be held under the direction of the board. Any member of the public employees retirement system, except a member who is receiving a disability benefit under this chapter, is eligible for election as an employee member of the board to represent the employee group that includes the member, provided that the member has been nominated by a petition signed by at least five hundred members of the employee group to be represented and further provided that there shall be not less than twenty such signers from each of at least ten counties of the state. The name of any member so nominated shall be placed upon the ballot by the board as a regular candidate. Names of other eligible candidates may, at any election, be substituted for the regular candidates by writing such names upon the ballots. The candidate who receives the highest number of votes for a particular employee member position on the board shall be elected to that office.

(D) All elections for the retirant member of the public employees retirement board shall be held under the direction of the board. Any former member of the public employees retirement system who is described in division (E) of section 145.04 of the Revised Code is eligible for election as the retirant member of the board to represent recipients of age and service retirement, a disability benefit, or benefits paid under a PERS defined contribution plan ~~established under section 145.81 of the Revised Code~~, provided that such person has been nominated by a petition signed by at least two hundred fifty former members of the system who are recipients of age and service retirement, a disability benefit, or benefits paid under a PERS defined contribution plan ~~established under section 145.81 of the Revised Code~~, or any combination of such recipients that totals two hundred fifty. The petition shall contain the signatures of at least ten such recipients from each of at least five counties wherein recipients of benefits from the system reside.

The name of any person nominated in this manner shall be placed upon the ballot by the board as a regular candidate. Names of other eligible candidates may, at any election for the retirant member of the board, be substituted for the regular candidates by writing the names of such persons upon the ballot. The candidate who receives the highest number of votes for any term as the retirant member of the board shall be elected to office.

Sec. 145.091. The public employees retirement system shall administer the PERS defined benefit plan ~~described in sections 145.201 to 145.70 of the Revised Code~~ and the plan or PERS defined contribution plans

~~hed under section 145.81 of the Revised Code.~~

Sec. 145.19. (A) Except as provided in division (D) of this section, an individual who becomes employed in a member of the public employees retirement system position subject to this chapter on or after the date on which the public employees retirement board first establishes a PERS defined contribution plan under section 145.81 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 PERS defined benefit plan described in sections 145.201 to 145.79 of the Revised Code or one of the plans established under section 145.81 of the Revised Code a PERS defined contribution plan. If a form evidencing an election under this section is not ~~on file with~~ received by the employer at the end of public employees retirement system not later than the last day of the one-hundred-eighty-day period, the individual is deemed to have elected to participate in the PERS defined benefit plan described in sections 145.201 to 145.79 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 ~~system~~.

(C) An election under this section shall take effect on the date employment began and, except as provided in section 145.814 of the Revised Code or rules governing the PERS defined benefit plan, is irrevocable on receipt by the ~~employer system~~.

(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 145.201 to 145.79 of the Revised Code~~ or a PERS retirant or other system retirant, as those terms are defined in section 145.38 of the Revised Code, or is retired under section 145.383 of the Revised Code.

(2) ~~An election to participate~~ The individual is participating or has elected to participate in an alternative retirement plan under section 3305.05 of the Revised Code is in effect for employment covered by the system and the employment is in a position that is subject to division (E) of that section.

(3) The individual is a contributor who, as of the last day of the month prior to the date employment begins, has five or more years of total service credit.

(4) The individual is employed in a position covered under this chapter

to which section 145.193 of the Revised Code applies.

(5) The individual is a PERS law enforcement officer or Hamilton county municipal court bailiff.

Sec. 145.191. (A) ~~A member of the~~ Except as provided in division (E) of this section, a public employees retirement system, ~~other than a member who is a PERS law enforcement officer,~~ member or contributor who, as of the last day of the month immediately preceding the date on which the ~~system~~ public employees retirement board first establishes a PERS defined contribution plan ~~under section 145.81 of the Revised Code,~~ has less than five years of total service credit is eligible to make an election under this section. A member or contributor who is employed in more than one position subject to this chapter is eligible to make only one election. The election applies to all positions subject to this chapter.

Not later than one hundred eighty days after the day the board first establishes ~~one or more plans under section 145.81 of the Revised Code~~ a PERS defined contribution plan, an eligible member or contributor may elect to participate in a PERS defined contribution plan established under that section. If a form evidencing an election is not ~~made~~ received by the system not later than the last day of the one-hundred-eighty-day period, a member or contributor to whom this section applies is deemed to have elected to continue participating in the PERS defined benefit plan described in sections 145.201 to 145.79 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 employees' savings fund;~~ plan elected both of the following:

(a) Any employer contributions attributable to the member for the period beginning on the day the board first established a PERS defined contribution plan;

(b) All accumulated contributions attributable to the member or contributor.

(2) Cancel all service credit and eligibility for any payment, benefit, or right under the PERS defined benefit plan ~~described in sections 145.201 to 145.79 of the Revised Code.~~

(D) An election under this section ~~shall be~~ is effective as of the date the board first established a PERS defined contribution plan and, except as provided in section 145.814 of the Revised Code or rules governing the

PERS defined benefit plan, is irrevocable on receipt by the system.

(E) An election may not be made under this section by a member or contributor who is either of the following:

(1) A PERS retirant who is a member under division (C) of section 145.38 of the Revised Code;

(2) A PERS law enforcement officer or a Hamilton county municipal court bailiff.

Sec. 145.192. A Except as provided in section 145.814 and in division (C) of section 145.82 of the Revised Code, a member of the public employees retirement system who elects to participate in a PERS defined contribution plan established under section 145.81 of the Revised Code shall be ineligible for any benefit or payment under sections 145.201 to 145.79 of the Revised Code the PERS defined benefit plan and shall be forever barred from claiming or purchasing service credit with the system or any other Ohio state retirement system, as defined in section 145.30 of the Revised Code, for service covered by the election.

Sec. 145.193. Except as provided in division (E) of section 3305.05 of the Revised Code, an election made or deemed to have been made under section 145.19 or 145.191 of the Revised Code applies to all positions subject to this chapter for which the member is contributing under section 145.47 or 145.85 of the Revised Code. A member who terminates employment in all positions subject to this chapter and later becomes employed in a position subject to this chapter may make an election under section 145.19 of the Revised Code as provided by that section.

Sec. 145.20. (A) Any elective official of the state of Ohio or of any political subdivision thereof having employees in the public employees retirement system shall be considered as an employee of the state or such political subdivision, and may become a member of the system upon application to the public employees retirement board, with all the rights, privileges, and obligations of membership. Service An elective official who becomes a member of the system on or after the date the public employees retirement board first establishes a PERS defined contribution plan shall make an election pursuant to section 145.19 of the Revised Code not later than one hundred eighty days after applying for membership in the system. The election is effective as of the date the official applies for membership and is irrevocable on receipt by the system. If a form evidencing an election is not received by the system not later than the last day of the one-hundred-eighty-day period, the official is deemed to have elected to participate in the PERS defined benefit plan.

(B) Service as any such elective official by any member of the system

rendered prior to January 1, 1935, shall be included as prior service, provided the member ~~has completed~~ does both of the following:

(1) Completes three years of contributing service, or the equivalent thereof, in the public employees retirement system subsequent to the date that membership is established;

(2) Participates in the PERS defined benefit plan or a PERS defined contribution plan with definitely determinable benefits.

(C) Credit for service between January 1, 1935, and the date that membership is established, except service as an elective official that was 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, may be secured by the elective official provided the elective official ~~pays~~ does all of the following:

(1) Pays into the employees' savings fund an amount determined by applying the member contribution rate in effect at the time of payment to the earnable salary of the member during all periods of service after January 1, 1935, covered by this chapter, for which contributions have not been paid, plus interest on such amount compounded annually at a rate to be determined by the board, ~~and completes;~~

(2) Completes one and one-half years of contributing membership in the public employees retirement system subsequent to the date membership was established. ~~The;~~

(3) Participates in the PERS defined benefit plan or a PERS defined contribution plan with definitely determinable benefits.

A member may choose to purchase in any one payment only part of ~~such the credit in any one payment~~ the member is eligible to purchase. The public employees retirement board shall determine the amount and manner of payment ~~of such contributions~~. In the event of death or withdrawal from service, the payment into the employees' savings fund for such service credit shall be considered as accumulated contributions of the member.

Sec. 145.22. (A) The public employees 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 public employees retirement system as established pursuant to this chapter. 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 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 September following the year for which the valuation was made.

(B) At such time as the public employees retirement board determines, and at least once in each five-year 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, contributors, and beneficiaries of the system 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 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 November following the last fiscal year of the period the report covers.

(C) The board may at any time request the actuary to make any studies or actuarial valuations to determine the adequacy of the contribution rate determined under section 145.48 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 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 145.325 and 145.58 of the Revised Code. The report shall be made as of December 31, 1997, and the thirty-first day of December 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 provision of the 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 ~~(D)~~(C) of section 145.58 of the Revised Code.

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

Sec. 145.23. The funds hereby created are the employees' savings fund, the employers' accumulation fund, the annuity and pension reserve fund, the income fund, the survivors' benefit fund, the defined contribution fund, and the expense fund.

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

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

(B) The employers' accumulation fund is the fund in which shall be accumulated the reserves for the payment of all pensions and disability benefits payable as provided in this chapter. The amounts paid by any employer under section 145.48 of the Revised Code shall be credited to the employers' accumulation fund.

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

Upon the retirement of a contributor, the full amount of the contributor's pension reserve shall be transferred from the employers' accumulation fund to the annuity and pension reserve fund.

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

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

Any additional deposits that were made under this section by a member who elects under section 145.191 of the Revised Code to participate in a PERS defined contribution plan shall be credited to the defined contribution plan elected by the member under that section.

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

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

Any deficit occurring in any other fund that will not be covered by

payments to that fund, as otherwise provided in Chapter 145. of the Revised Code, shall be paid by transfers of amounts from the income fund to such fund or funds. If the amount in the income fund is insufficient at any time to meet the amounts payable to the funds described in divisions (C) and (F) of this section, the amount of the deficiency shall be transferred from the employers' accumulation fund.

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

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

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

(G) The defined contribution fund is the fund in which shall be accumulated the contributions deducted from the earnable salary of members participating in a PERS defined contribution plan established under section 145.81 of the Revised Code, as provided in section 145.85 of the Revised Code, together with any earnings and employer contributions, as provided in section 145.86 of the Revised Code, credited thereon. The defined contribution fund is the fund from which shall be paid all benefits provided under a PERS defined contribution plan established under section 145.81 of the Revised Code.

Sec. 145.27. (A)(1) As used in this division, "personal history record" means information maintained by the public employees retirement board on an individual who is 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 public employees retirement system, or other information the board determines to be confidential.

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

(a) The individual's statement of previous service and other information as provided for in section 145.16 of the Revised Code;

(b) The amount of a monthly allowance or benefit paid to the individual;

(c) The individual's personal history record.

(B) All medical reports and recommendations required by this chapter 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 from the individual or the individual's agent, or when necessary for the proper administration of the fund, to the board assigned physician.

(C) Any person who is a member or contributor of the system shall be furnished with a statement of the amount to the credit of the individual's account upon written request. The board is not required to answer more than one such request of a person in any one year. The board may issue annual statements of accounts to members and contributors.

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

(1) If a member, former member, contributor, former contributor, or retirant 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 pursuant to Chapter 3119., 3121., 3123., or 3125. 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, contributors, former contributors, retirants, 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.

(5) The system shall comply with orders issued under section 3105.87 of the Revised Code.

On the written request of an alternate payee, as defined in section 3105.80 of the Revised Code, the system shall furnish to the alternate payee information on the amount and status of any amounts payable to the alternate payee under an order issued under section 3105.171 or 3105.65 of the Revised Code.

(E) A statement that contains information obtained from the system's records that is signed by the executive director or an officer of the 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. 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 PERS law enforcement officer or Hamilton county municipal court bailiff, 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 3307.62 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 or the date the member ceased to make contributions to the PERS defined benefit plan under section 145.814 of the Revised Code, 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. 145.38. (A) As used in this section and section 145.384 of the Revised Code:

(1) "PERS retirant" means a former member of the public employees retirement system who is receiving one 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;

(c) Any benefit paid ~~by the system~~ under a PERS defined contribution plan established under section 145.81 of the Revised Code.

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

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

member or former member;

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

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

(2) A public employer that employs a PERS retirant or other system retirant, or enters into a contract for services as an independent contractor with a PERS retirant 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 two months when employment subject to this section commences shall forfeit the retirement allowance for any month the PERS retirant is employed prior to the expiration of the two-month period. 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.

(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 any month the other system retirant is employed prior to the expiration of the two-month period. 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.

(c) Contributions made on compensation earned after the expiration of the two-month period shall be used in the calculation of the benefit or payment due under section 145.384 of the Revised Code.

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

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

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

(C)(1) Except as provided in division (C)(3) of this section, this division applies to both of the following:

(a) A PERS retirant who, prior to September 14, 2000, was subject to division (C)(1)(b) of this section as that division existed immediately prior to September 14, 2000, and has not elected pursuant to Am. Sub. S.B. 144 of the 123rd general assembly to cease to be subject to that division;

(b) A PERS retirant to whom both of the following apply:

(i) The retirant held elective office in this state, or in any municipal corporation, county, or other political subdivision of this state at the time of retirement under this chapter.

(ii) 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.

(2) A PERS retirant who is subject to this division is a member of the public employees retirement system with all the rights, privileges, and obligations of membership, except that the membership does not include survivor benefits provided pursuant to section 145.45 of the Revised Code

or, beginning on the ninetieth day after September 14, 2000, any amount calculated under section 145.401 of the Revised Code. The pension portion of the PERS retirant's retirement allowance shall be forfeited until the first day of the first month following termination of the employment. The annuity portion of the retirement allowance shall 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) This division does not apply to any of the following:

(a) A PERS retirant elected to office who, at the time of the election for the retirant's current term, was not retired but, not less than ninety days prior to the election for the term, filed a written declaration of intent to retire before the end of the term with the board of elections of the county in which petitions for nomination or election to the office were filed;

(b) A PERS retirant elected to office who, at the time of the election for the retirant's current term, was a retirant and had been retired for not less than ninety days;

(c) A PERS retirant appointed to office who, at the time of appointment to the retirant's current term, notified the person or entity making the appointment that the retirant was already retired or intended to retire before the end of the term.

(D)(1) Except as provided in division (C) of this section, a PERS retirant or other system retirant subject to this section is not a member of the public employees retirement system, and, except as specified in this section does not have any of the rights, privileges, or obligations of membership. Except as specified in division (D)(2) of this section, the retirant 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.

(2) A PERS retirant subject to 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) 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.

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

Sec. 145.384. (A) As used in this section, "PERS retirant" means a PERS retirant who is not subject to division (C) of section 145.38 of the Revised Code. For purposes of this section, "PERS retirant" also includes a both of the following:

(1) A member who retired under section 145.383 of the Revised Code;

(2) A retirant whose retirement allowance resumed under section 145.385 of the Revised Code.

(A)(B) An other system retirant or PERS retirant who has made contributions under section 145.38 or 145.383 of the Revised Code or, in the case of a retirant described in division (A)(2) of this section, section 145.47 of the Revised Code may file an application with the public employees retirement system for a benefit under this section. The benefit shall consist of a single life an annuity having a reserve equal to the amount of the retirant's accumulated contributions for the period of employment, other than the contributions excluded pursuant to division (B)(4)(a) or (b) of

section 145.38 of the Revised Code, 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. A retirant who elects to receive a monthly annuity shall select one of the following as the plan of payment:

(1) The retirant's single life annuity;

(2) The actuarial equivalent of the retirant's single life annuity in a lesser amount for life and continuing after death to a surviving beneficiary designated at the time the plan of payment is selected.

(B)(C)(1) The death of a spouse or other designated beneficiary following selection of a plan of payment under division (B)(2) of this section cancels that plan of payment. The PERS retirant or other system retirant shall receive the equivalent of the retirant's single life annuity, as determined by the public employees retirement board, effective the first day of the month following receipt by the board of notice of the death.

(2) On divorce, annulment, or marriage dissolution, a PERS retirant or other system retirant receiving a benefit under division (B)(2) of this section under which the beneficiary is the spouse may, with the written consent of the spouse or pursuant to an order of the court with jurisdiction over the termination of the marriage, elect to cancel the plan and receive the equivalent of the member's single life annuity as determined by the retirement board. The election shall be made on a form provided by the board and shall be effective the month following its receipt by the board.

(D) Following a marriage or remarriage, a PERS retirant or other system retirant who is receiving a benefit under division (B)(1) of this section may elect a new plan of payment under this section based on the actuarial equivalent of the retirant's single life annuity as determined by the board. The plan shall be effective the first day of the month following receipt by the board of an application on a form approved by the board.

(E) A benefit payable under this section shall commence on the latest of the following:

(1) The last day for which compensation for all employment subject to section 145.38 ~~or~~, 145.383, or 145.385 of the Revised Code was paid;

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

(3) If the PERS retirant or other system retirant was previously employed under section 145.38 ~~or~~, 145.383, or 145.385 of the Revised Code

and is receiving or previously received a benefit under this section, completion of a period of twelve months since the effective date of the last benefit under this section.

~~(C)~~~~(F)~~(1) If a PERS retirant or other system retirant dies while employed in employment subject to section 145.38 ~~or~~, 145.383, or 145.385 of the Revised Code, a lump sum payment calculated in accordance with division ~~(A)~~~~(B)~~ of this section shall be paid to the retirant's beneficiary under division ~~(D)~~~~(G)~~ of this section.

(2) 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 ~~(D)~~~~(G)~~ of this section.

~~(D)~~~~(G)~~ A PERS retirant or other system retirant employed under section 145.38 ~~or~~, 145.383, or 145.385 of the Revised Code 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.

~~(E)~~~~(H)~~ No amount received under this section shall be included in determining an additional benefit under section 145.323 of the Revised Code or any other post-retirement benefit increase.

Sec. 145.385. (A) A PERS retirant who made an election under former section 145.381 of the Revised Code under which the annuity portion of the retirant's retirement allowance was suspended and the pension portion forfeited may have the entire retirement allowance resume by giving notice to the public employees retirement system. The notice must be given not later than ninety days after the effective date of this section.

(B) The retirement allowance shall resume on the first day of the month following receipt of notice by the retirement system.

(C) The annuity portion of the retirement allowance that has accumulated to the retirant's credit shall be paid as a single payment on the first day of the month following receipt of notice by the retirement system.

(D) Contributions made by the retirant and employer during the period of forfeiture and contributions made after the retirement allowance resumes shall be left on deposit with the system and used in the calculation of a benefit under section 145.384 of the Revised Code.

Sec. 145.40. (A)(1) Subject to the provisions of section 145.57 of the Revised Code and except as provided in section 145.402 of the Revised Code and division (B) of this section, if a member elects to become exempt from contribution to the public employees retirement system pursuant to section 145.03 of the Revised Code or ceases to be a public employee for any cause other than death, retirement, receipt of a disability benefit, or current employment in a position in which the member has elected to participate in an alternative retirement plan under section 3305.05 of the Revised Code, upon application the public employees retirement board shall pay the member the member's accumulated contributions, plus any applicable amount calculated under section 145.401 of the Revised Code, provided that ~~all~~ both the following apply:

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

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

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

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

(2) A member described in division (A)(1) of this section who is married at the time of application for payment and is eligible for age and service retirement under section 145.32, 145.33, 145.331, or 145.34 of the Revised Code shall submit with the application a written statement by the member's spouse attesting that the spouse consents to the payment of the member's accumulated contributions. Consent shall be valid only if it is signed and witnessed by a notary public.

The board may waive the requirement of consent if the spouse is incapacitated or cannot be located, or for any other reason specified by the

board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

(B) This division applies to any member who is employed in a position in which the member has made an election under section 3305.05 of the Revised Code and due to the election ceases to be a public employee for purposes of that position.

Subject to section 145.57 of the Revised Code, the public employees retirement system shall do the following:

(1) On receipt of a certified copy of a form evidencing an election under section 3305.05 of the Revised Code, pay to the appropriate provider, in accordance with section 3305.051 of the Revised Code, the amount described in section 3305.051 of the Revised Code;

(2) If a member has accumulated contributions, in addition to those subject to division (B)(1) of this section, standing to the credit of the member's individual account and is not otherwise employed in a position in which the member is considered a public employee for the purposes of that position, pay, to the provider the member selected pursuant to section 3305.05 of the Revised Code, the member's accumulated contributions. The payment shall be made on the member's application.

(C) Payment of a member's accumulated contributions under division (B) of this section cancels the member's total service credit in the public employees retirement system. A member whose accumulated contributions are paid to a provider pursuant to division (B) of this section is forever barred from claiming or purchasing service credit under the public employees retirement system for the period of employment attributable to those contributions.

Sec. 145.402. (A) Except as provided in division (B) of this section, a member of the public employees retirement system who has ceased to be a public employee under this chapter and is also a member of either the state teachers retirement system or the school employees retirement system, or both, may not withdraw the member's accumulated contributions.

(B) On application, the public employees retirement board shall pay a member described in division (A) of this section the member's accumulated contributions if either of the following applies:

(1) The member also withdraws the member's contributions from the other system or systems.

(2) The member is a participant in a plan established under section 3307.81 or 3309.81 of the Revised Code and has withdrawn the member's contributions under plans described in sections 3307.50 to 3307.79 and 3309.18 to 3309.70 of the Revised Code.

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)(1) 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.

(2) Beginning on a date selected by the public employees retirement board, which shall be not later than July 1, 2004, a surviving spouse or other sole dependent beneficiary may elect, in lieu of a monthly payment under division (A)(1) of this section, a plan of payment consisting of both of the following:

(a) A lump sum in an amount the surviving spouse or other sole dependent beneficiary designates that constitutes a portion of the allowance that would be payable under division (A)(1) of this section;

(b) The remainder of that allowance in monthly payments.

The total amount paid as a lump sum and a monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected.

The lump sum amount designated by the surviving spouse or other sole dependent beneficiary under division (A)(2)(a) of this section shall be not less than six times and not more than thirty-six times the monthly amount that would be payable to the surviving spouse or other sole dependent beneficiary under division (A)(1) of this section and shall not result in a monthly payment that is less than fifty per cent of that monthly amount.

(B) If a deceased member had, except as provided in division (B)(7) of this section, at least one and one-half years of contributing service credit, with, except as provided in division (B)(7) of this section, 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, qualified survivors who elect to receive monthly benefits shall receive the greater of the benefits provided in division (B)(1)(a) or (b) and (4) of this section as allocated in accordance with division (B)(5) of this section.

(1)(a) Number of Qualified survivors affecting the benefit	Annual Benefit as a Per Cent of Decedent's Final Average Salary	Or Monthly Benefit shall not be less than
1	25%	\$250
2	40	400
3	50	500
4	55	500
5 or more	60	500
(b) Years of Service	Annual Benefit as a Per Cent of Member's Final Average Salary	
20	29%	
21	33	
22	37	
23	41	
24	45	
25	48	
26	51	
27	54	
28	57	
29 or more	60	

(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 regardless of age 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 child of the deceased member who has never been married and to whom one of the following applies:

(i) Is 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;

(ii) Regardless of age, is 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 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 3307.66 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)(a) If a benefit is payable under division (B)(1)(a) of this section, benefits to a qualified spouse shall be paid in the amount determined for the first qualifying survivor in division (B)(1)(a) of this section. All other qualifying survivors shall share equally in the benefit or remaining portion thereof.

(b) All qualifying survivors shall share equally in a benefit payable under division (B)(1)(b) of this section, except that if there is a surviving spouse, the surviving spouse shall receive not less than the amount determined for the first qualifying survivor in division (B)(1)(a) of this section.

(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.

(7) The restriction that the deceased member have at least one and one-half years of contributing service credit, with at least one-quarter year of contributing service within the two and one-half years prior to the date of death, does not apply if the deceased member was contributing toward benefits under division (B) or (C) of section 145.33 of the Revised Code at the time of death.

(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) The final average salary used in the calculation of a benefit payable pursuant to division (A) or (B) of this section to a survivor or beneficiary of a disability benefit recipient shall be adjusted for each year between the disability benefit's effective date and the recipient's date of death by the lesser of three per cent or the actual average percentage increase 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").

(E) 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. 145.46. (A) A retirement allowance calculated under section 145.33, 145.331, or 145.34 of the Revised Code shall be paid as provided in this section. If the member is eligible to elect a plan of payment under this section, the election shall be made on a form provided by the public employees retirement board. A plan of payment elected under this section shall be effective only if approved by the board, which shall approve it only if it is certified by an actuary engaged by the board to be the actuarial equivalent of the retirement allowance calculated under section 145.33, 145.331, or 145.34 of the Revised Code.

(B)(1) Unless the member is eligible to elect another plan of payment, a member who retires under section 145.32, 145.331, or 145.34 of the Revised Code shall receive a retirement allowance under "plan A," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for life and one-half of such allowance continuing

after death to the member's surviving spouse for the life of the spouse.

A member may elect to receive the member's retirement allowance under a plan of payment other than "plan A" if the member is not married or either the member's spouse consents in writing to the member's election of a plan of payment other than "plan A" or the board waives the requirement that the spouse consent. 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 "plan A," which consists of the actuarial equivalent of the member's retirement allowance in a lesser amount payable for life and one-half of the allowance continuing after death to the surviving spouse for the life of the spouse;

(b) A description of the alternative plans of payment, including all plans described in divisions (B)(2) and (3) of this section, 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. The board may waive the requirement of consent if the spouse is incapacitated or cannot be located or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

(2) A member eligible to elect to receive the member's retirement allowance under a plan of payment other than "plan A" shall receive the member's retirement allowance under the plan described in division (B)(3) of this section or one of the following plans ~~electd at the time the member makes application for retirement:~~

(a) "Plan B," which shall consist of an allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code;

(b) "Plan C," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for life and one-half or some other portion of the allowance continuing after death to the member's sole surviving beneficiary designated at the time of the member's retirement, provided that the amount payable to the beneficiary does not exceed the amount payable to the member;

(c) "Plan D," which shall consist of the actuarial equivalent of the

member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for life and continuing after death to a surviving beneficiary designated at the time of the member's retirement;

(d) "Plan E," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for a certain period from the member's retirement date as elected by the member and approved by the retirement board, and on the member's death before the expiration of that certain period the member's lesser retirement allowance payable for the remainder of that period to the member's surviving designated beneficiary nominated by written designation filed with the retirement board.

Should the nominated beneficiary designated in writing die prior to the expiration of the guarantee period, then for the purpose of completing payment for the remainder of the guarantee period, the present value of such payments shall be paid to the estate of the beneficiary last receiving.

(3)(a) Beginning on a date selected by the retirement board, which shall be not later than July 1, 2004, a member may elect to receive a retirement allowance under a plan of payment consisting of both a lump sum in an amount the member designates that constitutes a portion of the member's retirement allowance under a plan described in division (B) of this section and the remainder as a monthly allowance under that plan.

The total amount paid as a lump sum and a monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected.

(b) The lump sum designated by a member shall be not less than six times and not more than thirty-six times the monthly amount that would be payable to the member under the plan of payment elected under division (B)(3)(a) of this section had the lump sum not been elected and shall not result in a monthly allowance that is less than fifty per cent of that monthly amount.

(4) An election under division (B)(2) or (3) of this section shall be made at the time the member makes application for retirement.

(5) A member eligible to elect to receive the member's retirement allowance under a plan of payment other than "plan A" because the member is unmarried who fails to make an election on retirement shall receive the member's retirement allowance under "plan B."

(C) If the retirement allowances, as a single life annuity or payment plan as provided in this section, due and paid are in a total amount less than (1)

the accumulated contributions, and (2) other deposits made by the member as provided by this chapter, standing to the credit of the member at the time of retirement, then the difference between the total amount of the allowances paid and the accumulated contributions and other deposits shall be paid to the beneficiary provided under division (D) of section 145.43 of the Revised Code.

(D)(1) The death of a spouse or any designated beneficiary following retirement shall cancel any plan of payment to provide continuing lifetime benefits to the spouse or beneficiary and return the retirant to the retirant's single lifetime benefit equivalent, as determined by the board, to be effective the month following receipt by the board of notice of the death.

(2) On divorce, annulment, or marriage dissolution, a retirant receiving a retirement allowance under a plan that provides for continuation of all or part of the allowance after death for the lifetime of the retirant's surviving spouse may, with the written consent of the spouse or pursuant to an order of the court with jurisdiction over the termination of the marriage, elect to cancel the plan and receive the member's single lifetime benefit equivalent as determined by the retirement board. The election shall be made on a form provided by the board and shall be effective the month following its receipt by the board.

(E) Following a marriage or remarriage, a retirant who is receiving the retirant's retirement allowance under "plan B" may elect a new plan of payment under division (B)(1), (2)(b), or (2)(c) of this section based on the actuarial equivalent of the retirant's single lifetime benefit as determined by the board. The plan shall become effective the first day of the month following receipt by the board of an application on a form approved by the board.

(F) Any person who, prior to July 24, 1990, selected an optional plan of payment at retirement that provided for a return to the single life benefit after the designated beneficiary's death shall have the retirant's benefit adjusted to the optional plan equivalent without such provision.

(G) A retirant's receipt of the first month's retirement allowance constitutes the retirant's final acceptance of the plan of payment and may be changed only as provided in this chapter.

Sec. 145.56. The right of an individual to a pension, an annuity, or a retirement allowance itself, the right of an individual to any optional benefit, any other right accrued or accruing to any individual, under this chapter, or under any municipal retirement system established subject to this chapter under the laws of this state or any charter, the various funds created by this chapter, or under such municipal retirement system, and all moneys,

investments, and income from moneys or investments 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 ~~section~~ sections 145.57, 3105.171, 3105.65, and 3115.32 and Chapters 3119., 3121., 3123., and 3125. of the Revised Code, shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or other process of law whatsoever, and shall be unassignable except as specifically provided in this chapter and sections 3105.171, 3105.65,, and 3115.32 and Chapters 3119., 3121., 3123., and 3125. of the Revised Code.

Sec. 145.58. (A) As used in this section, "ineligible individual" means all of the following:

(1) A former member receiving benefits pursuant to section 145.32, 145.33, 145.331, 145.34, or 145.46 of the Revised Code for whom eligibility is established more than five years after June 13, 1981, and who, at the time of establishing eligibility, has accrued less than ten years' service credit, exclusive of credit obtained pursuant to section 145.297 or 145.298 of the Revised Code, credit obtained after January 29, 1981, pursuant to section 145.293 or 145.301 of the Revised Code, and credit obtained after May 4, 1992, pursuant to section 145.28 of the Revised Code;

(2) The spouse of the former member;

(3) The beneficiary of the former member receiving benefits pursuant to section 145.46 of the Revised Code.

(B) The public employees retirement board may enter into agreements 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 age and service retirement or a disability or survivor benefit subscribing to the plan, or for PERS retirants employed under section 145.38 of the Revised Code, for coverage of benefits in accordance with division (D)(2) of section 145.38 of the Revised Code. 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 determines appropriate. If all or any portion of the policy or contract premium is to be paid by any individual receiving age and 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 company, corporation, or agency.

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 public employees retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate provided by sections 145.48 and 145.51 of the Revised Code. The board may by rule provide coverage to ineligible individuals if the coverage is provided at no cost to the retirement system. The board shall not pay or reimburse the cost for coverage under this section or section 145.325 of the Revised Code for any ineligible individual.

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 rules of the board.

~~(C) 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 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 (B) 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 (B) 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.~~

~~(D)~~ The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of service retirement, or a disability or survivor benefit under the public employees retirement system who is eligible for medical insurance coverage under part B of Title XVIII of "The Social Security Act," 79 Stat. 301 (1965), 42 U.S.C.A. 1395j, as amended, an amount equal to the basic premium for such coverage, except that the board shall make no such

ayment to any ineligible individual.

~~(E)(D)~~ The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section or section 145.325 of the Revised Code with any similar coverage, payment, or benefit made available to the same individual by the Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system.

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

Sec. 145.80. The public employees retirement board shall adopt rules to implement each PERS defined contribution plan established under section 145.81 of the Revised Code.

Sec. 145.81. The public employees retirement board shall establish the PERS defined contribution plans, which shall be 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 145.81 to 145.98 of the Revised Code and any rules adopted in accordance with section 145.80 of the Revised Code. It may include life insurance, annuities, variable annuities, regulated investment trusts, pooled investment funds, or other forms of investment. Each plan may also permit a participant to transfer participation to another plan created under this chapter. Transfers must be made in accordance with section 145.814 of the Revised Code.

The board may administer the plans, enter into contracts with other entities to administer the plans, or both.

Sec. 145.811. Each PERS defined contribution plan established under section 145.81 of the Revised Code shall qualify as a governmental plan under section 414(d) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 414(d), as amended, and meet the requirements of section 401(a), of the "Internal Revenue Code of 1986," 26 U.S.C.A. 401(a), as amended, applicable to governmental plans.

Sec. 145.812. Each PERS defined contribution plan established under section 145.81 of the Revised Code shall meet the requirements necessary to qualify as a retirement system maintained by a state or local government entity under section 3121(b)(7)(F) 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. 145.813. Each PERS defined contribution plan established under section 145.81 of the Revised Code shall require the public employees retirement board, or the entity administering the plan pursuant to a contract with the board, to cause an individual account to be maintained for each member participating in the plan. A plan may include deposits to the defined contribution fund. Amounts to be credited to an individual account may be deposited into any of the funds created under section 145.23 of the Revised Code or deposits under division (C) of that section to the employees' savings fund may be transferred to the entity administering the plan for deposit into the member's individual account.~~

Sec. 145.814. (A) As used in this section:

(1) "Additional liability" means an amount that, when added to the amount on deposit, will provide the remaining portion of the pension reserve for the period of service that corresponds to the contributions made by or on behalf of a member.

(2) "Amount on deposit" means the sum of a member's employee and employer contributions and, if applicable, any earnings or losses on those contributions.

(3) "Eligible member" means a member who was eligible to make an election under section 145.19 or 145.191 of the Revised Code, regardless of whether the member elected to participate in a PERS defined contribution plan.

(B) If permitted to do so by the plan documents for a PERS defined contribution plan or rules governing the PERS defined benefit plan, an eligible member may elect, at intervals specified by the plan document or rules, to participate in a different defined contribution plan or in the PERS defined benefit plan. The election is subject to this section and rules adopted by the public employees retirement board under sections 145.09 and 145.80 of the Revised Code. An election to participate in a different plan shall be made in writing on a form provided by the public employees retirement system and filed with the system. The election shall take effect on the first day of the month following the date the election is filed and, except as provided in the plan documents or rules governing the PERS defined benefit plan, is irrevocable on receipt by the system.

(C)(1) Except as provided in division (C)(2) of this section, an election to participate in a different plan shall apply only to employee and employer contributions made and, if applicable, service credit earned after the effective date of the election.

(2) An eligible member may elect to have the member's amount on

deposit and, if applicable, service credit earned prior to the effective date of the election deposited and credited in accordance with the member's new plan if one of the following applies:

(a) The member, by an election under this section, will cease participation in a PERS defined contribution plan that does not include definitely determinable benefits.

(b) The member, by an election under division (A) of this section, will begin participating in the PERS defined benefit plan.

(3) If a member described in division (C)(2) of this section makes the election described in that division, the board's actuary shall determine the additional liability to the system, if any. If the actuary determines that there is an additional liability, the member shall elect one of the following:

(a) To receive the total amount of service credit that the member would have received had the member been participating in the new plan, pay to the system an amount equal to the additional liability;

(b) Receive an amount of service credit that corresponds to the amount on deposit.

For each member who makes the election described in division (C)(2) of this section, the system shall deposit and credit to the new plan the amount on deposit and, if applicable, the amount paid by the member.

Sec. 145.82. (A) Except as provided in ~~division~~ divisions (B) and (C) of this section, sections 145.201 to 145.70 of the Revised Code do not apply to a PERS defined contribution plan established under section 145.81 of the Revised Code, except that a PERS defined contribution plan may incorporate provisions of those sections as specified in the plan document.

(B) The following sections of Chapter 145. of the Revised Code apply to a PERS defined contribution plan established under section 145.81 of the Revised Code: 145.22, 145.221, 145.23, 145.25, 145.26, 145.27, 145.296, 145.38, 145.382, 145.383, 145.384, 145.391, 145.47, 145.471, 145.48, 145.483, 145.49, 145.51, 145.54, 145.55, 145.56, 145.561, 145.563, 145.57, 145.571, 145.69, and 145.70 of the Revised Code.

(C) A PERS defined contribution plan that includes definitely determinable benefits may incorporate by reference all or part of sections 145.201 to 145.79 of the Revised Code to allow a member participating in the plan to purchase service credit or to be eligible for any of the following:

(1) Retirement, disability, survivor, or death benefits;

(2) Health or long-term care insurance or any other type of health care benefit;

(3) Additional increases under section 145.323 of the Revised Code;

(4) A refund of contributions made by or on behalf of a member.

With respect to the benefits described in division (C)(1) of this section, the public employees retirement board may establish eligibility requirements and benefit formulas or amounts that differ from those of members participating in the PERS defined benefit plan. With respect to the purchase of service credit by a member participating in a PERS defined contribution plan, the board may reduce the cost of the service credit to reflect the different benefit formula established for the member.

Sec. 145.83. A PERS defined contribution plan may include a program under which a participating member is required to accumulate a portion of the amount contributed under section 145.86 of the Revised Code for the purpose of providing funds to the member for the payment of health, medical, hospital, surgical, dental, or vision care expenses, including insurance premiums, deductible amounts, or copayments. The program may be a voluntary employees' beneficiary association, as described in section 501(c)(9) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 501(c)(9), as amended; a medical savings account; or a similar type of program under which an individual may accumulate funds for the purpose of paying such expenses. To implement the program, the public employees retirement board may enter into agreements with insurance companies or other entities authorized to conduct business in this state.

If a PERS defined contribution plan includes a program described in this section, the board shall adopt rules to establish and administer the program. The rules shall specify the length of time during which the member will vest in amounts accumulated on the member's behalf and may provide for a minimum annual distribution from the accumulated amount after the member terminates employment in positions subject to this chapter.

Sec. 145.85. Each member participating in a PERS defined contribution plan established under section 145.81 of the Revised Code shall contribute a per cent of the member's earnable salary to the public employees retirement system as required in section 145.47 of the Revised Code. Contributions made under 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.

Sec. 145.86. For each member participating in a PERS defined contribution plan established under section 145.81 of the Revised Code, the employer shall contribute a per cent of the member's earnable salary to the public employees retirement system as required in section 145.48 of the Revised Code, less the percentage required under section 145.87 of the Revised Code.

Sec. 145.87. For each member participating in a PERS defined

~~contribution plan established under section 145.81 of the Revised Code~~, the public employees retirement system shall transfer to the employers' accumulation fund a portion of the employer contribution required under section 145.48 of the Revised Code. The portion shall equal the percentage of earnable salary of members for whom the contributions are being made that is determined by an actuary appointed by the public employees retirement board to be necessary to mitigate any negative financial impact on the system of members' participation in a plan.

The 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 negative financial impact resulting from members' participation in a plan. The percentage transferred 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 study. A change shall take effect on the first day of the year following the date the conclusions of the 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 145.325 or 145.58 of the Revised Code and benefit increases to members and former members participating in the PERS defined benefit plan ~~described in sections 145.201 to 145.70 of the Revised Code~~ granted after the effective date of this section September 21, 2000, is fully amortized, as determined by the annual actuarial valuation prepared under section 145.22 of the Revised Code.

Sec. 145.88. Amounts contributed under sections 145.85 and 145.86 of the Revised Code, and any earnings on those amounts, shall be deposited and credited in accordance with the PERS defined contribution plan ~~established under section 145.81 of the Revised Code~~ that is selected by the member. The plan may include provisions authorizing the public employees retirement system to do either of the following:

(A) Withhold from the amounts contributed under section 145.85 of the Revised Code a percentage of earnable salary that is determined by an actuary appointed by the public employees retirement board to be necessary to administer the plan;

(B) Withhold from the amounts contributed under section 145.86 of the Revised Code a percentage of earnable salary for the purpose of funding health care insurance coverage or any other type of health care benefit for a member participating in the plan.

Sec. 145.91. The right of each member participating in a PERS defined contribution plan ~~established under section 145.81 of the Revised Code~~ to a

retirement, disability, survivor, or death benefit, to health or long-term care insurance or any other type of health care benefit, or to a withdrawal of any amounts that have accumulated on the member's behalf shall be governed exclusively by the plan selected by the member.

Sec. 145.92. If a member participating in a PERS defined contribution plan established under section 145.81 of the Revised Code is married at the time benefits under the plan are to commence, ~~before making any payment the public employees retirement system, or the entity administering the plan pursuant to a contract with the public employees retirement board, shall obtain the consent of the member's spouse to the form of payment selected by the member unless the spouse consents to another plan of payment, the member's retirement allowance under the plan shall be paid in a lesser amount payable for life and one-half of the allowance continuing after death to the surviving spouse for the life of the spouse.~~

~~A plan established under section 145.81 of the Revised Code shall include requirements for consent under this section that are the same as the requirements specified in section 417(a)(2) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 417(a)(2), as amended. Consent is valid only if it is evidenced by a written document signed by the member and the signature is witnessed by a notary public. A plan may waive the requirement of consent if the spouse is incapacitated or cannot be located or for any other reason specified by the plan or in the regulations adopted under that section rules adopted by the public employees retirement board.~~

Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

Sec. 145.95. Subject to sections 145.38, 145.56, and 145.57 of the Revised Code, the right of a member participating in a PERS defined contribution plan established under section 145.81 of the Revised Code to any payment or benefit accruing from contributions made by or on behalf of the member under sections 145.85 and 145.86 of the Revised Code shall vest in accordance with this section.

A member's right to any payment or benefit that is based on the member's contributions is nonforfeitable.

A member's right to any payment or benefit that is based on contributions by the member's employer is nonforfeitable as specified by the plan selected by the member.

Sec. 145.97. Each PERS defined contribution plan established under section 145.81 of the Revised Code shall permit a member participating in the plan to do all of the following:

(A) Maintain on deposit with the public employees retirement system,

or the entity administering the plan pursuant to a contract with the public employees retirement board, any amounts that have accumulated on behalf of the member;

(B) If the member has withdrawn the amounts described in division (A) of this section, redeposit with returns to employment covered under this chapter, and is participating in a plan that includes definitely determinable benefits, pay to the system or the entity administering the plan the amounts withdrawn in accordance with section 145.31 of the Revised Code;

(C) Make additional deposits as permitted by the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

Sec. 742.14. (A) The board of trustees of the Ohio police and fire pension fund 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 Ohio police and fire pension fund as established pursuant to sections 742.01 to 742.61 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 of the fund contributing to the pension fund;
- (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 pension fund 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 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 November following the year for which the valuation was made.

(B) The board shall annually thereafter have prepared by an actuary a

report showing the adequacy of the rate of the police officer employers' contribution provided for by section 742.33 of the Revised Code, and the adequacy of the rate of the firefighter employers' contribution provided for by section 742.34 of the Revised Code.

(C) At such times as the 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 of the fund and of other system retirants, as defined in section 742.26 of the Revised Code, who are members of a police department or a fire department 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;

(4) If the investigation required by this division includes the investigation required by division (F) of this section, a report of the result of that investigation.

The board shall submit the report to the Ohio retirement study 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 November following the last fiscal year of the period the report covers.

(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 pension fund. 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 of the fund 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 service commission, the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation, and the Ohio retirement study 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 section 742.45 of the Revised Code. The report shall be made as of December 31, 1997, and the thirty-first day of December 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 provision of the 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)~~(B) of section

742.45 of the Revised Code.

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

(F) 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 deferred retirement option plan established under section 742.43 of the Revised Code. The investigation shall include an examination of the financial impact, if any, on the fund of offering the plan to members.

The actuary shall prepare a report of the actuarial investigation. The report shall include a determination of whether the plan, as established or modified, has a negative financial impact on the fund and, if so, recommendations on how to modify the plan to eliminate the negative financial impact. If the actuarial report indicates that the plan has a negative financial impact on the fund, the board may modify the plan or cease to allow members who have not already done so to elect to participate in the plan. The firefighter and police officers employers' contributions shall not be increased to offset any negative financial impact of the plan.

If the board ceases to allow members to elect to participate in the plan, the rights and obligations of members who have already elected to participate shall not be altered.

The board may include the actuarial investigation required under this division as part of the actuarial investigation required under division (C) of this section. If the report of the actuarial investigation required by this division is not included in the report required by division (C) of this section, the board shall submit the report required by this division to the Ohio retirement study 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 November following the last fiscal year of the period the report covers.

Sec. 742.37. The board of trustees of the Ohio police and fire pension fund shall adopt rules for the management of the fund and for the disbursement of benefits and pensions as set forth in this section and section 742.39 of the Revised Code. Any payment of a benefit or pension under this section is subject to the provisions of section 742.461 of the Revised Code. Notwithstanding any other provision of this section, no pension or benefit paid or determined under division (B) or (C) of this section or section 742.39 of the Revised Code 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.

(A) Persons who were receiving benefit or pension payments from a police relief and pension fund established under former section 741.32 of the Revised Code, or from a firemen's relief and pension fund established under former section 521.02 or 741.02 of the Revised Code, at the time the assets of the fund were transferred to the Ohio police and fire pension fund, known at that time as the police and firemen's disability and pension fund, shall receive benefit and pension payments from the Ohio police and fire pension fund in the same amount and subject to the same conditions as such payments were being made from the former fund on the date of the transfer.

(B) A member of the fund who, pursuant to law, elected to receive benefits and pensions from a police relief and pension fund established under former section 741.32 of the Revised Code, or from a firemen's relief and pension fund established under former section 741.02 of the Revised Code, in accordance with the rules of the fund governing the granting of benefits or pensions therefrom in force on April 1, 1947, shall receive benefits and pensions from the Ohio police and fire pension fund in accordance with such rules; provided, that any member of the fund who is not receiving a benefit or pension from the fund on August 12, 1975, may, upon application for a benefit or pension to be received on or after August 12, 1975, elect to receive a benefit or pension in accordance with division (C) of this section.

(C) Members of the fund who have not elected to receive benefits and pensions from a police relief and pension fund or a firemen's relief and pension fund in accordance with the rules of the fund in force on April 1, 1947, shall receive pensions and benefits in accordance with the following provisions:

(1) A member of the fund who has completed twenty-five years of active service in a police or fire department and has attained forty-eight years of age may, at the member's election, retire from the police or fire department. Except while participating in the deferred retirement option plan established under section 742.43 of the Revised Code, upon notifying the board in writing of the election, the member shall receive an annual pension, payable in twelve monthly installments, in an amount equal to a percentage of the member's average annual salary. The percentage shall be the sum of two and one-half per cent for each of the first twenty years the member was in the active service of the department, plus two per cent for each of the twenty-first to twenty-fifth years the member was in the active service of the department, plus one and one-half per cent for each year in excess of twenty-five years the member was in the active service of the

department. The annual pension shall not exceed seventy-two per cent of the member's average annual salary.

A member who completed twenty-five years of active service, has resigned or been discharged, and has left the sum deducted from the member's salary on deposit in the pension fund shall, upon attaining forty-eight years of age, be entitled to receive a normal service pension benefit computed and paid under division (C)(1) of this section.

(2) A member of the fund who has served fifteen or more years as an active member of a police or fire department and who voluntarily resigns or is discharged from the department for any reason other than dishonesty, cowardice, intemperate habits, or conviction of a felony, shall receive an annual pension, payable in twelve monthly installments, in an amount equal to one and one-half per cent of the member's average annual salary multiplied by the number of full years the member was in the active service of the department. The pension payments shall not commence until the member has attained the age of forty-eight years and until twenty-five years have elapsed from the date on which the member became a full-time regular police officer or firefighter in the department.

(3) A member of the fund who has completed fifteen or more years of active service in a police or fire department and who has attained sixty-two years of age, may retire from the department and, upon notifying the board in writing of the election to retire, shall receive an annual pension, payable in twelve monthly installments, in an amount equal to a percentage of the member's average annual salary. The percentage shall be the sum of two and one-half per cent for each of the first twenty years the member was in the active service of the department, plus two per cent for each of the twenty-first to twenty-fifth years the member was in the active service of the department, plus one and one-half per cent for each year in excess of twenty-five years the member was in the active service of the department. The annual pension shall not exceed seventy-two per cent of the member's average annual salary.

(4) With the exception of those persons who may make application for benefits as provided in section 742.26 of the Revised Code, no person receiving a pension or other benefit under division (C) of this section on or after July 24, 1986, shall be entitled to apply for any new, changed, or different benefit.

If a member covered by division (C) of this section or section 742.38 of the Revised Code dies prior to the time the member has received a payment and leaves a surviving spouse or dependent child, the surviving spouse or dependent child shall receive a pension under division (D) or (E) of this

ction.

(D)(1) Except as provided in division (D)(2) of this section, a surviving spouse of a deceased member of the fund or a surviving spouse described in division (D)(4) of this section shall receive a monthly pension as follows:

(a) For the period beginning July 1, 1999, and ending June 30, 2000, five hundred fifty dollars;

(b) For the period beginning July 1, 2000, and ending June 30, 2002, five hundred fifty dollars plus an amount determined by multiplying five hundred fifty dollars by the average percentage change in the consumer price index, not exceeding three per cent, as determined by the board under former section 742.3716 of the Revised Code:

(c) For the period beginning July 1, 2002, and the period beginning the first day of July of each year thereafter and continuing for the following twelve months, an amount equal to the monthly amount paid during the prior twelve-month period plus sixteen dollars and fifty cents.

(2) A surviving spouse of a deceased member of the fund shall receive a monthly pension of four hundred ten dollars if the surviving spouse is eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code. If the surviving spouse ceases to be eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code, the pension shall be increased, effective the first day of the first month following the day on which the surviving spouse ceases to be eligible for the benefit, to the amount it would be under division (D)(1) of this section had the spouse never been eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code.

(3) A pension paid under this division shall continue during the natural life of the surviving spouse. 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 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.

(4) A surviving spouse of a deceased member of or contributor to a fund established under former Chapter 521. or 741. of the Revised Code whose benefit or pension was terminated or not paid due to remarriage shall receive a monthly pension under division (D)(1) of this section.

The pension shall commence on the first day of the month immediately following receipt by the board of a completed application on a form provided by the board and evidence acceptable to the board that at the time of death the deceased spouse was a member of or contributor to a police or

firemen's relief and pension fund established under former Chapter 521. or 741. of the Revised Code and that the surviving spouse's benefits were terminated or not granted due to remarriage.

(E)(1) Each surviving child of a deceased member of the fund shall receive a monthly pension until the child attains the age of eighteen years, or marries, whichever event occurs first. A pension under this division, however, shall continue to be payable to a child under age twenty-two who is a student in and 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 the institution, as determined by the board. If any surviving child, regardless of age at the time of the member's death, because of physical or mental disability, is totally dependent upon the deceased member for support at the time of death, the child shall receive a monthly pension under this division during the child's natural life or until the child has recovered from the disability.

(2) An eligible surviving child shall receive a monthly pension as follows:

(a) For the period beginning July 1, 2001, and ending June 30, 2002, a monthly pension of one hundred fifty dollars plus the cost of living increase provided for in former section 742.3720 of the Revised Code;

(b) For the period beginning July 1, 2002, and ending June 30, 2003, one hundred sixty-three dollars and fifty cents;

~~(b)~~(c) For the period beginning July 1, 2003, and the period beginning the first day of each July thereafter and continuing for the following twelve months, an amount equal to the monthly amount paid during the prior twelve-month period plus four dollars and fifty cents.

(F)(1) If a deceased member of the fund leaves no surviving spouse or surviving children, but leaves one or two parents dependent upon the deceased member for support, each parent shall be paid a monthly pension. The pensions provided for in this division shall be paid during the natural life of the surviving parents, or until dependency ceases, or until remarriage, whichever event occurs first.

(2) Each eligible surviving parent shall be paid a monthly pension as follows:

(a) For the period ending June 30, 2002, one hundred six dollars for each parent or two hundred twelve dollars for a sole dependent parent;

(b) For the period beginning July 1, 2002, and ending June 30, 2003, one hundred nine dollars for each parent or two hundred eighteen dollars for a sole dependent parent;

(c) For the period beginning July 1, 2003, and the first day of each July

thereafter and continuing for the following twelve months, an amount equal to the monthly amount paid during the prior twelve-month period plus three dollars for each parent or six dollars for a sole dependent parent.

(G) Subject to the provisions of section 742.461 of the Revised Code, a member of the fund who voluntarily resigns or is removed from active service in a police or fire department is entitled to receive an amount equal to the sums deducted from the member's salary and credited to the member's account in the fund, except that a member receiving a disability benefit or service pension is not entitled to receive any return of contributions to the fund.

(H) On and after January 1, 1970, all pensions shall be increased in accordance with the following provisions:

(1) A member of the fund who retired prior to January 1, 1967, has attained age sixty-five on January 1, 1970, and was receiving a pension on December 31, 1969, pursuant to division (B) or (C)(1) of this section or former division (C)(2), (3), (4), or (5) of this section, shall have the pension increased by ten per cent.

(2) The monthly pension payable to eligible surviving spouses under division (D) of this section shall be increased by forty dollars for each surviving spouse receiving a pension on December 31, 1969.

(3) The monthly pension payable to each eligible child under division (E) of this section shall be increased by ten dollars for each child receiving a pension on December 31, 1969.

(4) The monthly pension payable to each eligible dependent parent under division (F) of this section shall be increased by thirty dollars for each parent receiving a pension on December 31, 1969.

(5) A member of the fund, including a survivor of a member, who is receiving a pension in accordance with the rules governing the granting of pensions and benefits in force on April 1, 1947, that provide an increase in the original pension from time to time pursuant to changes in the salaries of active members, shall not be eligible for the benefits provided in this division.

(I) On and after January 1, 1977, a member of the fund who was receiving a pension or benefit on December 31, 1973, under division (A), (B), (C)(1), or former division (C)(2) or (7) of this section shall have the pension or benefit increased as follows:

(1) If the member's annual pension or benefit is less than two thousand seven hundred dollars, it shall be increased to three thousand dollars.

(2) If the member's annual pension or benefit is two thousand seven hundred dollars or more, it shall be increased by three hundred dollars.

The following shall not be eligible to receive increased pensions or benefits as provided in this division:

(a) A member of the fund who is receiving a pension or benefit in accordance with the rules in force on April 1, 1947, governing the granting of pensions and benefits, which provide an increase in the original pension or benefit from time to time pursuant to changes in the salaries of active members;

(b) A member of the fund who is receiving a pension or benefit under division (A) or (B) of this section, based on funded volunteer or funded part-time service, or off-duty disability, or partial on-duty disability, or early vested service;

(c) A member of the fund who is receiving a pension under division (C)(1) of this section, based on funded volunteer or funded part-time service.

(J) On and after July 1, 1977, a member of the fund who was receiving an annual pension or benefit on December 31, 1973, pursuant to division (B) of this section, based upon partial disability, off-duty disability, or early vested service, or pursuant to former division (C)(3), (5), or (6) of this section, shall have such annual pension or benefit increased by three hundred dollars.

The following are not eligible to receive the increase provided by this division:

(1) A member of the fund who is receiving a pension or benefit in accordance with the rules in force on April 1, 1947, governing the granting of pensions and benefits, which provide an increase in the original pension or benefit from time to time pursuant to changes in the salaries of active members;

(2) A member of the fund who is receiving a pension or benefit under division (B) or (C)(2) of this section or former division (C)(3), (5), or (6) of this section based on volunteer or part-time service.

(K)(1) Except as otherwise provided in this division, every person who on July 24, 1986, is receiving an age and service or disability pension, allowance, or benefit pursuant to this chapter in an amount less than thirteen thousand dollars a year that is based upon an award made effective prior to February 28, 1984, shall receive an increase of six hundred dollars a year or the amount necessary to increase the pension or benefit to four thousand two hundred dollars after all adjustments required by this section, whichever is greater.

(2) Division (K)(1) of this section does not apply to the following:

(a) A member of the fund who is receiving a pension or benefit in

accordance with rules in force on April 1, 1947, that govern the granting of pensions and benefits and that provide an increase in the original pension or benefit from time to time pursuant to changes in the salaries of active members;

(b) A member of the fund who is receiving a pension or benefit based on funded volunteer or funded part-time service.

(L) On and after July 24, 1986:

(1) The pension of each person receiving a pension under division (D) of this section on July 24, 1986, shall be increased to three hundred ten dollars per month.

(2) The pension of each person receiving a pension under division (E) of this section on July 24, 1986, shall be increased to ninety-three dollars per month.

Sec. ~~742.372~~ 742.371. 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 Ohio police and fire pension fund shall, in computing years of active service in such department under division (C) of section 742.37 or section 742.39 of the Revised Code, be given credit for ~~the~~ time previously served in the active full-time service of ~~another~~ an Ohio police or fire department, provided both of the following occur:

(A) The member was a member of a police or firemen's relief and pension fund or the Ohio police and fire pension fund during the full-time entire period for which such active service credit is claimed.

(B) The member pays into the Ohio police and fire pension fund the amount received by the member under division (I) of former section 521.11, division (I) of former section 741.18, division (I) of former section 741.49, or division (G) of section 742.37 of the Revised Code, with interest compounded annually thereon at a rate to be determined by the board of trustees of the Ohio police and fire pension fund, from the date of such receipt to the date of such deposit, ~~or there is to the member's credit in the police officers' contribution fund an amount equal to the sums contributed by the member to such police or firemen's relief and pension fund or to the Ohio police and fire pension fund for the full time for which such active service credit is claimed.~~

Subject to board rules, a member may choose to purchase in any one payment only part of the credit that may be purchased under this section.

At the request of the fund, the employer shall certify to the board the dates the member was in the active service of the police or fire department.

Sec. 742.45. (A) The board of trustees of the Ohio police and fire pension fund 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 service or disability pensions or survivor benefits subscribing 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 eligible 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 a service, disability, or survivor pension or benefit, the individual shall, by written authorization, instruct the board to deduct from the individual's benefit the premium agreed to be paid by the individual to the company, corporation, or agency.

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 Ohio police and fire pension fund. The cost paid from the funds of the Ohio police and fire pension fund shall be included in the employer's contribution rates provided by sections 742.33 and 742.34 of the Revised Code.

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 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, pay monthly to each recipient of service, disability, or survivor benefits under the Ohio police and fire pension fund who is eligible for medical insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, an amount equal to the basic premiums for such coverage.

~~(D)~~~~(C)~~ The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section with any similar coverage, payment, or benefit made available to the same individual by the public employees retirement system, state teachers retirement system, school employees retirement system, or state highway patrol retirement system.

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

Sec. 3105.80. As used in this section and sections 3105.81 to 3105.90 of the Revised Code:

(A) "Alternate payee" means a party in an action for divorce, legal separation, annulment, or dissolution of marriage who is to receive one or more payments from a benefit or lump sum payment under an order issued under section 3105.171 or 3105.65 of the Revised Code that is in compliance with sections 3105.81 to 3105.90 of the Revised Code.

(B) "Benefit" means a periodic payment under a pension, annuity, allowance, or other type of benefit, other than a survivor benefit, that has been or may be granted to a participant under sections 742.01 to 742.61 or Chapter 145., 3307., 3309., or 5505. of the Revised Code or any payment that is to be made under a contract a participant has entered into for the purposes of an alternative retirement plan. "Benefit" also includes all amounts received or to be received under a plan of payment elected under division (B)(3) of section 145.46, division (B) of section 3307.60, or division (B)(3) of section 3309.46 of the Revised Code.

(C) "Lump sum payment" means a payment of accumulated contributions standing to a participant's credit under sections 742.01 to 742.61 or Chapter 145., 3307., 3309., or 5505. of the Revised Code or pursuant to a contract a participant has entered into for the purposes of an alternative retirement plan and any other payment made or that may be made to a participant under those sections or chapters on withdrawal of a participant's contributions. "Lump sum payment" includes a lump sum payment under section 145.384, 742.26, 3307.352, or 3309.344 of the

Revised Code.

(D) "Participant" means a member, contributor, retirant, or disability benefit recipient who is or will be entitled to a benefit or lump sum payment under sections 742.01 to 742.61 or Chapter 145., 3307., 3309., or 5505. of the Revised Code or an academic or administrative employee who elects to participate in an alternative retirement plan under Chapter 3305. of the Revised Code.

(E) "Personal history record" has the same meaning as in section 145.27, 742.41, 3305.20, 3307.20, 3309.22, and 5505.04 of the Revised Code.

(F) "Public retirement program" means the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, state teachers retirement system, state highway patrol retirement system, or an entity providing an alternative retirement plan under Chapter 3305. 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 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;

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

(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.

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) "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 (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 3307.24 of the Revised Code;

(3) An other system retirant, as defined in section 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.

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

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

(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.

(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.

(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.

(I) "Five years of service credit" 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.

(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.

(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.

(L)(1) Except as 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 3307.26 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 (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 (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), (C), or (E) of section 5923.05 of the Revised Code, Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly, Section 3 of Amended Substitute Senate Bill No. 164 of the 124th general assembly, or Amended Substitute House Bill No. 405 of the 124th 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.

(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~~ a benefit from the system under a plan established under section 3307.81 of the Revised Code, except that "superannuate" does not include a former teacher who is receiving a benefit based on disability 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. 3307.39. (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 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 3307.28 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 make a monthly payment to each recipient of service retirement, or a disability or survivor benefit under the 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)~~(C) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section or section 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)~~(D) The board shall make all other necessary rules pursuant to the purpose and intent of this section.

Sec. 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 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 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 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 3307.35 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 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 3307.28 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 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 3307.39 and 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

ision 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)~~(B) of section 3307.39 of the Revised Code.

The board shall submit the report to the Ohio retirement study 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. 3307.56. (A)(1) Subject to sections 3307.37 and 3307.561 of the Revised Code and except as provided in division (B)(2) of this section, 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 current employment in a position in which the member has elected to participate in 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 3307.563 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 3307.26 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 3307.58 or 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)~~ (G)(1) of section 3307.60 of the Revised Code.

The state teachers retirement board may waive the requirement of consent if the spouse is incapacitated or cannot be located, or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

(B) This division applies to any member who is employed in a position

in which the member has elected under section 3305.05 of the Revised Code to participate in an alternative retirement plan and due to the election ceases to be a teacher for the purposes of that position.

Subject to sections 3307.37 and 3307.561 of the Revised Code, the state teachers retirement system shall do the following:

(1) On receipt of a certified copy of an election under section 3305.05 of the Revised Code, pay, in accordance with section 3305.051 of the Revised Code, the amount described in that section to the appropriate provider;

(2) If a member has accumulated contributions, in addition to those subject to division (B)(1) of this section, standing to the credit of a member's individual account and is not otherwise in a position in which the member is considered a teacher for the purposes of that position, pay, to the provider the member selected pursuant to section 3305.05 of the Revised Code, the accumulated contributions standing to the credit of the member's individual account in the teachers' saving fund plus an amount calculated in accordance with section 3307.80 of the Revised Code. The payment shall be made on the member's application.

(C) Payment of a member's accumulated contributions under division (B) of this section cancels the member's total service credit in the state teachers retirement system. A member whose accumulated contributions are paid to a provider pursuant to division (B) of this section is forever barred from claiming or purchasing service credit under the state teachers retirement system for the period of employment attributable to those contributions.

Sec. 3307.561. A (A) Except as provided in division (B) of this section, 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 school employees retirement system, or both, may not withdraw the member's accumulated contributions ~~unless the~~

(B) On application, the state teachers retirement board shall pay a member described in division (A) of this section the member's accumulated contributions if either of the following applies:

(1) The member also withdraws the member's contributions from the other systems.

(2) The member is a participant in a plan established under section 145.81 or 3309.81 of the Revised Code and has withdrawn the member's contributions under plans described in sections 145.201 to 145.79 and 3309.18 to 3309.70 of the Revised Code.

Sec. 3307.563. For the purposes of this section, "service credit" includes

only service credit obtained pursuant to sections 3307.53, 3307.71, 3307.72, and 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 3307.56 or 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 under section 3307.26 and division (C) of section 3307.77 of the Revised Code plus 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 3307.56 or 3307.562 of the Revised Code.

(B) Notwithstanding sections 3307.56 and 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. 3307.58. 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 provided in division (E) of this section, the service retirement benefit shall be the greater of the benefits provided in divisions (B) and (D) of this section.

(B) Subject to any adjustment made under division (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:

- (1) Eighty-six dollars;
- (2)(a) The sum of the following amounts:
 - (i) For each of the first thirty years of Ohio service credit, 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, 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, 3307.763, 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 under section 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 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, the per cent of final average salary shown in the following schedule for each corresponding year or fraction of a year of service credit 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%	35.01 - 36.00	3.0%
31.01 - 32.00	2.6	36.01 - 37.00	3.1

32.01 - 33.00	2.7	37.01 - 38.00	3.2
33.01 - 34.00	2.8	38.01 - 39.00	3.3
34.01 - 35.00	2.9		

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 of the Revised Code only if the service credit was established under section 145.30, 145.301, 145.302, 145.47, 145.483, 3309.02, 3309.021, 3309.022, or 3309.47, ~~or~~ of the Revised Code or restored under section 145.31 or 3309.26 of the Revised Code.

(C) The annual single lifetime benefit of a member determined under division (B) 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 Age	or	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

The annual single lifetime benefit determined under 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.

(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 (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 3307.751 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 (D)(1), (2), and (3) of this section.

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

Sec. 3307.60. (A) Upon application for retirement as provided in section 3307.58 or 3307.59 of the Revised Code, the retirant may elect a plan of payment under this division or, on and after the date specified in division (B) of this section, a plan of payment under that division. Under this division, 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) Beginning on a date selected by the state teachers retirement board, which shall be not later than July 1, 2004, a retirant may elect, in lieu of a plan of payment under division (A) of this section, a plan consisting of both of the following:

(1) A lump sum in an amount the member designates that constitutes a portion of the member's single lifetime benefit;

(2) Either of the following:

(a) The remainder of the retirant's single lifetime benefit;

(b) The actuarial equivalent of the remainder of the retirant's benefit in a lesser amount, payable for life, and continuing after death to a beneficiary under one of the options described in divisions (A)(1) to (5) of this section.

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 receive the actuarial equivalent of the remainder of the retirant's single lifetime benefit except that, in the case of termination of a marital relationship, the election may be made only with the written consent of the beneficiary or pursuant to an order of the court with jurisdiction over termination of the marital relationship.

The amount designated by the member under division (B)(1) of this section shall be not less than six times and not more than thirty-six times the monthly amount that would be payable to the member as a single lifetime benefit and shall not result in a monthly allowance that is less than fifty per cent of that amount.

(C) Until the first payment is made to a former member under section 3307.58 or 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~~

(D)(1) If a deceased member was eligible for but had not yet been awarded a service retirement benefit under section 3307.58 or 3307.59 of the Revised Code at the time of death, option 1 as provided for in division (A)(1) of this section shall be paid to the spouse or other sole dependent beneficiary.

(2) Beginning on a date selected by the board, which shall be not later than July 1, 2004, the spouse or sole beneficiary may elect, in lieu of option 1, a plan of payment consisting of both of the following:

(a) A lump sum in an amount the spouse or other sole dependent beneficiary designates that constitutes a portion of the retirant's single life annuity;

(b) The actuarial equivalent of the remainder of the retirant's single life annuity paid in a lesser amount for life to the spouse or other sole dependent beneficiary.

The amount designated by the spouse or other sole dependent beneficiary under division (D)(2)(a) of this section shall be not less than six times and not more than thirty-six times the monthly amount that would be payable as the retirant's single life annuity and shall not result in a monthly allowance that is less than fifty per cent of that monthly amount.

~~(C)~~(E) 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 3307.562 of the Revised Code.

~~(D)~~(F) 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)~~(G) 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)~~(H)(1) Unless one of the following occurs, an application for service retirement made pursuant to section 3307.58 or 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" as provided for in division (A)(2) of this section 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)~~(H)(1)(a) of this section and the board does not receive the written statement provided for in division ~~(F)~~(H)(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 3307.56 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)~~(I) 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. 3307.761. (A) As used in this section and section 3307.765 of the Revised Code:

(1) "Uniform retirement system" or "uniform system" means the Ohio police and fire pension fund or state highway patrol retirement system.

(2) "Military service credit" means credit purchased or obtained under this chapter or Chapter 742. or 5505. of the Revised Code for service in the armed forces of the United States.

(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 has contributions on deposit with a uniform 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 for military service credit if a transfer to the state teachers retirement system is made under this division. At the request of the member, the uniform 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 accumulated contributions to the uniform system and any payments by the member for military service credit;

(2) An amount equal to the lesser of the employer's contributions to the uniform 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 at the time the credit was earned;

(3) Interest, determined as provided in division (F) of this section, on the amounts specified in divisions (B)(1) and (2) of this section from the last day of the year for which the service credit in the uniform system was earned or in which payment was made for military service credit was

purchased or obtained to the date the transfer is made.

(C) A member participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code who has at least ~~eighteen months~~ one and one-half years of contributing service with the state teachers retirement system, is a former member of a uniform retirement system, and has received a refund of contributions to that uniform 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 for military service credit 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 uniform system to the member for that year for accumulated contributions and payments for military service credit, with interest at a rate established by the state teachers retirement board on that amount from the date of the refund to the date of the payment;

(2) Interest, which shall be transferred by the uniform 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 payment was made for military service credit to the date the refund was made;

(3) An amount, which shall be transferred by the uniform system, equal to the lesser of the employer's contributions to the uniform 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 at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned or in which payment was made for military service to the date of the transfer.

On receipt of payment from the member, the state teachers retirement system shall notify the uniform system, which, on receipt of the notice, shall make the transfer required by this division. Interest shall be determined as provided in division (F) 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.

(D) 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 under any other retirement program or for service credit that may be transferred under section 3307.765 of the Revised Code.

(E) If a member of the state teachers retirement system who is not a current contributor elects to obtain credit under section 742.21 or 5505.40 of

the Revised Code for service for which the member contributed to the system or purchased for military service credit, the system shall transfer to the uniform retirement system, as applicable, the amount specified in division (D) of section 742.21 or division (B)(2) of section 5505.40 of the Revised Code.

(F) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section it shall be calculated at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or of the uniform retirement system in which the credit was earned. The interest shall be compounded annually.

(G) The state teachers retirement board shall credit to a member's account in the teachers' savings fund the amounts described in divisions (B)(1) and (C)(1) of this section, except that the interest paid by the member under division (C)(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 (B)(2) and (3) and (C)(2) and (3) of this section.

(H) At the request of the state teachers retirement system, the Ohio police and fire pension fund or state highway patrol retirement system shall certify to the state teachers retirement system a copy of the records of the service and contributions of a state teachers retirement system member who seeks service credit under this section.

Sec. 3307.763. (A) If the conditions described in division (B) of section 3307.762 of the Revised Code are met, a member of the state teachers retirement system who is not receiving a pension or benefit from the state teachers retirement system is eligible to obtain credit for service as a member of the Cincinnati retirement system under this section.

(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 has contributions on deposit with, but is no longer contributing to, the Cincinnati retirement system shall, in computing years of service credit, be given credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, for each year of service, the Cincinnati retirement system transfers to the state teachers retirement system the sum of the following:

(1) The amount contributed by the member, or, in the case of military service credit, paid by the member, that is attributable to the year of service;

(2) An amount equal to the lesser of the employer's contributions to the Cincinnati 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 at the time the credit was earned;

(3) Interest on the amounts specified in divisions (B)(1) and (2) of this section from the last day of the year for which service credit was earned or in which payment was made for military service credit to the date the transfer is made.

(C) A member of the state teachers retirement system with at least ~~eighteen months~~ one and one-half years of contributing service credit with the state teachers retirement system who has received a refund of the member's contributions to the Cincinnati retirement system shall, in computing years of service, be given credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, for each year of service, the state teachers retirement system receives the sum of the following:

(1) An amount, paid by the member, equal to the sum of the following:

(a) The amount refunded by the Cincinnati retirement system to the member for that year for contributions and payments for military service credit, with interest at a rate established by the state teachers retirement board on that amount from the date of the refund to the date of payment;

(b) The amount of interest, if any, the member received when the refund was made that is attributable to the year of service.

(2) An amount, transferred by the Cincinnati retirement system to the state teachers retirement system, equal to the sum of the following:

(a) Interest 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 payment was made for military service credit to the date the refund was made;

(b) An amount equal to the lesser of the employer's contributions to the Cincinnati 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 at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

(D) The amount transferred under division (C)(2)(a) of this section shall not include any amount of interest the Cincinnati retirement system paid to the person when it made the refund.

(E) On receipt of payment from the member under division (C)(1) of this section, the state teachers retirement system shall notify the Cincinnati retirement system. On receipt of the notice, the Cincinnati retirement system shall transfer the amount described in division (C)(2) of this section.

(F) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall

be calculated at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

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

(H) A member may choose to purchase only part of the credit the member is eligible to purchase under division (C) of this section in any one payment, subject to rules of the state teachers retirement board.

(I) 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.

(J) The state teachers retirement board shall credit to the member's account in the teachers' savings fund the amounts described in divisions (B)(1) and (C)(1)(a) of this section, except that interest paid by the member under division (C)(1)(a) 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 (B)(2), (B)(3), (C)(1)(b), and (C)(2) of this section.

Sec. 3307.764. (A) If the conditions described in division (B) of section 3307.762 of the Revised Code are met and a person who is a member or former member of the state teachers retirement system through participation in the plan described in sections 3307.50 to 3307.79 of the Revised Code, but is not a current contributor and who is not receiving a pension or benefit from the state teachers retirement system elects to receive credit under the Cincinnati retirement system for service for which the person contributed to the state teachers retirement system or purchased or obtained as military service credit, the state teachers retirement system shall transfer the amounts specified in division (B) or (C) of this section to the Cincinnati retirement system.

(B) If the person has contributions on deposit with the state teachers retirement system, the retirement system shall, for each year of service credit, transfer to the Cincinnati retirement system the sum of the following:

(1) An amount equal to the person's contributions to the state teachers retirement system and payments made by the member for military service credit;

(2) An amount equal to the lesser of the employer's contributions to the state teachers retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system at the time the credit was earned;

(3) Interest on the amounts specified in divisions (B)(1) and (2) of this section for the period from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the transfer was made.

(C)(1) If the person has received a refund of accumulated contributions to the state teachers retirement system, the state teachers retirement system shall, for each year of service credit, transfer to the Cincinnati retirement system the sum of the following:

(a) Interest on the amount refunded to the former 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 payment was made for military service credit to the date the refund was made;

(b) An amount equal to the lesser of the employer's contributions to the state teachers retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

(2) The amount transferred under division (C)(1) of this section shall not include any amount added to the member's accumulated contributions under section 3307.563 of the Revised Code and paid under section 3307.56 or 3307.562 of the Revised Code.

(3) On receipt of notice from the Cincinnati retirement system that the Cincinnati retirement system has received payment from a person described in division (C)(1) of this section, the state teachers retirement system shall transfer the amount described in that division.

(D) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall be calculated at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

(E) The transfer of any amount under this section cancels an equivalent amount of service credit.

(F) At the request of the Cincinnati retirement system, the state teachers retirement system shall certify to the Cincinnati retirement system a copy of the records of the service and contributions of a member or former member of the state teachers retirement system who elects to receive service credit under the Cincinnati retirement system.

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

enefits 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. Consent is valid only if it is evidenced by a signed statement that is witnessed by a notary public. Each plan may waive the requirement of consent if the spouse is incapacitated or cannot be located or for any other reason specified by the plan or in the regulations adopted under that section rules adopted by the state teachers retirement board.~~

Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

Sec. 3309.21. (A) The school employees 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 school employees retirement system as established pursuant to this chapter. 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 following the year for which the valuation was made.

(B) At such times as the school employees 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 retirement system, and SERS retirants and other system retirants as defined in section 3309.341 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 studies or actuarial valuations to determine the adequacy of the rates of contribution as provided by section 3309.49 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 3309.375 and 3309.69 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 provision of the

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 ~~(D)~~(C) of section 3309.69 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. 3309.43. ~~A (A) Except as provided in division (B) of this section, a member of the school employees retirement system who has ceased to be an employee, and who is also a member of either the public employees retirement system or the state teachers retirement system, or both, may not withdraw his the member's accumulated contributions, unless he.~~

(B) On application, the school employees retirement board shall pay a member described in division (A) of this section the member's accumulated contributions if either of the following applies:

(1) The member also withdraws his the member's contributions from such other systems. The

(2) The member is a participant in a plan established under section 145.81 or 3307.81 of the Revised Code and has withdrawn the member's contributions under plans described in sections 145.201 to 145.79 and 3307.50 to 3307.79 of the Revised Code.

The school employees retirement board may waive the annual expense fee where a member is contributing to another state retirement system provided such member is not at the same time contributing to the school employees retirement system.

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)(1) 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.

(2) Beginning on a date selected by the school employees retirement board, which shall be not later than July 1, 2004, a surviving spouse or other sole dependent beneficiary may elect, in lieu of a monthly payment under division (A)(1) of this section, a plan of payment consisting of both of the following:

(a) A lump sum in an amount the surviving spouse or other sole dependent beneficiary designates that constitutes a portion of the allowance that would be payable under division (A)(1) of this section;

(b) The remainder of that allowance in monthly payments.

The total amount paid as a lump sum and a monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected.

The lump sum amount designated by the surviving spouse or other sole dependent beneficiary under division (A)(2)(a) of this section shall be not less than six times and not more than thirty-six times the monthly amount that would be payable to the surviving spouse or other sole dependent beneficiary under division (A)(1) of this section and shall not result in a monthly benefit that is less than fifty per cent of that monthly amount.

(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 who elect to receive monthly benefits shall receive the greater of the benefits provided in division (B)(1)(a) or (b) as allocated in accordance with division (B)(5) of this section.

(1)(a) 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
(b) Years of Service	Annual Benefit as a Per Cent of Member's Final Average Salary	
20	29%	
21	33	
22	37	
23	41	
24	45	
25	48	
26	51	
27	54	
28	57	
29 or more	60	

(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 regardless of age 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 child of the deceased member who has never been married and to whom one of the following applies:

(i) Is 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;

(ii) Regardless of age, is adjudged physically or mentally incompetent if the incompetence existed prior to the member's death and prior to the child attaining age eighteen, or age twenty-two if attending an institution described in division (B)(2)(b)(i) of this section.

(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 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 145.45 or 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)(a) If a benefit is payable under division (B)(1)(a) of this section, benefits to a qualified spouse shall be paid in the amount determined for the first qualifying survivor in division (B)(1)(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.

(b) All qualifying survivors shall share equally in a benefit payable under division (B)(1)(b) of this section, except that if there is a surviving spouse, the surviving spouse shall receive no less than the greater of the amount determined for the first qualifying survivor in division (B)(1)(a) of this section or one hundred six dollars per month.

(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~~ 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) The final average salary used in the calculation of a benefit payable pursuant to division (A) or (B) of this section to a survivor or beneficiary of a disability benefit recipient shall be adjusted for each year between the disability benefit's effective date and the recipient's date of death by the lesser of three per cent or the actual average percentage increase 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").

(E) 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. 3309.46. (A) The retirement allowance calculated under section 3309.36, 3309.38, or 3309.381 of the Revised Code shall be paid as provided in this section. If the member is eligible to elect a plan of payment under this section, the election shall be made on the application for retirement. A plan of payment elected under this section shall be effective only if it is certified by the actuary engaged by the school employees retirement board to be the actuarial equivalent of the member's retirement allowance and is approved by the retirement board.

(B)(1) Unless the member is eligible to elect another plan of payment, a member who retires under section 3309.36, 3309.38, or 3309.381 of the Revised Code shall receive a retirement allowance under "plan A," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser amount payable for life and one-half of such allowance continuing after death to the member's surviving spouse for the life of the spouse.

A member may elect to receive a retirement allowance under a plan of payment other than "plan A" if the member is not married or either the member's spouse consents in writing to the member's election to a plan of payment other than "plan A" or the board waives the requirement that the spouse consent.

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 "plan A," which consists of the actuarial equivalent of the member's retirement allowance in a lesser amount payable for life and one-half of the allowance continuing after death to the surviving spouse for the life of the spouse;

(b) A description of the alternative plans of payment, including all plans described in divisions (B)(2) and (3) of this section, 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 in writing, signed by the spouse, and witnessed by an employee of the school employees retirement system or a

notary public. The board may waive the requirement of consent if the spouse is incapacitated or cannot be located or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

(2) A member eligible to elect to receive a retirement allowance under a plan of payment other than "plan A" shall receive the retirement allowance under the plan described in division (B)(3) of this section or one of the following plans elected at the time the member makes application for retirement:

(a) "Plan B," which shall consist of an allowance determined under section 3309.36, 3309.38, or 3309.381 of the Revised Code;

(b) "Plan C," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser amount payable for life and one-half or some other portion of the allowance continuing after death to the member's sole surviving beneficiary designated at the time of the member's retirement, provided that the amount payable to the beneficiary does not exceed the amount payable to the member;

(c) "Plan D," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser amount payable for life and continuing after death to a surviving designated beneficiary designated at the time of the member's retirement;

(d) "Plan E," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 3309.36, 3309.38, or 3309.381 of the Revised Code in a lesser amount payable for a certain period from the member's retirement date as elected by the member and approved by the retirement board, and on the member's death before the expiration of that certain period, the member's lesser retirement allowance continued for the remainder of that period to, and in such order, the beneficiaries as the member has nominated by written designation and filed with the retirement board.

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 such payments yet remaining in such period shall be paid to the estate of the beneficiary last receiving.

(3)(a) Beginning on a date selected by the board, which shall be not later than July 1, 2004, a member may elect, in lieu of a plan of payment under division (B)(1) or (2) of this section, a plan consisting of both a lump

sum in an amount the member designates that constitutes a portion of the retirement allowance payable under a plan described in division (B)(1) or (2) of this section and the remainder of the allowance payable under that plan in monthly payments.

The total amount paid as a lump sum and a monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected.

(b) The lump sum amount designated by the member shall be not less than six times and not more than thirty-six times the monthly amount that would be payable to the member under the plan of payment elected under this section had the lump sum not been elected and shall not result in a monthly benefit that is less than fifty per cent of that amount.

(4) An election under division (B)(2) or (3) of this section shall be made at the time the member makes application for retirement.

(5) A member eligible to elect to receive a retirement allowance under a plan of payment other than "plan A" because the member is unmarried who fails to make an election on retirement shall receive a retirement allowance under "plan B."

(C) Until the first payment of any retirement allowance is made, as provided in sections 3309.36, 3309.38, or 3309.381 of the Revised Code, a member may change the member's election of a payment plan if the election is made in accordance with and is consistent with division (B) of this section.

(D) If the retirement allowances due and paid under the above provisions of this section are in a total amount less than (1) the accumulated contributions, (2) the deposits for additional credit as provided by section 3309.31 of the Revised Code, (3) the deposits for additional annuities as provided by section 3309.47 of the Revised Code, (4) the deposits for repurchase of service credit as provided by section 3309.26 of the Revised Code, (5) the accumulated contributions provided by section 3309.65 of the Revised Code, (6) the deposits for purchase of military service credit provided by section 3309.021 or 3309.022 of the Revised Code, and (7) the deposits for the purchase of service credit provided by section 3309.73 of the Revised Code, standing to the credit of the member at the time of retirement, then the difference between the total amount of the allowances paid and the accumulated contributions and other deposits shall be paid to the beneficiary provided under division (D) of section 3309.44 of the Revised Code.

(E)(1) The death of a spouse or any other designated beneficiary following the member's retirement shall cancel any plan of payment to

provide continuing lifetime benefits to the spouse or designated beneficiary and the retirant shall receive the retirant's single lifetime retirement allowance equivalent as determined by the board.

(2) On divorce, annulment, or marriage dissolution, a retirant receiving a retirement allowance under a plan of payment that provides for continuation of all or part of the allowance after death for the lifetime of the member's surviving spouse may elect to cancel the plan and receive the member's single lifetime retirement allowance equivalent as determined by the retirement board, except that in the case of a member who retires on or after July 24, 1990, the election may be made only with the written consent of the spouse or pursuant to an order of the court with jurisdiction over the termination of the marriage. The election shall be made on a form provided by the board and shall be effective the month following its receipt by the board.

(3) Following marriage or remarriage, a retirant who is receiving a benefit pursuant to "plan B" may elect a new plan of payment under division (B)(1), (2)(b), or (2)(c) of this section based on the actuarial equivalent of the member's single lifetime retirement allowance as determined by the board. The plan shall become effective the first day of the month following receipt by the board of an application on a form approved by the board.

Sec. 3309.69. (A) As used in this section, "ineligible individual" means all of the following:

(1) A former member receiving benefits pursuant to section 3309.34, 3309.35, 3309.36, 3309.38, or 3309.381 of the Revised Code for whom eligibility is established more than five years after June 13, 1981, and who, at the time of establishing eligibility, has accrued less than ten years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code;

(2) The spouse of the former member;

(3) The beneficiary of the former member receiving benefits pursuant to section 3309.46 of the Revised Code.

(B) The school employees 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 service retirement or a disability or survivor benefit subscribing to the plan and their eligible dependents.

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 person shall, by written authorization, instruct the board to deduct the premiums 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 school employees retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate provided by sections 3309.49 and 3309.491 of the Revised Code. The board shall not pay or reimburse the cost for health care under this section or section 3309.375 of the Revised Code for any ineligible individual.

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.

~~(C) 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 (B) 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 (B) 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.~~

~~(D)~~ 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 school employees retirement system 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, except that the board shall make

no such payment to any ineligible individual. Effective on the first day of the month after ~~the effective date of this amendment~~ April 9, 2001, the amount of the payment shall be the lesser of an amount equal to the basic premium for such coverage, or an amount equal to the basic premium in effect on January 1, 1999.

~~(F)~~(D) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section or section 3309.375 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, state teachers retirement system, or state highway patrol retirement system.

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

Sec. 5505.12. (A) The state highway patrol 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 highway patrol retirement system as established pursuant to this chapter. 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 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 July following the year for which the valuation was made.

(B) At such times as the state highway patrol retirement board determines, and at least once in each five-year period after January 1, 1966, 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 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 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 November following the last fiscal year of the period the report covers.

(C) The board may at any time request the actuary to make any studies or actuarial valuations to determine the adequacy of the rates of contributions provided by section 5505.15 of the Revised Code.

(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 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 section 5505.28 of the Revised Code. The report shall be made as of December 31, 1997, and the thirty-first day of December 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 provision of the 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)~~(B) of section 5505.28 of the Revised Code.

The board shall submit the report to the Ohio retirement study council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the

thirtieth day of June following the year for which the report was made.

Sec. 5505.28. (A) The state highway patrol 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 persons receiving pensions and subscribing 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 a service, disability, or survivor pension or benefit, the individual shall, by written authorization, instruct the board to deduct from the individual's pension or benefit the premium agreed to be paid by the individual to the company, corporation, or agency.

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 highway patrol retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate as provided by section 5505.15 of the Revised Code.

~~(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.~~

~~(G)~~ The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of a pension under the state highway patrol retirement system who is eligible for medical insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, an amount established by board rule not exceeding the basic premium for such coverage.

~~(D)~~(C) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section 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, state teachers retirement system, or school employees retirement system.

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

SECTION 2. That existing sections 145.01, 145.04, 145.05, 145.091, 145.19, 145.191, 145.192, 145.20, 145.22, 145.23, 145.27, 145.35, 145.38, 145.384, 145.40, 145.45, 145.46, 145.56, 145.58, 145.80, 145.81, 145.811, 145.812, 145.813, 145.82, 145.85, 145.86, 145.87, 145.88, 145.91, 145.92, 145.95, 145.97, 742.14, 742.37, 742.372, 742.45, 3105.80, 3307.01, 3307.39, 3307.51, 3307.56, 3307.561, 3307.563, 3307.58, 3307.60, 3307.761, 3307.763, 3307.764, 3307.87, 3309.21, 3309.43, 3309.45, 3309.46, 3309.69, 5505.12, and 5505.28 and sections 742.371 and 742.373 of the Revised Code are hereby repealed.

SECTION 3. Section 145.01 of the Revised Code is presented in this act as a composite of the section as amended by Sub. H.B. 158, Am. Sub. H.B. 405, and Am. Sub. S.B. 164 of the 124th General Assembly. Section 145.27 of the Revised Code is presented in this act as a composite of the section as amended by both Sub. H.B. 535 and Am. Sub. S.B. 180 of the 123rd General Assembly. Section 145.56 of the Revised Code is presented in this act as a composite of the section as amended by both Sub. H.B. 535 and Am. Sub. S.B. 180 of the 123rd General Assembly. Section 3307.58 of the Revised Code is presented in this act as a composite of the section as amended by both Sub. H.B. 535 and Sub. S.B. 270 of the 123rd General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Sub. S. B. No. 247

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Governor.

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

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 _____