

As Introduced

134th General Assembly

Regular Session

2021-2022

H. B. No. 601

Representatives Lightbody, Miller, A.

Cosponsors: Representatives Boggs, Boyd, Brown, Crossman, Galonski, Humphrey, Kelly, Leland, Lepore-Hagan, Skindell, Smith, K., Smith, M., Weinstein

A BILL

To amend sections 3307.28, 3307.58, 3307.67, and 1
3309.49 of the Revised Code regarding increasing 2
contributions for employers to the State 3
Teachers Retirement System and School Employees 4
Retirement System, establishing minimum amounts 5
for certain STRS cost-of-living adjustments, and 6
eliminating an age-related eligibility criterion 7
for retirement in STRS. 8

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

Section 1. That sections 3307.28, 3307.58, 3307.67, and 9
3309.49 of the Revised Code be amended to read as follows: 10

Sec. 3307.28. (A) Each employer shall pay to the state 11
teachers retirement system an amount which shall be a certain 12
per cent of the earnable compensation of all members, and which 13
shall be known as the "employer contribution." ~~Each~~ 14

(B) Each employer shall remit the employer contribution at 15
intervals required by the state teachers retirement system. For 16
members participating in the STRS defined benefit plan, the 17

employer contribution shall be deposited into the employers' 18
trust fund. For members participating in an STRS defined 19
contribution plan, the employer contribution shall be deposited 20
into the defined contribution fund in accordance with the plan 21
selected by the member, less the amount transferred under 22
section 3307.84 of the Revised Code. 23

(C) The rate per cent of the employer contribution shall 24
be determined by the actuary on the basis of the actuary's 25
evaluation of the liabilities of the system, ~~not to exceed~~ 26
~~fourteen per cent, and shall be approved by the state teachers~~ 27
~~retirement board. The board may raise the rate per cent of the~~ 28
~~contribution to fourteen per cent of the earnable compensation~~ 29
~~of all members.~~ In making such evaluation, the actuary shall 30
use, as the actuarial assumptions, such interest rates and 31
mortality and other tables as are adopted by the state teachers 32
retirement board. The actuary shall compute the percentage of 33
~~such the~~ earnable compensation of all members, to be known as 34
the "employer rate," required annually to fund the liability for 35
all benefits under the STRS defined benefit plan, after 36
deducting therefrom the benefits provided by the member's 37
accumulated contributions, as defined in section 3307.50 of the 38
Revised Code, deposits, and other appropriations, and to fund 39
any deficiencies in the funds described in divisions (A) to (F) 40
of section 3307.14 of the Revised Code. 41

(D) The board shall approve the per cent rate of the 42
employer contribution determined by the actuary under division 43
(C) of this section. The board may raise the per cent rate of 44
the contribution according to the following schedule: 45

(1) For earnable compensation earned by the members in pay 46
periods beginning before July 1, 2023, fourteen per cent; 47

(2) For earnable compensation earned by the members in pay periods beginning not earlier than July 1, 2023, but not later than June 30, 2024, fourteen and one-half per cent;

(3) For earnable compensation earned by the members in pay periods beginning not earlier than July 1, 2024, but not later than June 30, 2025, fifteen per cent;

(4) For earnable compensation earned by the members in pay periods beginning not earlier than July 1, 2025, but not later than June 30, 2026, fifteen and one-half per cent;

(5) For earnable compensation earned by the members in pay periods beginning not earlier than July 1, 2026, but not later than June 30, 2027, sixteen per cent;

(6) For earnable compensation earned by the members in pay periods beginning not earlier than July 1, 2027, but not later than June 30, 2028, sixteen and one-half per cent;

(7) For earnable compensation earned by the members in pay periods beginning not earlier than July 1, 2028, but not later than June 30, 2029, seventeen per cent;

(8) For earnable compensation earned by the members in pay periods beginning not earlier than July 1, 2029, but not later than June 30, 2030, seventeen and one-half per cent;

(9) For earnable compensation earned by the members in pay periods beginning not earlier than July 1, 2030, eighteen per cent.

Sec. 3307.58. (A) As used in this section, "qualifying service credit" means all of the following:

(1) Credit earned under section 3307.53 or for which contributions were made under section 145.47 or 3309.47 of the

Revised Code;	76
(2) Credit restored under section 145.31, 3307.71, or 3309.26 of the Revised Code;	77 78
(3) Credit purchased under section 145.302, 3307.752, or 3309.022, or division (D) of section 5505.16 of the Revised Code, or obtained under section 742.521 of the Revised Code;	79 80 81
(4) Credit obtained under section 3307.761, 3307.763, or 3307.765 of the Revised Code other than military service credit as defined in section 3307.761 of the Revised Code, except that "qualifying service credit" includes credit obtained under section 3307.761, 3307.763, or 3307.765 of the Revised Code that was initially purchased under division (D) of section 5505.16 of the Revised Code or obtained under section 742.521 of the Revised Code.	82 83 84 85 86 87 88 89
(B) Any member participating in the STRS defined benefit plan who has attained the applicable combination of age and service credit shall be granted service retirement after submitting to the state teachers retirement board a completed application on a form approved by the board.	90 91 92 93 94
(1) Except as provided in division (B) (3) of this section, a member is eligible to retire under this division if any of the following is the case:	95 96 97
(a) The member has five or more years of qualifying service credit and has attained age sixty-five;	98 99
(b) The member is applying for service retirement following termination of a disability benefit received under section 3307.63 or 3307.631 of the Revised Code and has five or more years of total service credit and has attained age sixty- five;	100 101 102 103 104

(c) The member meets one of the following requirements:	105
(i) Before August 1, 2015, has thirty or more years of service credit at any age;	106 107
(ii) On or after August 1, 2015, but before August 1, 2017, has thirty-one or more years of service credit at any age;	108 109
(iii) On or after August 1, 2017, but before August 1, 2019, has thirty-two or more years of service credit at any age;	110 111
(iv) On or after August 1, 2019, but before August 1, 2021, has thirty-three or more years of service credit at any age;	112 113 114
(v) On or after August 1, 2021, but before August 1, 2023, has thirty-four or more years of service credit at any age;	115 116
(vi) On or after August 1, 2023, but before August 1, 2026, has thirty-five or more years of service credit at any age;	117 118 119
(vii) On or after August 1, 2026, has thirty-five or more years of service credit and has attained age sixty.	120 121
(2) Except as provided in division (B) (3) of this section, a member is eligible to retire under this division if any of the following is the case:	122 123 124
(a) The member has five or more years of qualifying service credit and has attained age sixty;	125 126
(b) The member is applying for service retirement following termination of a disability benefit received under section 3307.63 or 3307.631 of the Revised Code and has five or more years of total service credit and has attained age sixty;	127 128 129 130
(c) The member meets one of the following requirements:	131

(i) Before August 1, 2015, has twenty-five or more years of service credit and has attained age fifty-five;	132 133
(ii) On or after August 1, 2015, but before August 1, 2017, has twenty-six or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;	134 135 136 137
(iii) On or after August 1, 2017, but before August 1, 2019, has twenty-seven or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;	138 139 140 141
(iv) On or after after August 1, 2019, but before August 1, 2021, has twenty-eight or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;	142 143 144 145
(v) On or after August 1, 2021, but before August 1, 2023, has twenty-nine or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;	146 147 148 149
(vi) On or after August 1, 2023, has thirty or more years of service credit at any age.	150 151
(3) The board may adjust the retirement eligibility requirements of this section if the board's actuary, in its annual actuarial valuation required by section 3307.51 of the Revised Code or in other evaluations conducted under that section, determines that an adjustment does not materially impair the fiscal integrity of the retirement system or is necessary to preserve the fiscal integrity of the system.	152 153 154 155 156 157 158
(C) Service retirement shall be effective not earlier than the first day of the month next following the later of:	159 160

(1) The last day for which compensation was paid;	161
(2) The attainment of minimum age and service credit eligibility for benefits provided under this section;	162 163
(3) The termination of a disability benefit received under section 3307.63 or 3307.631 of the Revised Code and attainment of minimum age and service credit eligibility for benefits provided under this section.	164 165 166 167
(D) (1) Except as provided in division (E) of this section, the annual single lifetime benefit of a member whose retirement effective date is before August 1, 2013, shall be the greater of the amounts determined by the member's Ohio service credit multiplied by one of the following:	168 169 170 171 172
(a) Eighty-six dollars;	173
(b) The sum of the following amounts:	174
(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 (D) (1) (c) 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 3307.48, 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.765, 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;	175 176 177 178 179 180 181 182 183 184 185 186
(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	187 188 189

described in division (D) (1) (c) of this section, if the member 190
 has more than thirty years service credit under section 3307.48, 191
 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 192
 3307.763, 3307.765, 3307.77, or 3307.771 of the Revised Code, 193
 division (A) (2) or (B) of former section 3307.513 of the Revised 194
 Code, former section 3307.514 of the Revised Code, section 195
 3307.72 of the Revised Code earned after July 1, 1978, or any 196
 combination of service credit under those sections, the per cent 197
 of final average salary shown in the following schedule for each 198
 corresponding year or fraction of a year of service credit under 199
 those sections that is in excess of thirty years: 200

201

	1	2	3	4
A	Year of Service Credit	Per Cent for that Year	Year of Service Credit	Per Cent for that Year
B	30.01 - 31.00	2.5%	35.01 - 36.00	3.0%
C	31.01 - 32.00	2.6	36.01 - 37.00	3.1
D	32.01 - 33.00	2.7	37.01 - 38.00	3.2
E	33.01 - 34.00	2.8	38.01 - 39.00	3.3
F	34.01 - 35.00	2.9		

For purposes of this schedule, years of service credit shall be 202
 rounded to the nearest one-hundredth of a year. 203

(c) For purposes of division (D) (1) of this section, a 204

percentage of final average salary in excess of two and two- 205
tenths per cent shall be applied to service credit under section 206
3307.57 of the Revised Code only if the service credit was 207
established under section 145.30, 145.301, 145.302, 145.47, 208
145.483, 3309.02, 3309.021, 3309.022, or 3309.47 of the Revised 209
Code or restored under section 145.31 or 3309.26 of the Revised 210
Code. 211

(2) (a) Except as provided in division (E) of this section, 212
the annual single lifetime benefit of a member whose retirement 213
effective date is on or after August 1, 2013, but before August 214
1, 2015, shall be the amount determined by the member's Ohio 215
service credit multiplied by the sum of the following amounts: 216

(i) For each of the first thirty years of Ohio service 217
credit, two and two-tenths per cent of the member's final 218
average salary or, subject to the limitation described in 219
division (D) (2) (b) of this section, two and five-tenths per cent 220
of the member's final average salary if the member has thirty- 221
five or more years of service credit under section 3307.48, 222
3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 223
3307.763, 3307.765, 3307.77, or 3307.771 of the Revised Code, 224
division (A) (2) or (B) of former section 3307.513 of the Revised 225
Code, former section 3307.514 of the Revised Code, section 226
3307.72 of the Revised Code earned after July 1, 1978, or any 227
combination of service credit under those sections; 228

(ii) For each year or fraction of a year of Ohio service 229
credit in excess of thirty years, two and two-tenths per cent of 230
the member's final average salary or, subject to the limitation 231
described in division (D) (2) (b) of this section, if the member 232
has more than thirty years service credit under section 3307.48, 233
3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 234

3307.763, 3307.765, 3307.77, or 3307.771 of the Revised Code, 235
 division (A) (2) or (B) of former section 3307.513 of the Revised 236
 Code, former section 3307.514 of the Revised Code, section 237
 3307.72 of the Revised Code earned after July 1, 1978, or any 238
 combination of service credit under those sections, the per cent 239
 of final average salary shown in the following schedule for each 240
 corresponding year or fraction of a year of service credit under 241
 those sections that is in excess of thirty years: 242

243

	1	2	3	4
A	Year of Service Credit	Per Cent for that Year	Year of Service Credit	Per Cent for that Year
B	30.01 - 31.00	2.5%	35.01 - 36.00	3.0%
C	31.01 - 32.00	2.6	36.01 - 37.00	3.1
D	32.01 - 33.00	2.7	37.01 - 38.00	3.2
E	33.01 - 34.00	2.8	38.01 - 39.00	3.3
F	34.01 - 35.00	2.9		

For purposes of this schedule, years of service credit shall be 244
 rounded to the nearest one-hundredth of a year. 245

(b) For purposes of division (D) (2) (a) (ii) of this 246
 section, a percentage of final average salary in excess of two 247
 and two-tenths per cent shall be applied to service credit under 248
 section 3307.57 of the Revised Code only if the service credit 249
 was established under section 145.30, 145.301, 145.302, 145.47, 250

145.483, 3309.02, 3309.021, 3309.022, or 3309.47 of the Revised Code or restored under section 145.31 or 3309.26 of the Revised Code. 251
252
253

(3) Except as provided in division (E) of this section, 254
the annual single lifetime benefit of a member whose retirement 255
effective date is on or after August 1, 2015, shall be the 256
amount determined by the member's service credit multiplied by 257
two and two-tenths per cent of the member's final average 258
salary. 259

(E) (1) The annual single lifetime benefit of a member 260
described in division (B) (2) of this section whose service 261
retirement is effective before August 1, 2015, shall be adjusted 262
by the greater per cent shown in the following schedule opposite 263
the member's attained age or Ohio service credit. 264

265

	1	2	3	4
A	Attained Age	or	Years of Ohio Service Credit	Per Cent of Base Amount
B	58		25	75%
C	59		26	80
D	60		27	85
E	61			88
F			28	90

G	62	91
H	63	94
I	29	95
J	64	97
K	65	30 or more 100

(2) The annual single lifetime benefit of a member 266
described in division (B) (2) of this section whose service 267
retirement is effective on or after August 1, 2015, shall be 268
reduced by a percentage determined by the board's actuary for 269
each year the member retires before attaining the applicable age 270
and service credit specified in division (B) (1) of this section. 271
The board's actuary may use an actuarially based average 272
percentage reduction for this purpose. 273

(F) Notwithstanding any other provision of this section, 274
on application, a member who, as of July 1, 2015, has five or 275
more years of Ohio service credit and has attained age sixty, 276
has twenty-five or more years of Ohio service credit and has 277
attained age fifty-five, or has thirty or more years of Ohio 278
service credit shall be granted service retirement according to 279
former section 3307.58 of the Revised Code as in effect 280
immediately prior to January 7, 2013. The member's benefit shall 281
be the greater of the amount the member would have been eligible 282
for had the member retired effective July 1, 2015, or the amount 283
determined under division (D) (3) of this section. 284

(G) The annual single lifetime benefit determined under 285
division (D) or (E) of this section shall not exceed the lesser 286
of one hundred per cent of the final average salary or the limit 287

established by section 415 of the "Internal Revenue Code of 288
1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended. 289

(H) The annual single lifetime benefit of a member whose 290
retirement effective date is before August 1, 2013, shall be the 291
greater of the amounts determined under division (D) (1) or (E) 292
(1) of this section as appropriate or under this division. The 293
benefit shall not exceed the lesser of the sum of the following 294
amounts or the limit established by section 415 of the "Internal 295
Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as 296
amended: 297

(1) An annuity with a reserve equal to the member's 298
accumulated contributions; 299

(2) A pension equal to the amount in division (H) (1) of 300
this section; 301

(3) An additional pension of forty dollars annually 302
multiplied by the number of years of prior and military service 303
credit, except years of credit purchased under section 3307.751 304
or 3307.752 of the Revised Code. 305

(I) If a member's disability benefit was terminated under 306
section 3307.48 of the Revised Code and the member's retirement 307
under this section is effective on the first day of the month 308
following the last day for which the disability benefit was 309
paid, the member's annual single lifetime benefit determined 310
under division (D) or (E) of this section shall be increased by 311
a percentage equal to the total of any percentage increases the 312
member received under section 3307.67 of the Revised Code, plus 313
any additional amount the member received under this chapter 314
while receiving the disability benefit. The increase shall be 315
based on the plan of payment selected by the member under 316

section 3307.60 of the Revised Code. However, the benefit used 317
to calculate any future increases under section 3307.67 of the 318
Revised Code shall be based on the plan of payment selected by 319
the member, plus any additional amount added to the benefit 320
determined under this division that established a new base 321
benefit to the member. 322

(J) Benefits determined under this section shall be paid 323
as provided in section 3307.60 of the Revised Code. 324

Sec. 3307.67. ~~(A)~~(A) ~~(1)~~ Except as provided in divisions 325
(D) and (E) of this section, the state teachers retirement board 326
shall annually increase each allowance or benefit payable under 327
the STRS defined benefit plan. ~~Through~~ as follows: 328

(a) Through July 31, 2013, the increase shall be three per 329
cent. ~~On and after~~ 330

(b) From August 1, 2013, through June 30, 2023, the 331
increase shall be two per cent. ~~No~~ 332

(c) On and after July 1, 2023, the increase shall be two 333
per cent of the base amount described in division (B) of this 334
section for the first thirty thousand dollars of annual 335
allowance or benefit. 336

(2) No allowance or benefit shall exceed the limit as 337
annually determined pursuant to section 415 of the "Internal 338
Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as 339
amended, and regulations adopted pursuant thereto but before 340
August 1, 2013. The board may adjust an increase payable under 341
this section to comply with this limit ~~may be adjusted in~~ 342
~~accordance with rules adopted by the board.~~ 343

(B) The first increase is payable to all persons becoming 344
eligible as follows: 345

(1) For an allowance or benefit beginning on or after July 346
1, 1971, but before August 1, 2013, upon such persons receiving 347
an allowance or benefit for twelve months; 348

(2) For an allowance or benefit beginning on or after 349
August 1, 2013, that was immediately preceded by a disability 350
benefit effective before that date but terminated on or after 351
it, upon the date that would have been the disability benefit's 352
next anniversary date; 353

(3) For an allowance or benefit beginning on or after 354
August 1, 2013, except for an allowance or benefit described in 355
division (B)(2) of this section, upon such persons receiving an 356
allowance or benefit for sixty months. 357

The increased amount is payable for the ensuing twelve- 358
month period or until the next increase is granted under this 359
section, whichever is later. Subsequent increases shall be 360
determined from the date of the first increase paid to the 361
former member in the case of an allowance being paid a 362
beneficiary under an option, or from the date of the first 363
increase to the survivor first receiving an allowance or benefit 364
in the case of an allowance or benefit being paid to the 365
subsequent survivors of the former member. 366

The date of the first increase under this section becomes 367
the anniversary date for any future increases. 368

The allowance or benefit used in the first calculation of 369
an increase under this section shall remain as the base for all 370
future increases, unless a new base is established. 371

(C) If payment of a portion of a benefit is made to an 372
alternate payee under section 3307.371 of the Revised Code, 373
increases under this section granted while the order is in 374

effect shall be apportioned between the alternate payee and the 375
benefit recipient in the same proportion that the amount being 376
paid to the alternate payee bears to the amount paid to the 377
benefit recipient. 378

If payment of a portion of a benefit is made to one or 379
more beneficiaries under "option 4" under division (A)(4) of 380
section 3307.60 of the Revised Code, each increase under this 381
section granted while the plan of payment is in effect shall be 382
divided among the designated beneficiaries in accordance with 383
the portion each beneficiary has been allocated. 384

The apportioned increases under this section shall begin 385
with increases granted on or after October 27, 2006. 386

(D) The board shall not make the increases it would 387
otherwise make during the period July 1, 2013, through June 30, 388
2014, to persons granted an allowance or benefit prior to July 389
1, 2013. The board shall not increase any allowance or benefit 390
granted on July 1, 2013, until July 1, 2015. 391

(E) The board may adjust the increase payable under this 392
section if the board's actuary, in its annual actuarial 393
valuation required by section 3307.51 of the Revised Code or in 394
other evaluations conducted under that section, determines that 395
an adjustment does not materially impair the fiscal integrity of 396
the retirement system or is necessary to preserve the fiscal 397
integrity of the system. 398

The board shall not adjust the increase for the first 399
thirty thousand dollars of annual allowance or benefit specified 400
in division (A)(1) of this section below one per cent of the 401
base amount described in division (B) of this section. Nothing 402
in this section prevents the board from providing an increase on 403

any portion of an annual allowance or benefit that exceeds the 404
first thirty thousand dollars. 405

(F) The board shall make all rules necessary to carry out 406
this section. 407

Sec. 3309.49. (A) Each employer shall pay to the school 408
employees retirement system at such times as required by the 409
school employees retirement board under section 3309.51 of the 410
Revised Code an amount that shall be a certain per cent of the 411
earnable compensation of all employees, and shall be known as 412
the "employer contribution." 413

(B) The rate per cent of such employer contribution shall 414
be fixed by the actuary on the basis of the actuary's evaluation 415
of the liabilities of the school employees retirement system, ~~—~~ 416
~~but shall not exceed fourteen per cent, and shall be approved by~~ 417
~~the school employees retirement board. The school employees~~ 418
~~retirement board may raise the rate per cent of the contribution~~ 419
~~to fourteen per cent of the earnable compensation of all~~ 420
~~employees.~~ In making such evaluation, the actuary shall use, as 421
the actuarial assumptions, regular interest and such mortality 422
and other tables as are adopted by the school employees 423
retirement board. The actuary shall compute the percentage of 424
~~such the~~ earnable compensation of all employees, to be known as 425
the "employer rate," required annually to fund the liability for 426
all allowances, annuities, pensions and other benefits, and any 427
deficiencies in the various funds, provided for in this chapter, 428
after deducting therefrom the annuity and other benefits 429
provided by the contributor's accumulated contributions and 430
deposits or other applicable moneys. 431

(C) The board shall approve the per cent rate of the 432
employer contribution determined by the actuary under division 433

(B) of this section. The board may raise the per cent rate of 434
the contribution according to the following schedule: 435

(1) For earnable compensation earned by the employees in 436
pay periods beginning before July 1, 2023, fourteen per cent; 437

(2) For earnable compensation earned by the employees in 438
pay periods beginning not earlier than July 1, 2023, but not 439
later than June 30, 2024, fourteen and one-half per cent; 440

(3) For earnable compensation earned by the employees in 441
pay periods beginning not earlier than July 1, 2024, but not 442
later than June 30, 2025, fifteen per cent; 443

(4) For earnable compensation earned by the employees in 444
pay periods beginning not earlier than July 1, 2025, but not 445
later than June 30, 2026, fifteen and one-half per cent; 446

(5) For earnable compensation earned by the employees in 447
pay periods beginning not earlier than July 1, 2026, but not 448
later than June 30, 2027, sixteen per cent; 449

(6) For earnable compensation earned by the employees in 450
pay periods beginning not earlier than July 1, 2027, but not 451
later than June 30, 2028, sixteen and one-half per cent; 452

(7) For earnable compensation earned by the employees in 453
pay periods beginning not earlier than July 1, 2028, but not 454
later than June 30, 2029, seventeen per cent; 455

(8) For earnable compensation earned by the employees in 456
pay periods beginning not earlier than July 1, 2029, but not 457
later than June 30, 2030, seventeen and one-half per cent; 458

(9) For earnable compensation earned by the employees in 459
pay periods beginning not earlier than July 1, 2030, eighteen 460
per cent. 461

Section 2. That existing sections 3307.28, 3307.58, 462
3307.67, and 3309.49 of the Revised Code are hereby repealed. 463