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135th General Assembly  
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Sub. H. B. No. 310

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**A BILL**

To amend sections 3307.14, 3307.141, 3307.70, and 1  
3307.752 and to enact section 3307.753 of the 2  
Revised Code regarding purchases of military 3  
service credit by State Teachers Retirement 4  
System members. 5

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

**Section 1.** That sections 3307.14, 3307.141, 3307.70, and 6  
3307.752 be amended and section 3307.753 of the Revised Code be 7  
enacted to read as follows: 8

**Sec. 3307.14.** The state teachers retirement board shall be 9  
the trustee of certain funds hereby created as follows: 10

(A) The "teachers' savings fund" is the fund in which 11  
shall be accumulated the contributions deducted from the 12  
compensation of teachers participating in the STRS defined 13  
benefit plan, as provided by section 3307.26 of the Revised 14  
Code, together with the interest credited thereon. Such 15  
accumulated contributions refunded upon withdrawal, or payable 16  
to an estate or beneficiary as provided in this chapter, shall 17



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be paid from this fund. Any accumulated contributions forfeited 18  
by the failure of a contributor, an estate, or a beneficiary to 19  
claim the same shall be transferred from this fund to the 20  
guarantee fund. The accumulated contributions of a member or of 21  
a teacher who qualifies for a benefit under section 3307.35 of 22  
the Revised Code shall be transferred at the member's or 23  
teacher's retirement from the teachers' savings fund to the 24  
annuity and pension reserve fund. The accumulated contributions 25  
of a member who dies prior to superannuation retirement that are 26  
forfeited by the qualified beneficiary in exchange for monthly 27  
survivor benefits, as provided by section 3307.66 of the Revised 28  
Code, shall be transferred to the survivors' benefit fund. The 29  
accumulated contributions of a superannuate or other system 30  
retirant as defined in section 3307.35 of the Revised Code shall 31  
be transferred to the survivors' benefit fund for payment of a 32  
lump-sum benefit to a beneficiary as provided in that section. 33  
As used in this division, "accumulated contributions" has the 34  
same meaning as in section 3307.50 of the Revised Code. 35

(B) The "employers' trust fund" is the fund to which the 36  
employer contribution made on behalf of a teacher participating 37  
in the STRS defined benefit plan shall be credited and in which 38  
shall be accumulated the reserves held in trust for the payment 39  
of all pensions or other benefits provided by sections 3307.35, 40  
3307.58, 3307.59, 3307.60, 3307.63, 3307.631, 3307.66, and 41  
3307.6912 of the Revised Code, to teachers retiring or receiving 42  
disability benefits in the future or to their qualified 43  
beneficiaries, and from which the reserves for such pensions and 44  
other benefits shall be transferred to the annuity and pension 45  
reserve fund and to the survivors' benefit fund. The balances as 46  
of August 31, 1957, in the employers accumulation fund shall be 47  
transferred to this fund. As of September 1, 1957, an additional 48

amount shall be transferred from the employers' trust fund to 49  
the annuity and pension reserve fund in the amount required to 50  
complete the funding of the prior service, as defined in section 51  
3307.50 of the Revised Code, and military service pensions then 52  
payable. 53

(C) The "annuity and pension reserve fund" is the fund 54  
from which shall be paid all annuities, pensions, and disability 55  
benefits under the STRS defined benefit plan and annuities 56  
payable under section 3307.352 of the Revised Code for which 57  
reserves have been transferred from the teachers' savings fund 58  
and the employers' trust fund. 59

(D) The "survivors' benefit fund" is the fund from which 60  
shall be paid the survivors' benefits provided by section 61  
3307.66 of the Revised Code and the lump sum payment to 62  
beneficiaries as provided in section 3307.35 of the Revised 63  
Code, and to which shall be transferred from the employers' 64  
trust fund the amount required to fund all liabilities as of the 65  
end of each year. 66

(E) The "guarantee fund" is the fund from which interest 67  
is transferred and credited on the amounts in the funds 68  
described in divisions (A), (B), (C), and (D) of this section, 69  
and is a contingent fund from which the special requirements of 70  
said funds may be paid by transfer from this fund. All income 71  
derived from the investment of funds by the state teachers 72  
retirement board as trustee under section 3307.15 of the Revised 73  
Code, together with all gifts and bequests, or the income 74  
therefrom, shall be paid into this fund. 75

Any deficit occurring in any other fund, except the 76  
military veteran educators retirement assistance fund, that will 77  
not be covered by payments to that fund, as otherwise provided 78

in this chapter, shall be paid by transfers of amounts from the 79  
guarantee fund to such fund or funds. Should the amount in the 80  
guarantee fund be insufficient at any time to meet the amounts 81  
payable therefrom, the amount of such deficiency, with regular 82  
interest, shall be paid by an additional employer rate of 83  
contribution as determined by the actuary and shall be approved 84  
by the board, and the amount of such additional employer 85  
contribution shall be credited to the guarantee fund. 86

The board may accept gifts and bequests. Any funds that 87  
may come into the possession of the board in this manner or that 88  
may be transferred from the teachers' savings fund by reason of 89  
lack of a claimant, or any surplus in any fund created in 90  
divisions (A) to (F) of this section, or any other funds whose 91  
disposition is not otherwise provided for, shall be credited to 92  
the guarantee fund. 93

(F) The expense fund is the fund from which shall be paid 94  
the expenses for the administration and management of the state 95  
teachers retirement system as provided by this chapter. 96

(G) The "defined contribution fund" is the fund in which 97  
shall be accumulated the contributions deducted from the 98  
compensation of teachers participating in an STRS defined 99  
contribution plan, as provided in section 3307.26 of the Revised 100  
Code, together with any earnings and employer contributions 101  
credited thereon. 102

(H) The "health care fund" is the fund in which shall be 103  
accumulated any amounts allocated by the board for health care 104  
coverage described in section 3307.39 of the Revised Code, 105  
together with any earnings credited thereon. The fund shall be 106  
established under 26 U.S.C. 401(h) as a separate account. It is 107  
the fund from which shall be paid health care coverage made 108

available under section 3307.39 of the Revised Code, except that 109  
payments from the fund shall be limited as provided by 26 U.S.C. 110  
401(h). 111

(I) The "military veteran educators retirement assistance 112  
fund" is the fund from which shall be paid the costs to cover 113  
the amounts described in section 3307.753 of the Revised Code on 114  
behalf of a member applying to purchase service credit described 115  
under section 3307.751 or 3307.752 of the Revised Code. 116

**Sec. 3307.141.** Wherever in this chapter, reference is made 117  
to the teachers' savings fund, the employers' trust fund, the 118  
annuity and pension reserve fund, the guarantee fund, the 119  
survivors' benefit fund, the expense fund, the military veteran 120  
educators retirement assistance fund, or the defined 121  
contribution fund, such reference shall be construed to have 122  
been made to each as a separate legal entity. This section does 123  
not prevent the deposit or investment of all such moneys 124  
intermingled for such purpose but such funds shall be separate 125  
and distinct legal entities for all other purposes. 126

**Sec. 3307.70.** (A) A member of the state teachers 127  
retirement system who elects to purchase service credit 128  
described in section 3307.73, 3307.74, 3307.751, 3307.76, 129  
3307.771, or 3307.78 of the Revised Code shall do both of the 130  
following: 131

(1) Submit an application to the state teachers retirement 132  
board in a manner or form approved by the board; 133

(2) (a) If the purchase will be completed not later than 134  
December 31, 2013, for each year, or portion of a year, of 135  
credit purchased, pay to the teachers' savings fund the amount 136  
specified by former section 3307.73, 3307.74, 3307.751, 3307.76, 137

3307.771, or 3307.78 of the Revised Code as the appropriate 138  
section existed immediately before January 7, 2013. 139

(b) If the purchase will not be completed until on or 140  
after January 1, 2014, for each year, or portion of a year, of 141  
credit purchased, subject to division (B) of this section, pay 142  
to the teachers' savings fund an amount specified by the board 143  
that is equal to one hundred per cent of the actuarial liability 144  
resulting from the purchase of that year or portion of a year of 145  
credit as determined by an actuary employed by the board. 146

(c) If, on January 7, 2013, the purchase is being made 147  
through a payroll deduction plan under section 3307.701 of the 148  
Revised Code and at least one deduction has been made, pay to 149  
the teachers' savings fund the amount specified by former 150  
section 3307.73, 3307.74, 3307.751, 3307.76, 3307.771, or 151  
3307.78 of the Revised Code as the appropriate section existed 152  
immediately before January 7, 2013. 153

~~(B)(1)~~ (B) If a member is applying to purchase service 154  
credit described in section 3307.751 of the Revised Code and the 155  
board approves the member's application submitted under section 156  
3307.753 of the Revised Code, the board shall pay, by a transfer 157  
in accordance with that section, the cost to cover the amount 158  
described in division (A)(2)(b) of this section on behalf of the 159  
member. 160

(C)(1) A purchase shall be considered completed for 161  
purposes of division (A)(2)(a) of this section only if the 162  
member's application is received by the retirement system as 163  
completed not later than December 31, 2013, and all payments are 164  
received by the retirement system not later than June 30, 2014. 165

(2) A member purchasing credit through a payroll deduction 166

plan under division (A) (2) (c) of this section may pay in a 167  
single payment the balance of the cost of the credit. 168

~~(C)~~ (D) Subject to board rules, a member may choose to 169  
purchase only part of any eligible service credit in any one 170  
payment. 171

~~(D)~~ (E) The board shall adopt rules establishing criteria 172  
for determining eligibility for purchases of service credit and 173  
procedures for purchases of credit under this section. 174

Any determination of the board under this section shall be 175  
final. 176

~~(E)~~ (F) Service credit purchased under this section shall 177  
be included in the member's total service credit. 178

If a member dies or withdraws from service, any payment 179  
made by the member under this section shall be considered as 180  
accumulated contributions of the member. 181

**Sec. 3307.752.** (A) As used in this section: 182

(1) "Service in the uniformed services" means the 183  
performance of duty on a voluntary or involuntary basis in a 184  
uniformed service under competent authority and includes active 185  
duty, active duty for training, initial active duty for 186  
training, inactive duty training, full-time national guard duty, 187  
and a period for which a person is absent from a position of 188  
employment for the purpose of an examination to determine the 189  
fitness of the person to perform any such duty. 190

(2) "Uniformed services" means the army, navy, air force, 191  
marine corps, coast guard, or any reserve components of such 192  
services; national guard; the commissioned corps of the United 193  
States public health service; service as a red cross nurse with 194

the army, navy, air force, or hospital service of the United 195  
States, army nurse corps, navy nurse corps, or serving full-time 196  
with the American red cross in a combat zone; and any other 197  
category of persons designated by the president in time of war 198  
or emergency. 199

(B) On the re-employment of a member participating in the 200  
STRS defined benefit plan as a teacher by the same public 201  
employer that employed the member prior to the member's service 202  
in the uniformed services, the member may apply to the state 203  
teachers retirement system on a form provided by the system to 204  
purchase service credit for service in the uniformed services 205  
that shall be considered the equivalent of Ohio service credit. 206  
On receipt of the application, the system shall request from the 207  
employer that employed the member as a teacher prior to the 208  
military service a certification that the member was employed by 209  
the employer prior to, and returned to employment with the 210  
employer within three months of honorable discharge or release 211  
from, service in the uniformed services. If the employer can so 212  
certify, it shall do so and shall pay to the system the 213  
employer's contribution required by this section. The service 214  
credit shall be granted the member if all of the following 215  
requirements are met: 216

(1) The member was a member of and maintained membership 217  
in the state teachers retirement system throughout service in 218  
the uniformed services; 219

(2) The member was out of active service as a teacher by 220  
reason of service in the uniformed services; 221

(3) The member was honorably discharged or released from 222  
service in the uniformed services; 223



(4) The member pays contributions to the system in 224  
accordance with this section. 225

(C) Credit may be purchased pursuant to this section at 226  
any time prior to receipt of a benefit. The member may choose to 227  
purchase only part of the credit in any one payment, subject to 228  
board rules. The system shall grant service credit under this 229  
section, not to exceed five years, for service in the uniformed 230  
services for which contributions have been received. 231

(D) (1) For service purchased under this section, the 232  
member and the member's employer, subject to board rules, shall 233  
pay to the system for credit to the member's accumulated account 234  
an amount equal to the contributions that would have been paid 235  
pursuant to sections 3307.26 and 3307.28 of the Revised Code if 236  
the member had not been out of active service as a teacher by 237  
reason of service in the uniformed services. 238

(2) If a member pays all or any portion of the 239  
contributions required by section 3307.26 of the Revised Code 240  
later than the lesser of five years or a period that is three 241  
times the member's period of service in the uniformed services 242  
beginning from the later of the member's date of re-employment 243  
as a teacher or October 29, 1996, an amount equal to compound 244  
interest at a rate established by the board from the later of 245  
the member's date of re-employment as a teacher or October 29, 246  
1996, to the date of payment shall be added to the remaining 247  
amount ~~to be paid by the member~~ to purchase service credit under 248  
this section. The member shall pay the amount described under 249  
division (D) (2) of this section, except that if the board 250  
approves a member's application submitted under section 3307.753 251  
of the Revised Code, the board shall pay, by a transfer in 252  
accordance with that section, the cost to cover that amount on 253

<u>behalf of the member.</u>	254
(E) This section does not cancel any military service credit or service in the uniformed services earned or granted under this chapter prior to October 29, 1996.	255 256 257
(F) If a member purchased service credit under section 3307.751 of the Revised Code prior to October 29, 1996, is not receiving a benefit, and would have been eligible to obtain service credit pursuant to this section had it been in effect at the time of purchase, the system shall refund the amounts paid by the member for the purchase if both of the following requirements are met:	258 259 260 261 262 263 264
(1) The member makes a written request for a refund on a form provided by the system;	265 266
(2) The member pays to the system the contributions required by this section.	267 268
(G) If the member meets the requirements of division (F) of this section, the employer shall pay to the system the employer's contributions required by this section.	269 270 271
<u>Sec. 3307.753. (A) A member may apply to the state teachers retirement board, on a form provided by the board, to request that the board pay, by a transfer under division (C) of this section, the cost to cover either of the following:</u>	272 273 274 275
<u>(1) The amount described under division (A) (2) (b) of section 3307.70 of the Revised Code to purchase service credit described under section 3307.751 of the Revised Code;</u>	276 277 278
<u>(2) The amount, if applicable, described under division (D) (2) of section 3307.752 of the Revised Code to purchase service credit under that section.</u>	279 280 281

(B) The board shall approve an application submitted under 282  
this section if all of the following requirements are met: 283

(1) The military veteran educators retirement assistance 284  
fund created by section 3307.14 of the Revised Code holds a 285  
sufficient amount to cover the amount requested under division 286  
(A) of this section. 287

(2) The member has at least twenty-five years of service 288  
credit obtained under section 3307.53, 3307.71, or 3307.72 of 289  
the Revised Code. 290

(3) The member has attained fifty years of age. 291

(4) Since the member last became a member, the minimum age 292  
or service credit eligibility requirements specified under 293  
division (B)(1) of section 3307.58 of the Revised Code for 294  
benefits provided under that section have been adjusted by the 295  
board pursuant to division (B)(3) of that section. 296

(5) The member meets either of the following: 297

(a) If the member is applying under section 3307.70 of the 298  
Revised Code to purchase service credit described under section 299  
3307.751 of the Revised Code, the member meets all other 300  
requirements specified under those sections and rules adopted 301  
under them to purchase the service credit. 302

(b) If the member is applying to purchase service credit 303  
under section 3307.752 of the Revised Code, the member meets all 304  
other requirements specified under that section and rules 305  
adopted under it to purchase the service credit. 306

(C) If the board approves an application submitted under 307  
this section, the board shall transfer an amount equal to the 308  
cost to cover the amount requested under division (A) of this 309

section from the military veteran educators retirement 310  
assistance fund to the teachers' savings fund. 311

(D) Not later than the thirty-first day of August that 312  
first occurs after the effective date of this section, and not 313  
later than the thirty-first day of August of each year 314  
thereafter, the board shall submit a report to the Ohio 315  
retirement study council that includes all of the following 316  
information with respect to the preceding year: 317

(1) The total number of members who applied under this 318  
section; 319

(2) The total number of applications the board approved 320  
and denied under this section; 321

(3) The total number of years of service credit described 322  
under sections 3307.751 and 3307.752 of the Revised Code 323  
purchased by members on whose behalf the board transferred funds 324  
under division (C) of this section; 325

(4) The total amount the board transferred under division 326  
(C) of this section; 327

(5) The remaining balance in the military veteran 328  
educators retirement assistance fund. 329

(E) The board shall adopt rules to implement this section. 330

**Section 2.** That existing sections 3307.14, 3307.141, 331  
3307.70, and 3307.752 of the Revised Code are hereby repealed. 332