

As Introduced

**135th General Assembly
Regular Session
2023-2024**

H. B. No. 146

Representative Bird

A BILL

To enact section 3309.363 of the Revised Code to 1
establish a contribution based benefit cap in 2
calculating a School Employees Retirement System 3
member's retirement benefit. 4

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

Section 1. That section 3309.363 of the Revised Code be 5
enacted to read as follows: 6

Sec. 3309.363. (A) As used in this section: 7

(1) "Retirement allowance" means any of the following as 8
appropriate: 9

(a) An allowance calculated under section 3309.36 of the 10
Revised Code before any reduction for early retirement or 11
election under section 3309.46 of the Revised Code of a plan of 12
payment; 13

(b) An allowance calculated under division (A) of section 14
3309.45 of the Revised Code; 15

(c) An allowance calculated under division (B) (1) (a) of 16
section 3309.381 of the Revised Code. 17

(2) "CBBC" means the contribution based benefit cap, which 18
is a limit established by the school employees retirement board 19
on the retirement allowance a member may receive. 20

(B) Based on the advice of an actuary appointed by the 21
board, the board shall designate a number as the CBBC factor. 22
The board may, from time to time, revise the factor pursuant to 23
advice from an actuary appointed by the board. 24

(C) Before paying a retirement allowance, the board shall 25
make all of the following calculations: 26

(1) Determine an amount equal to the value of the member's 27
accumulated contributions, including any contributions used to 28
fund a disability benefit under section 3309.40 of the Revised 29
Code and a portion of any amounts paid by an employer under 30
section 3309.33 of the Revised Code, as determined by an actuary 31
appointed by the board; 32

(2) Determine the amount of a single life annuity that is 33
the actuarial equivalent of the amount determined under division 34
(C) (1) of this section, adjusted for the age of the member at 35
the time of retirement or, when appropriate, the age at the time 36
of the member's death; 37

(3) Multiply the annuity amount determined under division 38
(C) (2) of this section by the CBBC factor. 39

(D) The amount determined under division (C) (3) of this 40
section is the member's CBBC. If the retirement allowance the 41
member would receive exceeds the member's CBBC, the board shall 42
reduce the retirement allowance to an amount equal to the 43
member's CBBC. 44

(E) If a member's retirement allowance is reduced under 45
this section, the reduced retirement allowance is the member's 46

<u>single lifetime allowance for purposes of sections 3309.36,</u>	47
<u>3309.381, and 3309.45 of the Revised Code.</u>	48
<u>(F) The board may adopt rules to implement this section.</u>	49
Section 2. Section 3309.363 of the Revised Code, as	50
enacted by this act, takes effect August 1, 2024.	51