As Introduced

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H. B. No. 877

Representative Glassburn

Cosponsors: Representatives Brennan, Piccolantonio, Thomas, D., McNally, Upchurch

To amend sections 145.293, 742.251, 3307.74, and 3309.31 of the Revised Code regarding limits on the purchase of retirement service credit based on employment with the United States Government, a state, or a political subdivision.

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

Section 1. That sections 145.293, 742.251, 3307.74, and 3309.31 of the Revised Code be amended to read as follows:

Sec. 145.293. (A) Service credit may be purchased under this section for the following:

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

(2) Service for which contributions were made by the member or on the member's behalf to a municipal retirement system in this state, except that if the conditions specified in

section 145.2910 of the Revised Code are met, service credit for this service may be purchased only in accordance with section 145.2911 of the Revised Code.

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

(B) Credit shall be purchased under this section in accordance with section 145.29 of the Revised Code.

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

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

Sec. 742.251. (A) A member of the Ohio police and fire pension fund who is not a participant in the deferred retirement option plan established under section 742.43 of the Revised Code, in computing years of active service under division (C) of section 742.37 or section 742.39 of the Revised Code, shall be

given full credit for full-time out-of-state or federal service, other than military service, purchased under this section. A member may purchase credit for such service if all of the following conditions are met:

(1) The service was rendered as an employee of an entity of state or local government, or of an entity of the United States government;

(2) The member is eligible to retire under this chapter or will become eligible to retire as a result of purchasing the credit;

(3) The member agrees to retire within ninety days after receiving notice of the amount determined under division (B) of this section.

(B) On receipt of a request from a member eligible to purchase credit under this section, the fund shall obtain from its actuary certification of the amount of the additional liability to the fund for each year of credit the member is eligible to purchase and shall notify the member of that amount. For each year of credit purchased, the member shall pay to the fund an amount equal to the additional liability resulting from the purchase of credit for that year. Payment shall be made in full at the time of purchase.

(C) ~~The number of years of service purchased under this section shall not exceed five.~~

~~(D)~~ A member may not purchase credit under this section for service that is used in the calculation of any public or private retirement benefit, other than federal social security benefits, currently being paid or payable in the future to the member.

~~(E)~~ (D) If the member does not retire within ninety days after purchasing credit under this section, the fund shall withdraw the credit and refund the amount paid by the member.

Sec. 3307.74. (A) Service credit may be purchased under section 3307.70 of the Revised Code by a member participating in the STRS defined benefit plan for the following:

(1) Teaching service in a public or private school, college, or university of this or another state, and for teaching service in any school or entity operated primarily for United States citizens. Teaching credit shall be limited to service rendered in schools, colleges, or universities chartered or accredited by the appropriate governmental agency.

(2) Public service with another state or the United States government, provided that such credit shall be limited to service that would have been covered by the state teachers retirement system, school employees retirement system, Ohio police and fire pension fund, state highway patrol retirement system, or public employees retirement system if served in a comparable public position in this state.

(3) Service for which contributions were made by the member or on the member's behalf to a municipal retirement system in this state, except that if the conditions specified in section 3307.762 of the Revised Code are met, service credit for this service may be purchased only in accordance with section 3307.763 of the Revised Code.

The number of years of service credit for service described in this section shall not exceed ~~the lesser of five years or~~ the member's total accumulated number of years of Ohio service.

(B) Credit shall be purchased under this section in accordance with section 3307.70 of the Revised Code.

(C) With the exception of social security, a member is ineligible to purchase credit for service described in this section that is used in the calculation of any retirement benefit that has been paid, is currently being paid, or is payable in the future to such member under any other retirement program. At the time the credit is purchased, the member shall certify on a form furnished by the board that the member does and will conform to this requirement.

(D) Credit for service described in this section may be combined pursuant to section 3307.57 of the Revised Code with credit purchased under sections 145.293 and 3309.31 of the Revised Code~~, except that not more than a total of five years' credit for service described in this section and sections 145.293 and 3309.31 of the Revised Code shall be used in determining retirement eligibility or calculating benefits under section 3307.57 of the Revised Code~~.

Sec. 3309.31. Service credit purchased under this section shall be included in the member's total service credit. Credit may be purchased for the following:

(A) School service in a public or private school, college, or university of this or another state, and for school service in any school or entity operated by or for the United States government. Credit purchased under this section for school service shall be limited to service rendered in schools, colleges, or universities chartered or accredited by the appropriate governmental agency.

(B) Public service with another state or the United States

government, provided that such credit shall be limited to service that would have been covered by the state teachers retirement system, the Ohio police and fire pension fund, the state highway patrol retirement system, or the public employees retirement system if served in a comparable public position in this state.

(C) Service for which contributions were made by the member or on the member's behalf to a municipal retirement system in this state, except that if the conditions specified in section 3309.74 of the Revised Code are met, service credit for this service shall be purchased only in accordance with section 3309.75 of the Revised Code.

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

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

A member is ineligible to purchase under this section service that is used in the calculation of any retirement benefit currently being paid or payable in the future to the member under any other retirement program, except social

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

(D) Credit purchased under this section may be combined pursuant to section 3309.35 of the Revised Code with credit purchased under sections 145.293 and 3307.74 of the Revised Code~~, except that not more than an aggregate total of five years' service credit purchased under this section and sections 145.293 and 3307.74 of the Revised Code shall be used in determining retirement eligibility or calculating benefits under section 3309.35 of the Revised Code~~.

(E) The retirement board shall establish a policy to determine eligibility to purchase credit under this section, and its decision shall be final.

Section 2. That existing sections 145.293, 742.251, 3307.74, and 3309.31 of the Revised Code are hereby repealed.