

AN ACT

To amend sections 101.92, 101.93, 145.01, 145.04, 145.041, 145.05, 145.057, 145.06, 145.09, 145.19, 145.191, 145.192, 145.193, 145.20, 145.201, 145.22, 145.23, 145.27, 145.28, 145.29, 145.291, 145.293, 145.294, 145.295, 145.297, 145.298, 145.299, 145.2911, 145.2912, 145.2913, 145.2914, 145.30, 145.301, 145.31, 145.32, 145.323, 145.325, 145.33, 145.331, 145.35, 145.36, 145.361, 145.362, 145.37, 145.38, 145.383, 145.384, 145.39, 145.40, 145.401, 145.41, 145.43, 145.45, 145.452, 145.46, 145.47, 145.473, 145.48, 145.483, 145.49, 145.51, 145.54, 145.56, 145.561, 145.563, 145.58, 145.62, 145.63, 145.64, 145.813, 145.814, 145.82, 145.83, 145.87, 145.88, 145.92, 145.95, 145.97, 742.63, 2329.66, 2921.13, 3105.80, 3305.06, 3309.312, and 3375.411; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 145.29 (145.292) and 145.325 (145.584); to enact new sections 145.29 and 145.332 and sections 145.016, 145.017, 145.036, 145.037, 145.038, 145.101, 145.194, 145.195, 145.2915, 145.2916, 145.333, 145.363, 145.431, 145.574, 2901.431, and 2929.194; and to repeal sections 145.02, 145.292, 145.321, 145.322, 145.324, 145.326, 145.327, 145.328, 145.329, 145.3210, 145.3211, 145.3212, 145.3213, 145.332, 145.34, 145.42, 145.44, 145.461, and 145.462 of the Revised Code to revise the law governing the Public Employees Retirement System.

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

SECTION 1. That sections 101.92, 101.93, 145.01, 145.04, 145.041, 145.05, 145.057, 145.06, 145.09, 145.19, 145.191, 145.192, 145.193, 145.20, 145.201, 145.22, 145.23, 145.27, 145.28, 145.29, 145.291, 145.293, 145.294, 145.295, 145.297, 145.298, 145.299, 145.2911, 145.2912, 145.2913, 145.2914, 145.30, 145.301, 145.31, 145.32, 145.323, 145.325, 145.33, 145.331, 145.35, 145.36, 145.361, 145.362, 145.37, 145.38, 145.383, 145.384, 145.39, 145.40, 145.401, 145.41, 145.43, 145.45, 145.452, 145.46, 145.47, 145.473, 145.48, 145.483, 145.49, 145.51, 145.54, 145.56, 145.561, 145.563, 145.58, 145.62, 145.63, 145.64, 145.813, 145.814, 145.82, 145.83, 145.87, 145.88, 145.92, 145.95, 145.97, 742.63, 2329.66, 2921.13, 3105.80, 3305.06, 3309.312, and 3375.411 be amended; sections 145.29 (145.292) and 145.325 (145.584) be amended for the purpose of adopting new section numbers as indicated in parentheses; and new sections 145.29 and 145.332 and sections 145.016, 145.017, 145.036, 145.037, 145.038, 145.101, 145.194, 145.195, 145.2915, 145.2916, 145.333, 145.363, 145.431, 145.574, 2901.431, and 2929.194 of the Revised Code be enacted to read as follows:

Sec. 101.92. (A) Each retirement system lobbyist and each employer shall file with the joint legislative ethics committee, within ten days following the engagement of a retirement system lobbyist, an initial registration statement showing all of the following:

(1) The name, business address, and occupation of the retirement system lobbyist;

(2) The name and business address of the employer or of the real party in interest on whose behalf the retirement system lobbyist is acting, if it is different from the employer. For the purposes of division (A) of this section, where a trade association or other charitable or fraternal organization that is exempt from federal income taxation under subsection 501(c) of the federal Internal Revenue Code is the employer, the statement need not list the names and addresses of every member of the association or organization, so long as the association or organization itself is listed.

(3) A brief description of the retirement system decision to which the engagement relates;

(4) The name of the retirement system or systems to which the engagement relates.

(B) In addition to the initial registration statement required by division (A) of this section, each retirement system lobbyist and employer shall file with the joint committee, not later than the last day of January, May, and September of each year, an updated registration statement that confirms the

continuing existence of each engagement described in an initial registration statement and that lists the specific retirement system decisions that the lobbyist sought to influence under the engagement during the period covered by the updated statement, and with it any statement of expenditures required to be filed by section 101.93 of the Revised Code and any details of financial transactions required to be filed by section 101.94 of the Revised Code.

(C) If a retirement system lobbyist is engaged by more than one employer, the lobbyist shall file a separate initial and updated registration statement for each engagement. If an employer engages more than one retirement system lobbyist, the employer need file only one updated registration statement under division (B) of this section, which shall contain the information required by division (B) of this section regarding all of the retirement system lobbyists engaged by the employer.

(D)(1) A change in any information required by division (A)(1), (2), or (B) of this section shall be reflected in the next updated registration statement filed under division (B) of this section.

(2) Within thirty days following the termination of an engagement, the retirement system lobbyist who was employed under the engagement shall send written notification of the termination to the joint committee.

(E) A registration fee of twenty-five dollars shall be charged for filing an initial registration statement. All money collected from registration fees under this division and late filing fees under division (G) of this section shall be deposited into the state treasury to the credit of the joint legislative ethics committee fund created under section 101.34 of the Revised Code.

(F) Upon registration pursuant to this section, a retirement system lobbyist shall be issued a card by the joint committee showing that the lobbyist is registered. The registration card and the retirement system lobbyist's registration shall be valid from the date of their issuance until the thirty-first day of January of the year following the year in which the initial registration was filed.

(G) The executive director of the joint committee shall be responsible for reviewing each registration statement filed with the joint committee under this section and for determining whether the statement contains all of the required information. If the joint committee determines that the registration statement does not contain all of the required information or that a retirement system lobbyist or employer has failed to file a registration statement, the joint committee shall send written notification by certified mail to the person who filed the registration statement regarding the deficiency in the statement or to the person who failed to file the registration

statement regarding the failure. Any person so notified by the joint committee shall, not later than fifteen days after receiving the notice, file a registration statement or an amended registration statement that contains all of the required information. If any person who receives a notice under this division fails to file a registration statement or such an amended registration statement within this fifteen-day period, the joint committee shall assess a late filing fee equal to twelve dollars and fifty cents per day, up to a maximum fee of one hundred dollars, upon that person. The joint committee may waive the late filing fee for good cause shown.

(H) On or before the fifteenth day of March of each year, the joint committee shall, in the manner and form that it determines, publish a report containing statistical information on the registration statements filed with it under this section during the preceding year.

(I) If an employer who engages a retirement system lobbyist is the recipient of a contract, grant, lease, or other financial arrangement pursuant to which funds of the state or of a retirement system are distributed or allocated, the ~~executive agency or any aggrieved party~~ retirement system may consider the failure of the employer or the retirement system lobbyist to comply with this section as a breach of a material condition of the contract, grant, lease, or other financial arrangement.

(J) Retirement system officials may require certification from any person seeking the award of a contract, grant, lease, or financial arrangement that the person and the person's employer are in compliance with this section.

Sec. 101.93. (A) Each retirement system lobbyist and each employer shall file with the joint legislative ethics committee, with the updated registration statement required by division (B) of section ~~121.62~~ 101.92 of the Revised Code, a statement of expenditures as specified in divisions (B) and (C) of this section. A retirement system lobbyist shall file a separate statement of expenditures under this section for each employer that engages the retirement system lobbyist.

(B)(1) In addition to the information required by divisions (B)(2) and (3) of this section, a statement filed by a retirement system lobbyist shall show the total amount of expenditures made during the reporting period covered by the statement by the retirement system lobbyist.

(2) If, during a reporting period covered by a statement, an employer or any retirement system lobbyist the employer engaged made, either separately or in combination with each other, expenditures to, at the request of, for the benefit of, or on behalf of a member of a board of a state retirement system, a state retirement system investment official, or an

employee of a state retirement system whose position involves substantial and material exercise of discretion in the investment of retirement system funds the employer or retirement system lobbyist also shall state the name of the member, official, or employee to whom, at whose request, for whose benefit, or on whose behalf the expenditures were made, the total amount of the expenditures made, a brief description of the expenditures made, the approximate date the expenditures were made, the retirement system decision, if any, sought to be influenced, and the identity of the client on whose behalf the expenditure was made.

As used in division (B)(2) of this section, "expenditures" does not include expenditures made by a retirement system lobbyist as payment for meals and other food and beverages.

(3) If, during a reporting period covered by a statement, a retirement system lobbyist made expenditures as payment for meals and other food and beverages, that, when added to the amount of previous payments made for meals and other food and beverages by that retirement system lobbyist during that same calendar year, exceeded a total of fifty dollars to, at the request of, for the benefit of, or on behalf of a member of a board of a state retirement system, a state retirement system investment official, or an employee of a state retirement system whose position involves substantial and material exercise of discretion in the investment of retirement system funds, the retirement system lobbyist shall also state regarding those expenditures the name of the member, official, or employee to whom, at whose request, for whose benefit, or on whose behalf the expenditures were made, the total amount of the expenditures made, a brief description of the expenditures made, the approximate date the expenditures were made, the retirement system decision, if any, sought to be influenced, and the identity of the client on whose behalf the expenditure was made.

(C) In addition to the information required by divisions (B)(2) and (3) of this section, a statement filed by an employer shall show the total amount of expenditures made by the employer filing the statement during the period covered by the statement. As used in this section, "expenditures" does not include the expenses of maintaining office facilities, or the compensation paid to retirement system lobbyists engaged to influence retirement system decisions or conduct retirement system lobbying activity.

No employer shall be required to show any expenditure on a statement filed under this division if the expenditure is reported on a statement filed under division (B)(1), (2), or (3) of this section by a retirement system lobbyist engaged by the employer.

(D) Any statement required to be filed under this section shall be filed at

the times specified in section ~~121.62~~ 101.92 of the Revised Code. Each statement shall cover expenditures made during the four-calendar-month period that ended on the last day of the month immediately preceding the month in which the statement is required to be filed.

(E) If it is impractical or impossible for a retirement system lobbyist or employer to determine exact dollar amounts or values of expenditures, reporting of good faith estimates, based on reasonable accounting procedures, constitutes compliance with this division.

(F) Retirement system lobbyists and employers shall retain receipts or maintain records for all expenditures that are required to be reported pursuant to this section. These receipts or records shall be maintained for a period ending on the thirty-first day of December of the second calendar year after the year in which the expenditure was made.

(G)(1) At least ten days before the date on which the statement is filed, each employer or retirement system lobbyist who is required to file an expenditure statement under division (B)(2) or (3) of this section shall deliver a copy of the statement, or the portion showing the expenditure, to the member, official, or employee who is listed in the statement as having received the expenditure or on whose behalf it was made.

(2) If, during a reporting period covered by an expenditure statement filed under division (B)(2) of this section, an employer or any retirement system lobbyist the employer engaged made, either separately or in combination with each other, either directly or indirectly, expenditures for food and beverages purchased for consumption on the premises in which the food and beverages were sold to, at the request of, for the benefit ~~or of~~, or on behalf of any of the members, officials, or employees described in division (B)(2) of this section, the employer or retirement system lobbyist shall deliver to the member, official, or employee a statement that contains all of the nondisputed information prescribed in division (B)(2) of this section with respect to the expenditures described in division (G)(2) of this section. The statement of expenditures made under division (G)(2) of this section shall be delivered to the member, official, or employee to whom, at whose request, for whose benefit, or on whose behalf those expenditures were made on the same day in which a copy of the expenditure statement or of a portion showing the expenditure is delivered to the member, official, or employee under division (G)(1) of this section. An employer is not required to show any expenditure on a statement delivered under division (G)(2) of this section if the expenditure is shown on a statement delivered under division (G)(2) of this section by a retirement system lobbyist engaged by the employer.

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.

(5) A person who is an employee of the legal rights service on September 30, 2012, and continues to be employed by the nonprofit entity established under Section 319.20 of Am. Sub. H.B. 153 of the 129th general assembly. The nonprofit entity is the employer for the purpose of this chapter.

In all cases of doubt, the public employees retirement board shall determine under section 145.036, 145.037, or 145.038 of the Revised Code 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 university, 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 military 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.

(G) "Beneficiary" or "beneficiaries" means the estate or a person or persons who, as the result of the death of a member, contributor, or retirant, 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, ~~145.332,~~ 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 greater of the three full~~ following:

(a) The sum of the member's earnable salaries for the appropriate number of calendar years of contributing service, determined under section 145.017 of the Revised Code, 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 divided by the same number of calendar years or, if the member has fewer than the appropriate number of calendar years of contributing service, the total of the member's earnable salary for all years of contributing service divided by the number of calendar years of the member's contributing service;

(b) The sum of a member's earnable salaries for the appropriate number of consecutive months, determined under section 145.017 of the Revised Code, that were the member's last months of service, up to and including the last month, divided by the appropriate number of years or, if the time between the first and final months of service is less than the appropriate number of consecutive months, the total of the member's earnable salary for all months of contributing service divided by the number of years between the first and final months of contributing service, including any fraction of a year, except that the member's final average salary shall not exceed the member's highest earnable salary for any twelve consecutive months.

(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 contributions were made in only one calendar year. "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~~, 145.332, 145.37, and 145.46 and former section 145.34 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~~ former division (K)(3) and former division (Y) of this section and section 145.2916 of the Revised Code.

(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.

(i) The portion of any amount included in section 145.2916 of the Revised Code that represents employer contributions.

(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 both of the following:

(1) 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 in accordance with section 145.016 of the Revised Code.~~

(2) Service credit received by election of the member under section 145.814 of the Revised Code.

(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~~, 145.332, and 145.46 and former section 145.34 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 or 145.332 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)~~~~(Z)~~ "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; 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; 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.

~~(BB)~~~~(AA)~~ "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.

~~(CC)~~~~(BB)~~ "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)~~~~(CC)~~ "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)~~(DD) "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)~~(EE) "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)~~(FF) "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)~~(GG) "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.

~~(H)~~(HH) "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)~~(II) "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)~~(JJ) "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)~~(KK) "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)~~(LL) "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)~~(MM) "Veterans' home police officer" means any person who is employed at a 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)~~(NN) "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)~~(OO) "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)~~(PP) "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)~~(OO) "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)~~(RR) "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)~~(SS) "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)~~(TT) "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)~~(UU) "Municipal public safety director" means a person who serves full time as the public safety director of a municipal corporation with the duty of directing the activities of the municipal corporation's police department and fire department.

~~(WW)~~(VV) Notwithstanding section 2901.01 of the Revised Code, "PERS law enforcement officer" means a sheriff or any of the following whose primary duties are to preserve the peace, protect life and property, and enforce the laws of this state: a 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, 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. PERS law enforcement officer also includes a person serving as a municipal public safety director at any time during the period from September 29, 2005, to March 24, 2009, if the duties of that service were to preserve the peace, protect life and property, and enforce the laws of this state.

~~(XX)~~(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 certificate 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.

~~(YY)~~(XX) "PERS public safety officer" means a Hamilton county municipal court bailiff, or any of the following whose primary duties are other than to preserve the peace, protect life and property, and enforce the laws of this state: a 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, 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. "PERS public safety officer" also includes a person serving as a municipal public safety director at any time during the period from September 29, 2005, to March 24, 2009, if the duties of that service were other than to preserve the peace, protect life and property, and enforce the laws of this state.

~~(ZZ)~~(YY) "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.

~~(AAA)(ZZ)~~ "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.

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

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

Sec. 145.016. Contributing service shall be allowed in accordance with the following:

(A) For service not later than December 31, 2013, credit for any contributing service shall be allowed as follows:

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

(2) 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 with a numerator of the earnable salary during the month and a denominator of 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 (A)(2) of this section shall not reduce any credit earned before January 1, 1985.

(B) For service on or after January 1, 2014, credit for any contributing service shall be allowed in accordance with the following:

(1) For each month in which the member's earnable salary equals or exceeds the amount specified in division (B)(1)(a) or (b) of this section, as appropriate, allow one month's credit:

(a) For service on or after January 1, 2014, but not later than December 31, 2014, six hundred dollars;

(b) For each calendar year thereafter, the sum of the following:

(i) The prior year's amount;

(ii) The prior year's amount multiplied by the average percentage increase, if any, made to compensation under section 505.24 of the Revised Code, if that increase became effective in the prior year.

(2) For each month that the member's earnable salary is less than the appropriate amount specified in division (B)(1) of this section, allow a fraction of a month's credit with a numerator of the earnable salary during the month and a denominator of the amount specified in division (B)(1)(a) or (b) of this section, as appropriate.

Division (B) of this section shall not reduce any credit earned before January 1, 2014.

(C) Notwithstanding any other provision 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.

Sec. 145.017. (A) For a member eligible for a retirement allowance under division (A) or (B) of section 145.32 of the Revised Code or division (A), (B), or (E)(1), (3), or (4) of section 145.332 of the Revised Code, the number of years used in the calculation of final average salary shall be three and the sum of the earnable salary for those years shall be divided by three.

(B) For a member eligible for a retirement allowance under division (C) of section 145.32 of the Revised Code or division (C) or (E)(2) or (5) of section 145.332 of the Revised Code, the number of years used in the calculation of final average salary shall be five and the sum of the earnable salary for those years shall be divided by five.

(C)(1) For a member described in division (A) or (B) of section 145.32 or division (A), (B), or (E)(1), (3), or (4) of section 145.332 of the Revised Code who is eligible for a retirement allowance under section 145.331 of the Revised Code or a benefit under section 145.36 or 145.361 of the Revised Code, the number of years used in the calculation of final average salary shall be three and the sum of the earnable salary for those years shall be divided by three.

(2) For a member described in division (C) of section 145.32 or division (C) or (E)(2) or (5) of section 145.332 of the Revised Code who is eligible for a retirement allowance under section 145.331 of the Revised Code or a benefit under section 145.36 or 145.361 of the Revised Code, the number of years used in the calculation of final average salary shall be five and the sum of the earnable salary for those years shall be divided by five.

(D) For a benefit under section 145.45 of the Revised Code:

(1) The number of years used in the calculation of the deceased member's final average salary shall be three and the sum of the earnable salary for those years shall be divided by three if the member is described in division (A) or (B) of section 145.32 of the Revised Code or division (A), (B), or (E)(1), (3), or (4) of section 145.332 of the Revised Code.

(2) The number of years used in the calculation of the deceased member's final average salary shall be five and the sum of the earnable salary for those years shall be divided by five if the member is described in division (C) of section 145.32 of the Revised Code or division (C) or (E)(2) or (5) of section 145.332 of the Revised Code.

Sec. 145.036. On or before the last day of January of each year, each public employer shall transmit to the public employees retirement system a list of all individuals providing personal services who at any time during the preceding calendar year received compensation from the employer for which no contributions were deducted under section 145.47 of the Revised Code because the employer classified the individual as an independent contractor or another classification other than public employee or any other reason. The list shall contain the name of the individual and any other information required by the system.

If there is doubt at the time the list is compiled or at any other time regarding whether an individual providing personal services to a public employer is a public employee, the employer shall make a written request to the public employees retirement board for a determination of whether the individual is a public employee for the purposes of this chapter. On receipt of the request, the board shall determine whether the individual is a public employee with regard to the services in question. If the board determines that the individual is not a public employee, for the purposes of this chapter the individual shall be considered an independent contractor with regard to the services in question. The board's determination is final.

The board shall notify the individual and the employer of its determination. The determination shall apply to services performed before, on, or after the effective date of this section for the same employer in the same capacity.

Sec. 145.037. (A) As used in this section and section 145.038 of the Revised Code, "business entity" means an entity with five or more employees that is a corporation, association, firm, limited liability company, partnership, sole proprietorship, or other entity engaged in business.

(B)(1) Except as provided in division (B)(2) of this section, an individual who provided personal services to a public employer on or before the effective date of this section but was not classified as a public employee

may request from the public employees retirement board a determination of whether the individual should have been classified as a public employee for purposes of this chapter. The request shall be made on a form provided by the board.

(2) Division (B)(1) of this section does not apply to an individual employed by a business entity under contract with a public employer to provide personal services to the employer.

(C) Not later than thirty days after the effective date of this section, the board shall notify each employer of the right of an individual described in division (B)(1) of this section to seek the determination described in that division. The notice shall be accompanied by copies of the form described in division (B)(1) of this section.

Not later than sixty days after the effective date of this section, the employer shall send to each individual described in division (B)(1) of this section a copy of the form provided by the retirement system and written notice of the right to seek a determination of whether the individual should have been classified as a public employee. The notice shall be sent to the individual's last known address on record with the employer.

On receipt of a properly completed form, the board shall determine whether the individual should have been classified as a public employee. If the board determines that the individual is not a public employee with regard to the services in question, for the purposes of this chapter the individual shall be considered an independent contractor with regard to the services in question. The board's determination is final.

The board shall notify the individual and the employer of its determination. The determination shall apply to services performed before, on, or after the effective date of this section for the same employer in the same capacity.

(D) Regardless of whether an individual actually receives notice under this section, the request for a determination must be made not later than one year after the effective date of this section unless the individual can demonstrate to the board's satisfaction through medical records that at the time the one-year period ended the individual was physically or mentally incapacitated and unable to request a determination.

Sec. 145.038. (A) A public employer who on or after the effective date of this section begins to receive personal services from an individual it classifies as an independent contractor or another classification other than public employee shall inform the individual of the classification and that no contributions will be made to the public employees retirement system. Not later than thirty days after the services begin, the employer shall require the

individual to acknowledge, in writing on a form provided by the system, that the individual has been informed that the employer does not consider the individual a public employee and no contributions will be made to the public employees retirement system. The employer shall retain the acknowledgement and immediately transmit a copy of it to the system.

(B)(1) Regardless of whether the individual has made an acknowledgement under division (A) of this section and, except as provided in division (B)(2) of this section, an individual may request that the public employees retirement board determine whether the individual is a public employee for purposes of this chapter.

(2) Division (B)(1) of this section does not apply to an individual employed by a business entity under contract with a public employer to provide personal services to the employer.

(C) A request for a determination must be made not later than five years after the individual begins to provide personal services to the employer, unless one of the following is the case:

(1) The individual demonstrates to the board's satisfaction through medical records that at the time the five-year period ended the individual was physically or mentally incapacitated and unable to request a determination.

(2) The employer has not obtained or has failed to retain the acknowledgement required by division (A) of this section.

(D) On receipt of a request under division (B)(1) of this section, the board shall determine whether the individual is a public employee for the purposes of this chapter. If the board determines that the individual is not a public employee, for the purposes of this chapter the individual shall be considered an independent contractor with regard to the services in question. The board's determination is final.

The board shall notify the individual and the employer of its determination. The determination shall apply to services performed before, on, or after the effective date of this section for the same employer in the same capacity.

(E) The board may adopt rules under section 145.09 of the Revised Code to implement this section and sections 145.036 and 145.037 of the Revised Code.

Sec. 145.04. (A) 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 the following members:

~~(A)~~(1) One member, known as the treasurer of state's investment designee, who shall be appointed by the treasurer of state for a term of four years and have the following qualifications:

~~(1)~~(a) The member is a resident of this state.

~~(2)~~(b) Within the three years immediately preceding the appointment, the member has not been employed by the public employees retirement system, police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system or by any person, partnership, or corporation that has provided to one of those retirement systems services of a financial or investment nature, including management, analysis, supervision, or investment of assets.

~~(3)~~(c) The member has direct experience in the management, analysis, supervision, or investment of assets.

~~(4)~~(d) The member is not currently employed by the state or a political subdivision of the state.

~~(B)~~(2) The director of administrative services;

~~(C)~~(3) 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, metropolitan housing authority, union cemetery, joint hospital, township, 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, public library, union cemetery, joint hospital, township, 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.

~~(D)~~(4) Two members, known as the retirant members, who shall be former members of the public employees retirement system who reside in this state and receive age and service retirement, a disability benefit, or

benefits paid under a PERS defined contribution plan. The retirant members 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;

~~(E)(1)(5)(a)~~ Two members, known as the investment expert members, who shall be appointed for four-year terms and each of whom shall have the following qualifications:

~~(a)(i)~~ The member is a resident of this state.

~~(b)(ii)~~ Within the three years immediately preceding the appointment, the member has not been employed by the public employees retirement system, police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system or by any person, partnership, or corporation that has provided to one of those retirement systems services of a financial or investment nature, including the management, analysis, supervision, or investment of assets.

~~(c)(iii)~~ The member has direct experience in the management, analysis, supervision, or investment of assets.

~~(2)(b)~~ One investment expert member shall be appointed by the governor, and one investment expert member shall be jointly appointed by the speaker of the house of representatives and the president of the senate.

~~Any investment expert~~

~~(B) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed under this section shall hold office until the later of the end of such the term. The for which the member shall continue in office subsequent to the expiration date of the member's term until is appointed or the date the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first.~~

Sec. 145.041. Each ~~newly elected~~ member of the public employees retirement board ~~and each individual appointed to fill a vacancy on the board,~~ shall, not later than ninety days after commencing service as a board member, complete the orientation program component of the retirement board member education program established under section 171.50 of the Revised Code.

Each member of the board who has served a year or longer as a board member shall, not less than twice each year, attend one or more programs that are part of the continuing education component of the retirement board member education program established under section 171.50 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 members 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 for that position on the board shall be held on the first Monday in October, 1978, and subsequent elections for this retirant position shall be held on the first Monday in October in each fourth year thereafter. The initial election for the second retirant member position shall be held at the first election that occurs later than ninety days after ~~the effective date of this amendment~~ September 15, 2004. Subsequent elections for this retirant position shall be held 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 in accordance with rules adopted under section 145.058 of the Revised Code. 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 that is signed by at least five hundred members of the employee group to be represented, including not less than twenty such signers from each of at least ten counties of the state, and certified in accordance with rules adopted under section 145.058 of the Revised Code. 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 on certification of the election results in accordance with rules adopted under section 145.058 of the Revised Code.

(D) All elections for the retirant members of the public employees retirement board shall be held under the direction of the board in accordance with rules adopted under section 145.058 of the Revised Code. Any former member of the public employees retirement system who is described in division ~~(D)(A)(4)~~ of section 145.04 of the Revised Code is eligible for election as a 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, provided that such person has been nominated by a petition that is signed by any combination of at least two hundred fifty eligible, former members of the system and certified in accordance with rules adopted under section 145.058 of the Revised Code. To be eligible to sign the petition, a former member of the system must be a recipient of age and service retirement, a disability benefit, or benefits paid under a PERS defined contribution plan. 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 a 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 a retirant member of the board shall be elected to office on certification of the election results in accordance with rules adopted under section 145.058 of the Revised Code.

Sec. 145.057. (A) The office of ~~an employee member or retirant~~ a member of the public employees retirement board who is convicted of or pleads guilty to a felony, a theft offense as defined in section 2913.01 of the Revised Code, or a violation of section 102.02, 102.03, 102.04, 2921.02, 2921.11, 2921.13, 2921.31, 2921.41, 2921.42, 2921.43, or 2921.44 of the Revised Code shall be deemed vacant. A person who has pleaded guilty to or been convicted of an offense of that nature is ineligible for election or appointment to the ~~office of employee member or retirant member of the~~ public employees retirement board.

(B) A member of the public employees retirement board who willfully and flagrantly exercises authority or power not authorized by law, refuses or willfully neglects to enforce the law or to perform any official duty imposed by law, or is guilty of gross neglect of duty, gross immorality, drunkenness,

misfeasance, malfeasance, or nonfeasance is guilty of misconduct in office. On complaint and hearing in the manner provided for in this section, the board member shall have judgment of forfeiture of the office with all its emoluments entered against the board member, creating in the office a vacancy to be filled as provided by law.

(C) Proceedings for removal of a board member on any of the grounds enumerated in division (B) of this section shall be commenced by filing with the court of common pleas of the county in which the board member resides a written complaint specifically setting forth the charge. The complaint shall be accepted if signed by the governor or signed as follows:

(1) If the complaint is against an employee member of the board, the complaint must be signed by a number of members of the employee group represented by the member that equals at least the following and must include signatures of at least twenty employee members residing in at least five different counties:

(a) If the employee member was most recently elected in accordance with section 145.05 of the Revised Code, ten per cent of the number of members of the employee group represented by the employee member who voted in that election;

(b) If the employee member was most recently elected under section 145.06 of the Revised Code or took office in accordance with section 145.051 of the Revised Code, ten per cent of the number of members of the employee group represented by the employee member who voted in the most recent election held in accordance with section 145.05 of the Revised Code for that employee member position on the board.

(2) If the complaint is against a retirant member of the board, the complaint must be signed by a number of former members of the system authorized to vote for a retirant member in an election under section 145.05 of the Revised Code that equals at least the following and must include signatures of at least twenty former members residing in at least five different counties:

(a) If the retirant member was most recently elected in accordance with section 145.05 of the Revised Code, ten per cent of the number of former members of the system who voted in that election;

(b) If the retirant member was most recently elected under section 145.06 of the Revised Code or took office in accordance with section 145.051 of the Revised Code, ten per cent of the number of former members of the system who voted in the most recent election held in accordance with section 145.05 of the Revised Code for that retirant member position on the board.

(D) The clerk of the court of common pleas in which a complaint against a member of the board is filed under division (C) of this section shall do both of the following with respect to the complaint:

(1) Submit the signatures obtained pursuant to division (C) of this section to the board for purposes of verifying the validity of the signatures. The board shall verify the validity of the signatures and report its findings to the court.

(2) Cause a copy of the complaint to be served on the board member at least ten days before the hearing on the complaint. The court shall hold a public hearing not later than thirty days after the filing of the complaint. The court may subpoena witnesses and compel their attendance in the same manner as in civil cases. Process shall be served by the sheriff of the county in which the witness resides. Witness fees and other fees in connection with the proceedings shall be the same as in civil cases. The court may suspend the board member pending the hearing.

If the court finds that one or more of the charges in the complaint are true, it shall make a finding for removal of the board member. The court's finding shall include a full, detailed statement of the reasons for the removal. The finding shall be filed with the clerk of the court and be made a matter of public record.

The board member has the right to appeal to the court of appeals.

(E) No individual who has been removed from the board pursuant to this section shall be eligible to fill an elective or appointed position as a member of the board.

Sec. 145.06. (A) Except as provided in division (D) of this section, if a vacancy occurs in the term of any employee member of the public employees retirement board, the remaining members of the board shall elect a successor employee member from the employee group lacking representation because of the vacancy. On certification of the election results in accordance with rules adopted under section 145.058 of the Revised Code, the successor employee member shall hold office until the first day of the new term that follows the next board election that occurs not less than ninety days after the successor employee member's election.

Any employee member of the board who fails to attend the meetings of the board for three months or longer, without valid excuse, shall be considered as having resigned, and the board shall declare the employee member's office vacated as of the date of the adoption of a proper resolution.

If as a result of changed circumstances an employee member of the board is no longer employed in the employee group that corresponds with the employee group that elected the member, the employee member's office

shall be considered vacant, and a successor employee member shall be chosen in the manner specified in this division.

(B) Except as provided in division (D) of this section, if a vacancy occurs during the term of office of a retirant member of the board, the remaining members of the board shall elect a successor retirant member who shall be a former member of the public employees retirement system who is eligible for election under section 145.04 of the Revised Code as a retirant member of the board. On certification of the election results in accordance with rules adopted under section 145.058 of the Revised Code, the successor retirant member shall hold office until the first day of the new term that follows the next board election that occurs not less than ninety days after the successor retirant member's election.

If a retirant member of the board fails to attend the meetings of the board for three months or longer, without valid excuse, the retirant member shall be considered as having resigned, and the board shall declare the member's office vacated as of the date of the adoption of a proper resolution.

If as a result of changed circumstances a retirant member would no longer qualify for membership on the board as the retirant member, the retirant member's office shall be considered vacant, and a successor retirant member shall be chosen in the manner specified in this division.

(C) Elections under this section to fill a vacancy on the board shall be conducted in accordance with rules adopted under section 145.058 of the Revised Code.

(D) A successor member need not be elected under division (A) or (B) of this section for a vacancy that occurs on or after the first day of October of the year in which the vacated term ends.

Sec. 145.09. The public employees retirement board shall elect from its membership a chairperson, and shall appoint an executive director who shall serve as secretary to the board, an actuary, and other employees as necessary for the transaction of the business of the public employees retirement system. The compensation of all persons so appointed shall be fixed by the board.

If the board provides health care coverage to employees of the retirement system, it may permit employees of the Ohio public employees deferred compensation board to participate.

Effective ninety days after ~~the effective date of this amendment~~ September 15, 2004, the board may not employ a state retirement system investment officer, as defined in section 1707.01 of the Revised Code, who does not hold a valid state retirement system investment officer license issued by the division of securities in the department of commerce.

Every expense voucher of an employee, officer, or board member of the public employees retirement system shall itemize all purchases and expenditures.

The board shall perform other functions as required for the proper execution of this chapter, and may adopt rules in accordance with section 111.15 of the Revised Code for the proper administration and management of this chapter.

The board may take all appropriate action to avoid payment by the system or its members of federal or state income taxes on contributions to the system or amounts earned on such contributions.

Notice of proposed rules shall be given to interested parties and rules adopted by the board shall be published and otherwise made available. When it files a rule with the joint committee on agency rule review pursuant to section 111.15 of the Revised Code, the board shall submit to the Ohio retirement study council a copy of the full text of the rule, and if applicable, a copy of the rule summary and fiscal analysis required by division (B) of section 127.18 of the Revised Code.

The board may sue and be sued, plead and be impleaded, contract and be contracted with. All of its business shall be transacted, all of its funds invested, all warrants for money drawn and payments made, and all of its cash and securities and other property shall be held in the name of the board, or in the name of its nominee, provided that nominees are authorized by retirement board resolution for the purpose of facilitating the ownership and transfer of investments.

If the Ohio retirement study council establishes a uniform format for any report the board is required to submit to the council, the board shall submit the report in that format.

Sec. 145.101. Any action brought against the public employees retirement system or the public employees retirement board or its officers, employees, or board members in their official capacities shall be brought in the appropriate court in Franklin county, Ohio.

Sec. 145.19. (A) Except as provided in division (D) of this section, an individual who becomes employed in a position subject to this chapter on or after ~~the date on which the public employees retirement board first establishes a PERS defined contribution plan~~ January 1, 2003, 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 or a PERS defined contribution plan. If Unless a form evidencing an election under this section is ~~not~~ received by the public employees retirement system ~~not later than~~ on or before 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.

(B) An election under this section shall be made ~~in writing~~ on a form provided by the system and filed with the 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 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~~ The individual is 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) The individual is participating or has elected to participate in an alternative retirement plan under section 3305.05 or 3305.051 of the Revised Code and the employment is in a position that is subject to division (C)(4) of section 3305.05 or division (F) of section 3305.051 of the Revised Code.

(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~~ has contributions standing to the individual's credit in the employees' savings fund or defined contribution fund established under section 145.23 of the Revised Code.

(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 PERS public safety officer.

Sec. 145.191. (A) Except as provided in division ~~(E)~~(F) of this section, a public employees retirement system member or contributor who, as of ~~the last day of the month immediately preceding the date on which the public employees retirement board first establishes a PERS defined contribution plan~~ December 31, 2002, 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 a PERS defined contribution plan~~ June 30, 2003, an eligible member or contributor may elect to participate in a PERS defined

contribution plan. ~~If Unless~~ a form evidencing an election is ~~not~~ received by the system ~~not later than the last day of the one hundred eighty day period on or before that date,~~ a member or contributor to whom this section applies is deemed to have elected to continue participating in the PERS defined benefit plan.

(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 the request of a member or contributor who made an~~ election under this section, the system shall ~~do both of the following:~~

~~(1) Credit credit to the 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 the accumulated contributions attributable standing to the credit of the member or contributor;~~

~~(2) Cancel in the employees' savings fund and cancel~~ all service credit and eligibility for any payment, benefit, or right under the PERS defined benefit plan.

(D) For each member or contributor who elected under this section to participate in a PERS defined contribution plan and made a request under division (C) of this section, any additional deposits that were made by the member or contributor prior to April 6, 2007, under the version of division (C) of section 145.23 of the Revised Code as it existed immediately prior to that date shall be credited to the defined contribution plan.

~~(E)~~ An election under this section is effective as of ~~the date the board first established a PERS defined contribution plan~~ January 1, 2003, 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)(F)~~ An election may not be made under this section by a member or contributor who is either of the following:

(1) A PERS retiree who is a member under division ~~(E)~~(D) of section 145.38 of the Revised Code;

(2) A PERS law enforcement officer or a PERS public safety officer.

Sec. 145.192. Except as provided in section 145.195, 145.814 ~~and, or~~ 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 shall be ineligible for any benefit or payment under 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 section 145.194 or division (C)(4) of section 3305.05 and division (F) of section 3305.051 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~~

A member who terminates employment in all positions subject to this chapter, receives a refund of the member's contributions made under section 145.47 or 145.85 of the Revised Code, 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. 145.194. (A) A member participating in a PERS defined contribution plan at the time of commencing employment as a PERS law enforcement officer or PERS public safety officer shall cease making contributions to that plan. During employment as a PERS law enforcement officer or a PERS public safety officer and any concurrent employment in a position subject to this chapter, the member shall contribute only to the PERS defined benefit plan.

(B) A member described in division (A) of this section with contributions standing to the member's credit in a PERS defined contribution plan may elect to have those contributions deposited and credited in the PERS defined benefit plan in accordance with section 145.814 of the Revised Code and rules governing the PERS defined benefit plan.

Sec. 145.195. The public employees retirement system may, in accordance with rules it adopts under this section, permit a member who participated in both the PERS defined benefit plan and one or more PERS defined contribution plans to combine years of service as a member for the purpose of determining eligibility for a benefit under section 145.32, 145.331, or 145.332 of the Revised Code, or a benefit under a PERS defined contribution plan.

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. 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~~ January 1, 2003, 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 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 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 specified by the board that is equal to one hundred per cent of the additional liability resulting from the purchase of that year or portion of a year of credit as determined by an actuary employed by the board;~~

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

~~(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 the credit the member is eligible to purchase, subject to board rules. The public employees retirement board shall determine the amount and manner of payment. 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. 145.201. (A) Subject to the limit described in division (C) of this section, any member who is or has been an elected official of the state or any political subdivision thereof or has been appointed by the governor with the advice and consent of the senate to serve full-time as a member of a board, commission, or other public body may at any time prior to retirement purchase additional service credit in an amount not to exceed thirty-five per cent of the service credit allowed the member for the period of service as an elected or appointed official subsequent to January 1, 1935, other than credit for military service, part-time service, and service 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.

~~The~~ For each year of additional service credit ~~may be purchased by paying under this section. the member shall pay~~ into the employees' savings fund an amount ~~computed by multiplying by the employee contribution rate in effect at the time of purchase the member's earnable salary for the period of service upon which the purchased credit is based, by the number of years or portions thereof of additional service credit to be purchased, and by paying into the employers' accumulation fund an amount equal to the full amount paid into the employees' savings fund. If a member purchases less than the full amount of the additional service credit to which the member is entitled, the period of service upon which the purchase is computed shall be the member's earliest period of such service specified by the public employees retirement board that is equal to one hundred per cent of the additional liability resulting from the purchase of that year or portion of a year of credit as determined by an actuary employed by the board.~~ The member shall receive full credit for such additional elective service in computing an allowance or benefit under section ~~145.20, 145.33, 145.331, 145.34, 145.332, 145.36, 145.361, or 145.46~~ of the Revised Code, notwithstanding any other provision of this chapter. The payment to the employees' savings fund, and ~~payments made to the employers' accumulation fund prior to the effective date of this amendment,~~ for such additional elective service credit shall, in the event of death or withdrawal from service, be considered as accumulated contributions of the member.

~~A member of a board, commission, or other public body shall be considered to be serving full time if full-time service is required by law or if the director of administrative services determines that the duties of the position require full-time service. The board may determine by rule what constitutes full- or part-time service for purposes of this section.~~

(B) Notwithstanding division (A) of this section, a member who

purchased service credit under this section prior to January 1, 1980, on the basis of part-time service shall be permitted to retain the credit and shall be given full credit for it in computing an allowance or benefit under section ~~145.20~~, 145.33, 145.331, ~~145.34~~, ~~145.332~~, 145.36, 145.361, or 145.46 of the Revised Code. The public employees retirement board has no authority to cancel or rescind such credit.

(C) A purchase made under this section shall not exceed the limits established by division (n) of section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415(n), as amended.

(D) Subject to rules adopted by the public employees retirement board, a member who has purchased service credit under this section is entitled to be refunded all or a portion of the actual amount the member paid for the service credit if, in computing an age and service retirement allowance under division (A)(5) of section 145.33 or section 145.332 of Revised Code, the allowance exceeds ~~the~~ a limit established by ~~division (A)(6) of that section~~ either of those sections.

A refund under this division cancels the equivalent amount of service credit.

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 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 and ~~145.584~~ 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) 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~~ remain in the employees' savings fund or may be transferred 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. Amounts paid by an employer under section 145.483 of the Revised Code shall be credited to the employers' accumulation fund, except that if the amounts paid by the employer are for members participating in a PERS defined contribution plan those amounts may be credited to the defined contribution fund.

Amounts paid by an employer under section 145.86 of the Revised Code may 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. The annuity and pension reserve fund is also the fund from which shall be paid all pensions, disability benefits, annuities, and benefits in lieu thereof under a PERS defined contribution plan, if reserves have been transferred to the fund for that purpose.

(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 Except as provided in division (G) of this section, 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, 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 in which may be accumulated the contributions under section 145.86 of the Revised Code, together with any earnings credited thereon. Except as provided in division (C) of this section, the defined contribution fund is the fund from which shall be paid all benefits provided under a PERS defined contribution plan and from which may be paid administrative expenses of the plan.

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 and may be made available in printed or electronic format, except that the following 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 as follows:

(1) Copies of 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.

(2) Documentation required by section 2929.193 of the Revised Code shall be provided to a court holding a hearing under that section.

(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 an order issued under division (A) or (B) of section 2929.192 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 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.

(6) At the request of any person, the board shall make available to the person copies of all documents, including resumes, in the board's possession regarding filling a vacancy of an employee member or retirant member of the board. The person who made the request shall pay the cost of compiling, copying, and mailing the documents. The information described in division (D)(6) of this section is a public record.

(7) The system shall provide the notice required by section 145.573 of the Revised Code to the prosecutor assigned to the case.

(8) The system may provide information requested by the United States

social security administration, United States centers for medicare and medicaid, Ohio public employees deferred compensation program, Ohio police and fire pension fund, school employees retirement system, state teachers retirement system, state highway patrol retirement system, or Cincinnati retirement system.

(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.

(F) For purposes of this section, the board may maintain records in printed or electronic format.

Sec. 145.28. (A)(1) Except as provided in division (A)(2) of this section, a member of the public employees retirement system with at least eighteen months of contributing service in the system, the state teachers retirement system, or the school employees retirement system who exempted self from membership in one or more of the systems pursuant to section 145.03 or 3309.23 of the Revised Code, or former section 3307.25 or 3309.25 of the Revised Code, or was exempt under section 3307.24 of the Revised Code, may purchase credit for each year or portion of a year of service for which the member was exempted.

(2) A member may not purchase credit under this section for exempted service if the service was exempted from contribution under section 145.03 of the Revised Code and 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.

~~(B) For each year or portion of a year of credit purchased under this section, a member shall pay to the retirement system an amount determined by multiplying the member's earnable salary for the twelve months of contributing service preceding the month in which the member applies to purchase the credit by a percentage rate established by rule of the public employees retirement board adopted under division (F) of this section. Credit shall be purchased under this section in accordance with section 145.29 of the Revised Code.~~

~~(C) Subject to board rules, a member may purchase all or part of the credit the member is eligible to purchase under this section in one or more payments. If the member purchases the credit in more than one payment, compound interest at a rate specified by rule of the board shall be charged on the balance remaining after the first payment is made.~~

~~(D)~~(C) Credit purchasable under this section shall not exceed one year

of service for any twelve-month period. If the period of service for which credit is purchasable under this section is concurrent with a period of service that will be used to calculate a retirement benefit from this system, the state teachers retirement system, or school employees retirement system, the amount of the credit shall be adjusted in accordance with rules adopted by the public employees retirement board.

A member who is also a member of the state teachers retirement system or the school employees retirement system shall purchase credit for any service for which the member exempted self under section 145.03 or 3309.23 of the Revised Code, or former section 3307.25 or 3309.25 of the Revised Code, or was exempt under section 3307.24 of the Revised Code, from the retirement system in which the member has the greatest number of years of service credit. If the member receives benefits under section 145.37 of the Revised Code, the retirement system that determines and pays the benefit shall receive from the other system or systems the amounts paid by the member for purchase of credit for exempt service plus interest at the actuarial assumption rate of the system paying that amount. The interest shall be for the period beginning on the date of the member's last payment for purchase of the credit and ending on the date of the member's retirement.

~~(E)~~(D) If a member dies or withdraws from service, any payment made by the member under this section shall be considered as accumulated contributions of the member.

~~(F)~~(E) The retirement board shall adopt rules to implement this section.

Sec. 145.29. (A) A member of the public employees retirement system who elects to purchase or otherwise obtain service credit under section 145.28, 145.291, 145.292, 145.293, or 145.299 or division (G) of section 145.47 of the Revised Code shall do both of the following:

(1) Submit a request to the public employees retirement board in a manner or form approved by the board;

(2) For each year, or portion of a year, of credit purchased or otherwise obtained, pay to the employees' savings fund an amount specified by the board that is equal to one hundred per cent of the additional liability resulting from purchasing or obtaining that year or portion of a year of credit as determined by an actuary employed by the board.

(B) Subject to board rules, a member may choose to purchase or otherwise obtain in any one payment only part of any service credit listed in division (A) of this section.

Sec. 145.291. Any member of the public employees retirement system who subsequent to January 1, 1935, and the date membership was established was off the payroll either on a leave of absence approved by the

then appointing authority or because the member resigned due to pregnancy or adoption of a child, ~~shall have the right to make such payment, at the contribution rate in effect at the time of payment, with interest on such amount compounded annually at a rate to be determined by the retirement board as the member would have made if the member had continued on the payroll at the earnable salary the member was receiving at the time public service was interrupted~~ may purchase service credit for the period of absence or resignation, provided that subsequent to such leave of absence or resignation the member returned to regular contributing status in the retirement system for at least twelve calendar months. In the case of resignation, the member must submit evidence satisfactory to the retirement board documenting that the resignation was due to pregnancy or adoption of a child.

~~The member may choose to purchase only part of the credit in any one payment, subject to board rules. The payment shall entitle the member to receive service credit for the leave or period of absence; Credit shall be purchased under this section in accordance with section 145.29 of the Revised Code, except that service credit purchased under this section shall not exceed one year. The payment, together with any regular interest, shall, in the event of death or withdrawal from service of the member prior to retirement, be considered as accumulated contributions of the member.~~

~~Sec. 145.29 145.292. Three years of contributing membership in the public employees retirement system subsequent to the date that membership is established entitles a member to receive prior service credit for services prior to January 1, 1935, in any capacity which comes under this chapter, provided that such member has not lost membership at any time by the withdrawal of the member's accumulated contributions. Members who have withdrawn an exemption shall receive the prior service credit provided for under the conditions of this section, only in the event such member has made the payments required by section 145.28 of the Revised Code. If the public employees retirement board determines that a position of any employee member in any one calendar year prior to January 1, 1935, was a part-time position, the board may determine what fractional part of a year's credit shall be given. In determining what credit shall be allowed to regular, full-time employees who are paid on an hourly or per diem basis, the board shall allow a full day's credit to any employee toward retirement who is called to work and works any portion of a day. Credit for service between January 1, 1935, and the date of becoming a member of the public employees retirement system except a part-time employee who claimed exemption under the provisions of section 145.03 of the Revised Code, may~~

~~be secured purchased by any public employee for service rendered an employer provided such public employee pays into the employees' savings fund an amount equal to the amount the member would have paid if deductions had been taken on the member's earnable salary at the member contribution rate in effect at the time of such payment for service after January 1, 1935, or since the member's date of employment, plus interest on such amount compounded annually at a rate to be determined by the board. The member may choose to purchase only part of such credit in any one payment, subject to board rules. Such payment shall be refunded in the event of the death or withdrawal from service of the member prior to retirement under the same conditions and in the same manner as refunds are made under sections 145.40 and 145.43 of the Revised Code, from the employees' savings fund. Credit shall be purchased under this section in accordance with section 145.29 of the Revised Code.~~

Sec. 145.293. (A) Service credit may be purchased under this section ~~shall be included in the member's total service credit. Credit may be purchased 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) ~~For each year of service purchased, a member shall pay to the public 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 public employees retirement board from the date of membership in the public employees retirement system to date of payment. The member may choose to purchase only part of such credit in any one payment, subject to board rules. 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 for which the member has obtained credit 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. 145.294. (A)(1) The public employees retirement board may establish by rule a payroll deduction plan for payment of the cost of restoring service credit under section 145.31 or 145.311 of the Revised Code or purchasing any service credit members of the public employees retirement system are eligible to purchase under this chapter, or for making additional deposits under section 145.583 or 145.62 of the Revised Code. In addition to any other matter considered relevant by the board, the rules shall specify all of the following:

(1)(a) The types of service credit that may be paid for through payroll deduction, including the section of the Revised Code that authorizes the purchase of each type of service credit for which payment may be made by payroll deduction;

(2)(b) The procedure for informing the member's employer and the system that the member wishes to purchase service credit under this chapter or make additional deposits under section 145.583 or 145.62 of the Revised Code through payroll deduction;

(3)(c) The procedure to be followed by the system and employers to determine for each request the amount to be deducted, the number of deductions to be made, and the interval at which deductions will be made. The rules may provide for a minimum amount for each deduction or a maximum number of deductions for the purchase of any type of credit.

(4)(d) The procedure to be followed by employers in transmitting amounts deducted from the salaries of their employees to the system;

(5)(e) The procedure to be followed by the system in crediting service credit to members who choose to purchase it through payroll deduction.

~~(B)(2)~~ If the board establishes a payroll deduction plan under this ~~section~~ division, it shall certify to the member's employer for each member for whom deductions are to be made, the amount of each deduction and the payrolls from which deductions are to be made. The employer shall make the deductions as certified and transmit the amounts deducted in accordance with the rules established by the board under this section.

~~(C)(3)~~ Rules adopted under this ~~section~~ division shall not affect any right to purchase service credit conferred by any other section of the Revised Code, including the right of a member under any such section to purchase only part of the service credit the member is eligible to purchase.

~~(D)(4)~~ No payroll deduction made pursuant to this ~~section~~ division may exceed the amount of a member's net compensation after all other deductions and withholdings required by law.

(B) The public employees retirement board may establish by rule a payment plan for the cost of restoring service credit under section 145.31 or 145.311 of the Revised Code or purchasing any service credit members of the public employees retirement system may purchase under this chapter. The plan may provide for partial payments and for payments by payroll deduction under division (A) of this section.

On receipt of a request from a member eligible to restore or purchase service credit, the system shall determine and give notice to the member of the total cost of the credit and the time period in which the payments must be made for the credit to be available at that cost. The system may specify the amount and frequency of payments for credit not purchased in a single payment.

Sec. 145.295. (A) As used in this section and section 145.2913 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 public employees retirement system who has contributions on deposit with, but is no longer contributing to, a uniform retirement system shall, in computing years of 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 public employees retirement system is made under this division. At the request of the member; a transfer shall be made if all of the following conditions are met:

(1) The member is eligible, or with the credit will be eligible, for a

retirement or disability benefit.

(2) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that the credit has been obtained.

(3) For each year of service the uniform system shall transfer transfers to the public employees retirement system, for each year of service, the sum of the following:

(1)(a) An amount equal to the member's accumulated contributions to the uniform system making the transfer and any payments by the member for military service credit;

(2)(b) 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 employed by the member's current employer as a member of the public employees retirement system at the time the credit was earned appropriate employer contribution under section 145.48 or 145.49 of the Revised Code;

(3)(c) Interest, determined as provided in division (H) of this section, on the amounts specified in divisions (B)(1)(3)(a) and (2)(b) of this section for the period from the last day of the year for which the service credit in the uniform system was earned or in which the military service credit was purchased or obtained to the date the transfer is made.

(C) A member of the public employees retirement system who has at least eighteen months of contributing service credit with the public employees retirement system, who is a former member of a uniform retirement system, and who has received a refund of the member's accumulated contributions to that uniform system shall, in computing years of service, be given full may obtain credit for service credit earned under Chapter 742. or 5505. of the Revised Code or for military service credit if, for all of the following conditions are met:

(1) The member is eligible. or with the credit will be eligible. for a retirement or disability benefit.

(2) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that the credit has been obtained.

(3) For each year of service, the public employees retirement system receives the sum of the following:

(1)(a) 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 public employees retirement board on

that amount from the date of the refund to the date of the payment;

~~(2)(b)~~ 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)(c)~~ 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 employed by the member's current employer as a member of the public employees retirement system at the time the credit was earned appropriate employer contribution under section 145.48 or 145.49 of the Revised Code, 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 credit to the date of the transfer.

On receipt of payment from the member, the public employees 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 (H) of this section.

(D) A member of the public employees retirement system who purchased credit under former division (A)(1) of this section, as it existed before August 25, 1995, for service as a member of a uniform retirement system may elect to have the amount the member paid for this service credit refunded to the member under this division if the member agrees to repurchase this service credit pursuant to division (C) of this section.

(E) Service credit purchased or otherwise obtained under this section shall be considered the equivalent of Ohio service credit.

The public employees retirement system shall withdraw the credit and refund all amounts paid or transferred under this section if either of the following occurs:

(1) The member fails to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that credit has been obtained.

(2) The member's application for a disability benefit is denied.

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 public employees retirement board. A member is ineligible to purchase or otherwise obtain credit under this section for service to be used in calculation of any retirement benefit currently being paid or payable to the member in the future under any other retirement

program or for service credit that may be transferred under section 145.2913 of the Revised Code.

(F) If a member of the public employees retirement system who is not a current contributor elects to receive credit under section 742.21 or 5505.40 of the Revised Code for service for which the member contributed to the system or made payment for military service credit, the system shall transfer to the Ohio police and fire pension fund or the state highway patrol 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.

(G) A member of the public employees retirement system who earned service credit in the public employees retirement system for full-time service as a township or municipal police officer and received service credit in the Ohio police and fire pension fund under section 742.511 or 742.512 of the Revised Code for such service may elect to have the credit restored as public employees retirement system service credit by paying the public employees retirement system an amount equal to the accumulated contributions paid by the member to the Ohio police and fire pension fund under section 742.511 or 742.512 of the Revised Code. When such an election is made, the Ohio police and fire pension fund shall transfer to the public employees retirement system the amount previously transferred under section 742.511 or 742.512 of the Revised Code from the public employees retirement system to the Ohio police and fire pension fund.

(H) 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 public employees retirement system or of the uniform retirement system in which the credit was earned. The interest shall be compounded annually.

(I) At the request of the public employees retirement system, the uniform retirement system shall certify to the public employees retirement system a copy of the records of the service and contributions of a public employees retirement system member who seeks service credit under this section.

Sec. 145.297. (A) As used in this section, "employing unit" means:

(1) A municipal corporation, agency of a municipal corporation designated by the legislative authority, park district, conservancy district, sanitary district, health district, township, department of a township designated by the board of township trustees, metropolitan housing authority, public library, county law library, union cemetery, joint hospital, or other political subdivision or unit of local government.

(2) With respect to state employees, any entity of the state including any

department, agency, institution of higher education, board, bureau, commission, council, office, or administrative body or any part of such entity that is designated by the entity as an employing unit.

(3)(a) With respect to employees of a board of alcohol, drug addiction, and mental health services, that board.

(b) With respect to employees of a county board of developmental disabilities, that board.

(c) With respect to other county employees, the county or any county agency designated by the board of county commissioners.

(4) In the case of an employee whose employing unit is in question, the employing unit is the unit through whose payroll the employee is paid.

(B) An employing unit may establish a retirement incentive plan for its eligible employees. In the case of a county or county agency, decisions on whether to establish a retirement incentive plan for any employees other than employees of a board of alcohol, drug addiction, and mental health services or county board of developmental disabilities and on the terms of the plan shall be made by the board of county commissioners. In the case of a municipal corporation or an agency of a municipal corporation, decisions on whether to establish a retirement incentive plan and on the terms of the plan shall be made by the legislative authority.

All terms of a retirement incentive plan shall be in writing.

A retirement incentive plan shall provide for purchase by the employing unit of service credit for eligible employees who elect to participate in the plan and for payment by the employing unit of the entire cost of the service credit purchased.

Every retirement incentive plan shall remain in effect for at least one year. The employing unit shall give employees at least thirty days' notice before terminating the plan.

Every retirement incentive plan shall include provisions for the timely and impartial resolution of grievances and disputes arising under the plan.

No employing unit shall have more than one retirement incentive plan in effect at any time.

(C) Any classified or unclassified employee of the employing unit who is a member of the public employees retirement system shall be eligible to participate in the retirement incentive plan established by the employee's employing unit if the employee meets the following criteria:

(1) The employee is not any of the following:

(a) An elected official;

(b) A member of a board or commission;

(c) A person elected to serve a term of fixed length;

(d) A person appointed to serve a term of fixed length, other than a person appointed and employed by the person's employing unit.

(2) The employee is or will be eligible to retire under section ~~145.32~~ 145.33, 145.34, 145.332, or 145.37, ~~or division (A) of section 145.33~~ of the Revised Code on or before the date of termination of the retirement incentive plan. Service credit to be purchased for the employee under the retirement incentive plan shall be included in making such determination.

(3) The employee agrees to retire under section ~~145.32~~ 145.33, 145.34, 145.332, or 145.37, ~~or division (A) of section 145.33~~ of the Revised Code within ninety days after receiving notice from the public employees retirement system that service credit has been purchased for the employee under this section.

Participation in the plan shall be available to all eligible employees except that the employing unit may limit the number of participants in the plan to a specified percentage of its employees who are members of the public employees retirement system on the date the plan goes into effect. The percentage shall not be less than five per cent of such employees. If participation is limited, employees with more total service credit have the right to elect to participate before employees with less total service credit. In the case of employees with the same total service credit, employees with a greater length of service with the employing unit have the right to elect to participate before employees with less service with the employing unit. Employees with less than eighteen months of service with the employing unit have the right to elect to participate only after all other eligible employees have been given the opportunity to elect to participate. For the purpose of determining which employees may participate in a plan, total service credit includes service credit purchased by the employee under this chapter after the date on which the plan is established.

A retirement incentive plan that limits participation may provide that an employee who does not notify the employing unit of the employee's decision to participate in the plan within a specified period of time will lose priority to participate in the plan ahead of other employees with less seniority. The time given to an employee to elect to participate ahead of other employees shall not be less than thirty days after the employee receives written notice that the employee may participate in the plan.

(D) A retirement incentive plan shall provide for purchase of the same amount of service credit for each participating employee, except that the employer may not purchase more service credit for any employee than the lesser of the following:

(1) Five years of service credit;

(2) An amount of service credit equal to one-fifth of the total service credited to the participant under this chapter, exclusive of service credit purchased under this section.

For each year of service credit purchased under this section, the employing unit shall pay an amount equal to the additional liability resulting from the purchase of that year of service credit, as determined by an actuary employed by the public employees retirement board.

(E) Upon the election by an eligible employee to participate in the retirement incentive plan, the employee and the employing unit shall agree upon a date for payment or contracting for payment in installments to the public employees retirement system of the cost of the service credit to be purchased. The employing unit shall submit to the public employees retirement system a written request for a determination of the cost of the service credit, and within forty-five days after receiving the request, the board shall give the employing unit written notice of the cost.

The employing unit shall pay or contract to pay in installments the cost of the service credit to be purchased to the public employees retirement system on the date agreed to by the employee and the employing unit. The payment shall be made in accordance with rules adopted by the public employees retirement board. The rules may provide for payment in installments and for crediting the purchased credit to the employee's account upon the employer's contracting to pay the cost in installments. The board shall notify the member when the member is credited with service purchased under this section. If the employee does not retire within ninety days after receiving notice that the employee has been credited with the purchased service credit, the system shall refund to the employing unit the amount paid for the service credit.

No payment made to the public employees retirement system under this section shall affect any payment required by section 145.48 of the Revised Code.

(F) For the purpose of determining whether the cost of a retirement incentive plan established by a county or county agency under this section is an allowable cost for the purpose of federal funding for any year, the cost shall be considered abnormal or mass severance pay only if fifteen per cent or more of the county or county agency's employees participate in the plan in that year.

Nothing in this division shall relieve a county or county agency from seeking federal approval for any early retirement incentive plan that uses federal dollars in accordance with federal law.

Sec. 145.298. (A) As used in this section:

(1) "State employing unit" means an employing unit described in division (A)(2) of section 145.297 of the Revised Code, except that it does not mean an employing unit with fifty or fewer employees.

(2) "State institution" means a state correctional facility, a state institution for the mentally ill, or a state institution for the care, treatment, and training of the mentally retarded.

(B)(1) Prior to ~~the effective date of this amendment~~ July 17, 2009, in the event of a proposal to close a state institution or lay off, within a six-month period, a number of persons employed at an institution that equals or exceeds the lesser of fifty or ten per cent of the persons employed at the institution, the employing unit responsible for the institution's operation shall establish a retirement incentive plan for persons employed at the institution.

(2) On and after ~~the effective date of this amendment~~ July 17, 2009, in the event of a proposal to close a state institution or lay off, within a six-month period, a number of persons employed at an institution that equals or exceeds the lesser of three hundred fifty or forty per cent of the persons employed at the institution, the employing unit responsible for the institution's operation shall establish a retirement incentive plan for persons employed at the institution.

(C)(1) Prior to ~~the effective date of this amendment~~ July 17, 2009, in the event of a proposal, other than the proposals described in division (B) of this section, to lay off, within a six-month period, a number of employees of a state employing unit that equals or exceeds the lesser of fifty or ten per cent of the employing unit's employees, the employing unit shall establish a retirement incentive plan for employees of the employing unit.

(2) On and after ~~the effective date of this amendment~~ July 17, 2009, in the event of a proposal, other than the proposals described in division (B) of this section, to lay off, within a six-month period, a number of employees of a state employing unit that equals or exceeds the lesser of three hundred fifty or forty per cent of the employing unit's employees, the employing unit shall establish a retirement incentive plan for employees of the employing unit.

(D)(1) A retirement incentive plan established under this section shall be consistent with the requirements of section 145.297 of the Revised Code, ~~except as provided in division (D)(2) of this section and except~~ that the plan shall go into effect at the time the layoffs or proposed closings are announced and shall remain in effect until the date of the layoffs or closings.

(2) ~~A retirement incentive plan established under this section due to the proposed closing of a state institution by the department of mental health prior to July 1, 1997, shall be consistent with the requirements of section~~

~~145.297 of the Revised Code, except as follows:~~

~~(a) The employing unit shall purchase at least three years of service credit for each participating employee, except that it shall not purchase more service credit than the amount allowed by division (D) of section 145.297 of the Revised Code;~~

~~(b) The plan shall go into effect at the time the proposed closing is announced and shall remain in effect at least until the date of the closing.~~

(3) If the employing unit already has a retirement incentive plan in effect, the plan shall remain in effect at least until the date of the layoffs or closings. The employing unit may revise the existing plan to provide greater benefits, but if it revises the plan, it shall give written notice of the changes to all employees who have elected to participate in the original plan, and it shall provide the greater benefits to all employees who participate in the plan, whether their elections to participate were made before or after the date of the revision.

Sec. 145.299. (A) As used in this section, "school board member" means a member of a city, local, exempted village, or joint vocational school district board of education and "governing board member" means a member of an educational service center governing board.

(B) A member of the public employees retirement system may purchase credit for service as a school board member if all of the following conditions are met:

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

(2) The member agrees to retire within ninety days after receiving notice of the additional liability under ~~division (C) of this section 145.29 of the Revised Code.~~

(3) The retirement system receives certification of the member's service and compensation as a school board or governing board member from the board of education or governing board of the district or educational service center in which the member served or, if that district or educational service center no longer exists, the board or governing board that controls the territory, or the largest part of the territory, of the district or educational service center in which the member served.

(C) Credit shall be purchased under this section in accordance with section 145.29 of the Revised Code, except that payment for the credit or portion of credit shall be paid in full at the time of purchase.

(D) The retirement system shall calculate the amount of credit the member is eligible to purchase by dividing the compensation received pursuant to section 3313.12 of the Revised Code for each month served as a

school board or governing board member by the amount of compensation that, for the same month, the retirement system considered equivalent to full-time service.

(E) Credit may be purchased for service as a school board or governing board member, other than service 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, between January 1, 1935, and the first day of January of the year in which the credit is purchased. A member may purchase not more than one-twelfth of a year's credit for each month of service as a school board or governing board member.

~~(C) On receipt of a request from a member eligible to purchase credit under this section, the system shall obtain from its actuary certification of the additional liability to the system for each month of credit the member is eligible to purchase, and shall notify the member of such additional liability. The member may purchase in one-month increments any portion of the credit the member is eligible to purchase. For each month of credit purchased, the member shall pay to the system an amount equal to the additional liability resulting from the purchase. Payment shall be made in full at the time of purchase.~~

(D)(F) The public employees retirement board shall adopt rules in accordance with section 111.15 of the Revised Code concerning the purchase of credit under this section. In addition to any other matters considered relevant by the retirement board, the rules shall specify the procedure to be followed by a member to inform the system of the member's desire to purchase credit for service as a school board or governing board member.

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

Sec. 145.2911. (A) If the conditions described in division (B) of section 145.2910 of the Revised Code are met, a member of the public employees retirement system who is not receiving a pension or benefit from the public employees 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 public employees retirement system 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 all of the following conditions are met:

(1) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(2) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that the credit has been obtained.

(3) For each year of service, the Cincinnati retirement system transfers to the public employees retirement system the sum of the following:

~~(1)(a)~~ 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)(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 employed by the member's current employer as a member of the public employees retirement system at the time the credit was earned~~ appropriate employer contributions under section 145.48 or 145.49 of the Revised Code;

~~(3)(c)~~ Interest on the amounts specified in divisions (B)~~(1)(3)(a)~~ and ~~(2)(b)~~ of this section 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 is made.

(C) A member of the public employees retirement system with at least eighteen months of contributing service credit with the public employees 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~~ may obtain credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, ~~for all of the following conditions are met:~~

(1) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(2) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that the credit has been obtained.

(3) For each year of service, the public employees retirement system receives the sum of the following:

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

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

~~(b)(ii)~~ The amount of interest, if any, the member received when the

refund was made that is attributable to the year of service.

~~(2)(b)~~ An amount, transferred by the Cincinnati retirement system to the public employees retirement system, equal to the sum of the following:

~~(a)(i)~~ 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)(ii)~~ 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 employed by the member's current employer as a member of the public employees retirement system at the time the credit was earned~~ appropriate employer contribution under section 145.48 or 145.49 of the Revised Code, 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)(3)(b)(i)~~ 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)(3)(a)~~ of this section, the public employees 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)(3)(b)~~ 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 public employees retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

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

(H) Service credit purchased or otherwise obtained under this section shall be considered the equivalent of Ohio service credit.

The public employees retirement system shall withdraw the credit and refund all amounts paid or transferred under this section if either of the following occurs:

(1) The member fails to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement

system that credit has been obtained under this section.

(2) The member's application for a disability benefit is denied.

(I) 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 public employees retirement board.

(J) A member is ineligible to purchase or otherwise obtain credit under this section for the service to be used in calculation of any ~~retirement~~ retirement benefit currently being paid or payable to the member in the future.

Sec. 145.2912. (A) If the conditions described in division (B) of section 145.2910 of the Revised Code are met and a person who is a member or former member of the public employees retirement system but not a current contributor and who is not receiving a pension or benefit from the public employees retirement system elects to receive credit under the Cincinnati retirement system for service for which the person contributed to the public employees retirement system or purchased or obtained as military service credit, the public employees retirement system shall transfer the amounts specified in divisions ~~(B)(A)(3)(a)~~ and ~~(C)(b)~~ of this section to the Cincinnati retirement system. A person may obtain credit if all of the following conditions are met:

(1) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(2) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that the credit has been obtained.

~~(B)(3)(a)~~ If the person has contributions on deposit with the public employees retirement system, the public employees retirement system ~~shall~~, for each year of service credit, ~~transfer~~ transfers to the Cincinnati retirement system the sum of the following:

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

~~(2)(ii)~~ An amount equal to the lesser of the employer's contributions to the public employees 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)(iii)~~ Interest on the amounts specified in divisions ~~(B)(1)(A)(3)(a)(i)~~ and ~~(2)(ii)~~ 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)(b)~~ If the person has received a refund of accumulated contributions to the public employees retirement system, the public employees retirement system ~~shall~~, for each year of service credit, ~~transfer~~ transfers to the Cincinnati retirement system the sum of the following:

~~(a)(i)~~ 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)(ii)~~ An amount equal to the lesser of the employer's contributions to the public employees 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)(B)~~ The amount transferred under division ~~(C)(1)(A)(3)(b)~~ of this section shall not include any amount of the employer's contributions or interest on employee contributions the person received under section 145.40 of the Revised Code.

~~(3)(C)~~ 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)(A)(3)(b)~~ of this section, the public employees 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 public employees 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 public employees 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 public employees retirement system who elects to receive service credit under the Cincinnati retirement system.

Sec. 145.2913. (A) As used in this section, "transferred service credit" means service credit purchased or obtained under section 742.21, 742.214, 742.375, 5505.201, 5505.40, or 5505.41 of the Revised Code prior to the date a member commenced the employment covered by the public employees retirement system for which the member is currently contributing to the system.

(B) A member of the public employees retirement system who has contributions on deposit with, but is no longer contributing to, a uniform retirement system shall, in computing years of service, be given full credit for transferred service credit if a transfer to the public employees retirement system is made under this ~~section~~ division. At the request of a member a transfer shall be made if all of the following conditions are met:

(1) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(2) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that the credit has been obtained.

(3) For each year of service, the uniform system shall transfer transfers to the public employees retirement system the sum of the following:

~~(1)(a)~~ An amount equal to the amounts transferred to the uniform system under section 742.21, 742.214, 742.375, 5505.201, 5505.40, or 5505.41 of the Revised Code;

~~(2)(b)~~ Interest, determined as provided in division (E) of this section, on the amount specified in division (B)~~(1)(3)(a)~~ of this section for the period from the last day of the year in which the transfer under section 742.21, 742.214, 742.375, 5505.201, 5505.40, or 5505.41 of the Revised Code was made to the date a transfer is made under this section.

(C) A member of the public employees retirement system with at least eighteen months of contributing service credit with the public employees retirement system who has received a refund of contributions to a uniform retirement system shall, in computing years of service, be given full credit for transferred service credit if, for all of the following conditions are met:

(1) The member is eligible, or with the credit will be eligible, for a retirement or disability benefit.

(2) The member agrees to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that the credit has been obtained.

(3) For each year of service, the public employees retirement system receives the sum of the following:

~~(1)(a)~~ 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 transferred service credit, with interest on that amount from the date of the refund to the date a payment is made under this section;

~~(2)(b)~~ Interest, which shall be transferred by the uniform system, on the amount refunded to the member for the period from the last day of the year in which the transfer under section 742.21, 742.214, 742.375, 5505.201,

5505.40, or 5505.41 of the Revised Code was made to the date the refund was made;

~~(3)(c)~~ If the uniform system retained any portion of the amount transferred under section 742.21, 742.214, 742.375, 5505.201, 5505.40, or 5505.41 of the Revised Code, an amount, which shall be transferred by the uniform system, equal to the amount retained, with interest on that amount for the period from the last day of the year in which the transfer under section 742.21, 742.214, 742.375, 5505.201, 5505.40, or 5505.41 of the Revised Code was made to the date a transfer is made under this section.

On receipt of payment from the member, the public employees 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 (E) of this section.

(D) Service credit purchased or obtained under this section shall be considered the equivalent of Ohio service credit. 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 adopted by the public employees retirement board. A member is ineligible to purchase or obtain service credit under this section for service to be used in the calculation of any retirement benefit currently being paid or payable to the member in the future under any other retirement program or for service credit that may be purchased or obtained under section 145.295 of the Revised Code.

(E) Interest charged under this section shall be calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the public employees retirement system or of the uniform retirement system to which the credit was transferred under section 742.21, 742.214, 742.375, 5505.201, 5505.40, or 5505.41 of the Revised Code. The interest shall be compounded annually.

(F) Any amounts transferred or paid under divisions (B) and (C) of this section that are attributable to contributions made by the member or to amounts paid to purchase service credit shall be credited to the employees' savings fund created under section 145.23 of the Revised Code. Any remaining amounts shall be credited to one or more of the funds created under that section as determined by the board.

(G) At the request of the public employees retirement system, the uniform retirement system shall certify to the public employees retirement system a copy of the records of the service and contributions of a public employees retirement system member who seeks service credit under this section. The uniform retirement system shall specify the portions of the

amounts transferred that are attributable to employee contributions, employer contributions, and interest.

(H) If a member of the public employees retirement system who is not a current contributor elects to receive service credit under section 742.214 or 5505.41 of the Revised Code for transferred service credit, as defined in those sections, the system shall transfer to the uniform retirement system, as applicable, the amount specified in division (B) or (C) of section 742.214 or division (B) or (C) of section 5505.41 of the Revised Code.

(I) The public employees retirement system shall withdraw the credit and refund all amounts paid or transferred under this section if either of the following occurs:

(1) The member fails to retire or accept a disability benefit not later than ninety days after receiving notice from the public employees retirement system that credit has been obtained under this section.

(2) The member's application for a disability benefit is denied.

(J) The board may adopt rules to implement this section.

Sec. 145.2914. (A) The public employees retirement board may adopt rules in accordance with section 145.09 of the Revised Code to establish a program under which service credit earned under ~~division (A) or (B)(2)(b) of section 145.33 of the Revised Code~~ or division (A)(2), (B)(2), or (C)(2) of section 145.332 of the Revised Code is treated as service credit earned under ~~division (B)(2)(a)(A)(1), (B)(1), or (C)(1) of that section 145.332 of the Revised Code~~ if the member makes elects to do one of the following:

(1) Have the amount of service credit earned under section 145.33 of the Revised Code or division (A)(2), (B)(2), or (C)(2) of section 145.332 of the Revised Code reduced so there is no additional liability to the public employees retirement system;

(2) Make payment to the public employees retirement system in accordance with the rules. The number of years of service credit earned under section 145.33 of the Revised Code or division (A)(2), (B)(2), or (C)(2) of section 145.332 of the Revised Code that may be treated as service credit earned under division (A)(1), (B)(1), or (C)(1) of section 145.332 of the Revised Code shall not exceed five.

(B) If the board adopts rules under division (A) of this section, all of the following apply to payments made under division (A)(2) of this section:

(1) For each year or portion of a year of service credit earned under division (A) or (B)(2)(b) of section 145.33 of the Revised Code or division (A)(2), (B)(2), or (C)(2) of section 145.332 of the Revised Code that is to be treated as service credit earned under division (B)(2)(a)(A)(1), (B)(1), or (C)(1) of that section 145.332 of the Revised Code, the member shall pay to

the retirement system an amount specified by the retirement board that is not less than one hundred per cent of the additional liability resulting from the purchase of that year, or portion of a year, of service.

~~(2) The number of years of service credit earned under division (A) or (B)(2)(b) of section 145.33 of the Revised Code that may be treated as service credit earned under division (B)(2)(a) of that section shall not exceed five.~~

~~(3)~~ Any amounts paid under this section shall be credited to the employees' savings fund.

~~(4)(3)~~ The amounts paid by the member under this section are subject to the limits established by division (n) of section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 415(n), as amended.

(C) A member may make ~~payments~~ the election authorized by this section if the member is eligible to retire under this chapter or will become eligible to retire as a result of the payment election. The member shall agree to retire not later than ninety days after making the election under division (A)(1) of this section or receiving notice of the additional liability specified under division (B)(1) of this section. Payment If the member makes the election under division (A)(2) of this section, payment shall be made in full for any credit earned under division (A) or (B)(2)(b) of section 145.33 of the Revised Code or division (A)(2), (B)(2), or (C)(2) of section 145.332 of the Revised Code that is to be treated as service credit earned under division (B)(2)(a)(A)(1), (B)(1), or (C)(1) of that section 145.332 of the Revised Code, but the member may choose to make payment for only part of the credit for which the member is eligible.

(D) If the member does not retire not later than ninety days after making the election under division (A)(1) of this section or the payment authorized by under division (A)(2) of this section, the system shall refund ~~the any~~ payment and shall not treat the credit ~~for which payment was made~~ as service credit earned under division ~~(B)(2)(a)(A)(1), (B)(1), or (C)(1) of section 145.33~~ 145.332 of the Revised Code.

(E) The board's rules may deal with any other matter necessary to implement this section.

Sec. 145.2915. (A) As used in this section, "workers' compensation" means benefits paid under Chapter 4121, or 4123, of the Revised Code.

(B) A member of the public employees retirement system may purchase service credit under this section for any period during which the member was out of service and receiving workers' compensation.

(C) For credit purchased under this section:

(1) If the member is employed by one public employer, for each year of

credit, the member shall pay to the system for credit to the employees' savings fund an amount equal to the employee contribution required under section 145.47 of the Revised Code that would have been paid had the member not been out of service based on the salary of the member before the member was out of service. To this amount shall be added an amount equal to compound interest at a rate established by the public employees retirement board from the first date the member was out of service to the final date of payment.

(2) If the member is employed by more than one public employer, the member is eligible to purchase credit under this section and make payments under division (C)(1)(b) of this section only for the position for which the member received workers' compensation. For each year of credit, the member shall pay to the system for credit to the employees' savings fund an amount equal to the employee contribution required under section 145.47 of the Revised Code that would have been paid had the member not been out of service based on the salary of the member earned for the position for which the member received workers' compensation before the member was out of service. To this amount shall be added an amount equal to compound interest at a rate established by the public employees retirement board from the first date the member was out of service to the final date of payment.

(D) The member may choose to purchase only part of such credit in any one payment, subject to board rules.

(E) If a member makes a payment under division (C) of this section, the employer to which workers' compensation benefits are attributed shall pay to the system for credit to the employers' accumulation fund an amount equal to the employer contribution required under section 145.48 or 145.49 of the Revised Code corresponding to that payment that would have been paid had the member not been out of service based on the salary of the member before the member was out of service.

Compound interest at a rate established by the board from the later of the member's date of re-employment or the effective date of this section to the date of payment shall be added to this amount if the employer pays all or any portion of the amount later than the earlier of five years or a period that is three times the period during which the member was out of service and receiving workers' compensation beginning from the later of the member's date of re-employment or the effective date of this section.

(F) The number of years purchased under this section shall not exceed three.

Sec. 145.2916. (A) 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 and employer's contributions calculated upon the basis of the increased salary for the office.

At the member's request and on notification to the public employees retirement system, the public employees retirement board shall compute the total additional amount the member and employer would have contributed, or the amount by which each of the member's and employer'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 combined amount by which the member's and employer's contribution would have increased withheld from the member's salary, the member shall notify the employer, and the employer shall make the withholding commensurate with the period of denied salary and transmit it to the retirement system. The payment of the amount by which the employer's contribution would have increased shall be credited to the employers' accumulation fund.

If the payment of the increased contributions is made in accordance with this section, 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.

(B) If a member dies or withdraws from service, the payment under division (A) of this section shall be considered as accumulated contributions of the member.

Sec. 145.30. (A)(1) As used in this section and section 145.301 of the Revised Code:

~~(1)~~(a) "Armed forces" of the United States includes the following:

~~(a)~~(i) Army, navy, air force, marine corps, coast guard, auxiliary corps as established by congress, red cross nurse serving with the army, navy, air force, or hospital service of the United States, army nurse corps, navy nurse corps, full-time service with the American red cross in a combat zone, and such other service as may be designated by congress as included therein;

~~(b)~~(ii) Personnel of the Ohio national guard and the reserve components of any of the armed forces enumerated in division (A)(1) of this section who are called to active duty pursuant to an executive order issued by the president of the United States or an act of congress;

~~(c)~~(iii) Persons on whom United States merchant marine veteran status has been conferred for service aboard oceangoing merchant ships in service to the United States during World War II.

(2)(b) "State retirement system" means any of the following: the Ohio police and fire pension fund, public employees retirement system, school employees retirement system, state highway patrol retirement system, or the state teachers retirement system.

(2) This section applies only to service in the armed forces that occurred prior to October 13, 1994, the date on which the "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 38 U.S.C. 101, became a public law.

(B) Upon Except as otherwise provided in this division, upon reemployment in the public service and completion of one year of service credit as covered by a state retirement system or the Cincinnati retirement system, within two years after service in the armed forces that is terminated in a manner other than as described in section 4304 of Title 38 of the United States Code, "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 38 U.S.C.A. 4304, and presentation of documentation of the service and subject to rules adopted by the retirement board, any member of the public employees retirement system who was a member with not less than one year of payroll deductions before entering active duty with the armed forces and maintained membership in the public employees retirement system as provided by section 145.41 of the Revised Code, and who was or is out of active service as a public employee by reason of having become a member of the armed forces of the United States on active duty or service shall have such service, not in excess of ten years, considered included as the equivalent of prior military service. Service Except as otherwise provided in this division, service in the armed forces as established by documentation of the service, not in excess of ten years, shall also be considered included as prior military service for a person who was a public employee and who has acquired service credit for five years prior to, and within the one year preceding, the date of entering on active duty in the armed forces of the United States if such person was reemployed in the public service within one year after service in the armed forces that is terminated in a manner other than as described in section 4304 of Title 38 of the United States Code, "Uniformed Services Employment and Reemployment Rights Act of 1994," ~~108 Stat. 3149~~, 38 U.S.C.A. 4304, and established total service credit as defined in section 145.01 of the Revised Code of twenty years exclusive of credit for service in the uniformed services, as defined in section 145.302 of the Revised Code. This division shall not serve to cancel any military service credit earned or granted prior to November 1, 1965.

If the public employees retirement board adopts a rule requiring

payment for service credit granted under this section, the credit shall be granted only if payment is made. The rule shall not require payment of more than the additional liability to the retirement system resulting from granting the credit. A member may choose to purchase only part of the credit in any one payment.

(C) A member of the public employees retirement system is ineligible to receive service credit under this section for any year of military service credit used ~~in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except social security, or used~~ to obtain service credit pursuant to section 145.301 or 145.302 of the Revised Code. At the time such credit is requested, the member shall certify on a form supplied by the retirement board that the member does and will conform to this requirement. This division does not cancel any military service credit earned prior to March 15, 1979.

Sec. 145.301. (A) As used in this section:

(1) "Prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States, reserves, or Ohio national guard who was captured, separated, and incarcerated by an enemy of the United States.

(2) "Reserves" means personnel of the reserve components of any of the armed forces of the United States enumerated in division (A)(1)(a) of section 145.30 of the Revised Code.

(B)(1) A member may purchase service credit that shall be considered as the equivalent of Ohio service for each year or portion of a year of service incurred by reason of having been on active duty as a member of the armed forces of the United States, as defined in section 145.30 of the Revised Code.

(2) On presentation of documentation of the service and subject to public employees retirement board rules, a member may purchase service credit for each year or portion of a year of service incurred by reason of having been on active duty as a member of the reserves or the Ohio national guard for which the member is not eligible to purchase credit under division (B)(1) of this section. Any credit purchased under this section shall be considered as the equivalent of Ohio service credit. For purposes of division (B)(2) of this section, active duty in the reserves or the Ohio national guard includes assembly for drill and instruction; training at encampments, maneuvers, outdoor target practice, or other exercises; and any training or duty in this state ordered by the governor.

(3) Credit shall not be granted for any period of duty during which the

member was contributing to the retirement system.

The credit may be purchased at any time prior to receipt of a retirement allowance. The number of years purchased shall not exceed five. The member may choose to purchase only part of such credit in any one payment, subject to public employees retirement board rules.

(C) A member may purchase service credit that shall be considered as the equivalent of Ohio service for each year of service such member was a prisoner of war. The number of years purchased under this division shall not exceed five. Service credit may be purchased under this division for the same years of service used to purchase service credit under division (B) of this section. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

(D) The total number of years purchased under this section shall not exceed the member's total accumulated number of years of Ohio service.

(E)(1) For each year or portion of a year of service purchased under division (B)(1) or (C) of this section, the member shall pay to the public employees retirement system for credit to the member's accumulated account an amount specified by the retirement board that shall be not less than fifty per cent of the additional liability resulting from the purchase of that year or portion of a year of service as determined by an actuary employed by the board.

(2) For each year or portion of a year of service credit purchased under division (B)(2) of this section, the member shall pay to the public employees retirement system for credit to the member's accumulated account an amount equal to one hundred per cent of the additional liability resulting from the purchase of that year or portion of a year of service as determined by an actuary employed by the board.

The retirement system shall calculate the number of years or portion of a year of credit the member is eligible to purchase under division (B)(2) of this section by dividing the number of days actually served by three hundred sixty-five.

(F) A member is ineligible to purchase service credit under this section for any year of military service that was:

~~(1) Used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except social security, or for retired pay for nonregular service under Chapter 1223 of Section 1662 of Title XVI of the "National Defense Authorization Act for Fiscal Year 1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739;~~

~~(2) Used used to obtain service credit pursuant to section 145.30 or~~

145.302 of the Revised Code.

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.

(G) A member who, on March 17, 2000, is purchasing service credit under this section by making installment payments to the system or by a payroll deduction plan authorized under section 145.294 of the Revised Code may elect, on a form provided by the board, to have a portion of the cost of the service credit recalculated under division (E) of this section as amended by House Bill 186 of the 123rd general assembly. The recalculation shall apply only to the amount still owed by the member as of the date the election is filed with the board.

For each member who makes an election, the board shall do all of the following:

(1) Determine the amount of the total cost of the service credit still owed by the member as of the date the election is filed with the board and the number of years or portion of a year of service credit attributable to that amount;

(2) Recalculate under division (E) of this section the cost of the service credit described in division (G)(1) of this section;

(3) Notify the member of the recalculated amount.

If the recalculated amount is less than the amount still owed by the member as of the date the election is filed, the recalculated amount shall be the amount owed by the member.

(H) Credit purchased under this section may be combined pursuant to section 145.37 with credit for military service purchased under sections 3307.751 and 3309.021, except that not more than an aggregate total of five years of credit purchased under division (B) of this section, division (A) of section 3307.751, and division (A) of section 3309.021, and not more than an aggregate total of five years of credit purchased under division (C) of this section, division (B) of section 3307.751, and division (B) of section 3309.021 shall be used in determining retirement eligibility or calculating benefits under section 145.37 of the Revised Code.

Sec. 145.31. (A) Except as provided in this section, a member or former member of the public employees retirement system with at least eighteen months of contributing service credit in this system, the state teachers retirement system, the school employees retirement system, the Ohio police and fire pension fund, or the state highway patrol retirement system, after the withdrawal of accumulated contributions and cancellation of service credit in this system, may restore such service credit by redepositing the

amount withdrawn, with interest on such amount compounded annually at a rate to be determined by the public employees retirement board from the first day of the month of withdrawal to and including the month of redeposit. The amount redeposited shall be credited as follows:

~~(A)~~(1) The amount that equals the amount, if any, included under section 145.401 of the Revised Code in the withdrawal of accumulated contributions under section 145.40 of the Revised Code shall be credited to the employers' accumulation fund.

~~(B)~~(2) The remaining amount shall be credited to the member's account in the employees' savings fund.

The member may choose to purchase only part of such credit in any one payment, subject to board rules. Except for any amount included under section 145.401 of the Revised Code in the withdrawal of accumulated contributions under section 145.40 of the Revised Code, the total payment to restore canceled service credit, plus any interest credited thereto, shall be considered as accumulated contributions of the member. If a former member is eligible to buy the service credit as a member of the Ohio police and fire pension fund, state highway patrol retirement system, or the city of Cincinnati retirement system, the former member is ineligible to restore that service credit under this section.

Any employee who has been refunded the employee's accumulated contributions to the public employees retirement system solely by reason of membership in a former firemen's relief and pension fund or a former police relief and pension fund may restore membership in the public employees retirement system by redepositing with the system the amount refunded, with interest on such amount compounded annually at a rate to be determined by the board from the month of refund to and including the month of redeposit. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

(B) In lieu of an amount required by division (A) of this section, the board may by rule require deposit of an amount specified in the rule. The amount shall not exceed the additional liability to the retirement system that results from granting the credit.

Sec. 145.32. Eligibility of members of the public employees retirement system, other than those subject to section 145.332 of the Revised Code, for age and service retirement shall be determined under this section.

(A) A member, who has passed his sixtieth birthday and has is eligible for age and service retirement under this division if, not later than five years after the effective date of this amendment, the member meets one of the following requirements:

(1) Has five or more years of total service credit, ~~or has~~ and has attained age sixty;

(2) Has twenty-five or more years of total service credit and has attained his ~~fifty-fifth birthday, or has~~ age fifty-five;

(3) Has thirty or more years of total ~~Ohio~~ service credit, ~~regardless of at any age, may file,~~

(B)(1) A member who would be eligible to retire not later than ten years after the effective date of this amendment if the requirements of this section as they existed immediately prior to the effective date of this amendment were still in effect is eligible to retire under this division if the member meets one of the following requirements:

(a) Has five or more years of total service credit and has attained age sixty;

(b) Has twenty-five or more years of total service credit and has attained age fifty-five;

(c) Has thirty-one or more years of total service credit and has attained age fifty-two;

(d) Has thirty-two or more years of total service credit at any age.

(2) A member who on the effective date of this amendment has twenty or more years of total service credit is eligible for age and service retirement under this division on meeting one of the requirements of division (B)(1) of this section, regardless of when the member meets the requirement unless, between the effective date of this section and the date the member meets the requirement, the member receives a refund of accumulated contributions under section 145.40 of the Revised Code.

(C) A member who is not eligible for age and service retirement under division (A) or (B) of this section, or who became a member on or after the effective date of this amendment, is eligible for age and service retirement under this division if the member meets one of the following requirements:

(1) Has five years or more of total service credit and has attained age sixty-two;

(2) Has twenty-five years or more of total service credit and has attained age fifty-seven;

(3) Has thirty-two years or more of total service credit and has attained age fifty-five.

(D) Service credit purchased or obtained under this chapter shall be used in determining whether a member has the number of years of total service credit required under division (A) or (B) of this section only if the member was a member on the effective date of this amendment or obtains credit under section 145.483 of the Revised Code that would have made the

member a member on that date and one of the following applies:

(1) Except in the case of service credit that has been or will be purchased or obtained under section 145.295 or 145.37 of the Revised Code or is for service covered by the Cincinnati retirement system:

(a) For division (A) of this section, the service credit purchase is completed or the service credit is obtained not later than five years after the effective date of this amendment.

(b) For division (B) of this section, the service credit purchase is completed or the service credit is obtained not later than ten years after the effective date of this amendment.

(2) In the case of service credit that has been or will be purchased or obtained under section 145.295 or 145.37 of the Revised Code or is for service covered by the Cincinnati retirement system:

(a) For division (A) of this section, the service for which the credit has been or will be purchased or obtained occurs not later than five years after the effective date of this amendment.

(b) For division (B) of this section, the service for which the credit has been or will be purchased or obtained occurs not later than ten years after the effective date of this amendment.

(E) A member seeking to retire shall file with the public employees retirement board an application for retirement:

Service. ~~Service~~ retirement shall be effective on the first day of the month immediately following the later of:

~~(A)~~ (1) The last day for which compensation was paid;

~~(B)~~ (2) The attainment of minimum age or service credit eligibility provided under this section;

(3) Ninety days prior to receipt by the board of the member's completed application for retirement.

An employer may, except as otherwise provided in the "Age Discrimination in Employment Act of 1967," as amended, 81 Stat. 602, 29 U.S.C. 621 to 634, as of the thirtieth day of June of any year, terminate the employment of any member who has attained the age of seventy years. A member may at the time of his retirement by written designation duly executed and filed with the public employees retirement board designate a beneficiary to receive any installment which may remain unpaid at the time of his death. Except as provided in section 145.46 of the Revised Code, after the date of his retirement such nomination shall not be changed if the member elects to receive his the member's retirement allowance computed as provided in section 145.46 of the Revised Code as "a joint-life plan A," "or multiple-life plan C," or "plan D."

Sec. 145.323. (A) ~~The Except as otherwise provided in this section, the public employees retirement board shall annually increase each allowance, pension, or benefit payable under this chapter by three per cent, except that no allowance, pension, or benefit 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.~~

Until the last day of December of the fifth full calendar year after the effective date of this amendment, the increase shall be three per cent. For each succeeding calendar year, the increase shall be as follows:

(1) For each allowance, pension, or benefit granted not later than the effective date of this amendment, three per cent;

(2) For each allowance, pension, or benefit granted on or after the effective date of this amendment, the percentage increase in the consumer price index, not exceeding three per cent, as determined by the United States bureau of labor statistics (U.S. city average for urban wage earners and clerical workers: "all items 1982-84=100") for the twelve-month period ending on the thirtieth day of June of the immediately preceding calendar year. If the consumer price index for that period did not increase, no increase shall be made under division (A)(2) of this section.

No allowance, pension, or benefit shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 415, as amended.

The first increase is payable to all persons becoming eligible after June 30, 1971, upon such persons receiving an allowance for twelve months. The increased amount is payable for the ensuing twelve-month period or until the next increase is granted under this section, whichever is later. Subsequent increases shall be determined from the date of the first increase paid to the former member in the case of an allowance being paid a beneficiary under an option, or from the date of the first increase to the survivor first receiving an allowance or benefit in the case of an allowance or benefit being paid to the subsequent survivors of the former member.

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

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

(B) If payment of a portion of a benefit is made to an alternate payee under section 145.571 of the Revised Code, increases under this section granted while the order is in effect shall be apportioned between the alternate payee and the benefit recipient in the same proportion that the

amount being paid to the alternate payee bears to the amount paid to the benefit recipient.

If payment of a portion of a benefit is made to one or more beneficiaries under ~~"a multiple-life plan F"~~ under ~~division (B)(3)(c)~~ of section 145.46 of the Revised Code, each increase under this section granted while the plan of payment is in effect shall be divided among the designated beneficiaries in accordance with the portion each beneficiary has been allocated.

(C) The board shall make all rules necessary to carry out this section.

Sec. 145.33. (A)(1) ~~Except as provided in division (B) or (C) of this section, a member with at least five years of total service credit who has attained age sixty, or who has thirty years of total Ohio service credit, may apply for age and service retirement, which shall consist of:~~

~~(1) An annuity having a reserve equal to the amount of the member's accumulated contributions at that time;~~

~~(2) A pension equal to the annuity provided by division (A)(1) of this section;~~

~~(3) An additional pension, if the member can qualify for prior service, equal to forty dollars multiplied by the number of years, and fraction thereof, of such prior and military service credit;~~

~~(4) A basic annual pension equal to one hundred eighty dollars if the member has ten or more years of total service credit as of October 1, 1956, except that the basic annual pension shall not exceed the sum of the annual benefits provided by divisions (A)(1), (2), and (3) of this section.~~

~~(5) When 145.332 of the Revised Code, when a member retires on age and service retirement, the member's total annual single lifetime allowance, including the allowances provided in divisions (A)(1), (2), (3), and (4) of this section, shall be not less than a base an amount adjusted in accordance with division (A)(5)(2) or (B) of this section and determined by multiplying the member's total service credit by the greater of the following:~~

~~(a) Eighty six dollars;~~

~~(b) Two If the member is eligible for age and service retirement under division (A) or (B) of section 145.32 of the Revised Code, two and two-tenths per cent of the member's final average salary for each of the first thirty years of service plus two and one-half per cent of the member's final average salary for each subsequent year of service;~~

The (b) If the member is eligible for age and service retirement under division (C) of section 145.32 of the Revised Code, two and two-tenths per cent of the member's final average salary for each of the first thirty-five years of service plus two and one-half per cent of the member's final average salary for each subsequent year of service.

(2)(a) For a member eligible to retire under division (A) of section 145.32 of the Revised Code, the member's allowance under division (A)(1) of this section shall be adjusted by the factors of attained age or years of service to provide the greater amount as determined by the following schedule:

Attained Birthday	or	Years of Total Service Credit	Percentage 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~~ (b) For a member eligible to retire under division (B) of section 145.32 of the Revised Code, the member's allowance under division (A)(1) of this section shall be reduced by a percentage determined by the board's actuary for each year the member retires before whichever of the following occurs first: attaining age sixty-six, attaining age fifty-two with thirty-one years of total service credit, or earning thirty-two years of total service credit.

(c) For a member eligible to retire under division (C) of section 145.32 of the Revised Code, the member's allowance under division (A)(1) of this section shall be reduced by a percentage determined by the board's actuary for each year the member retires before whichever of the following occurs first: attaining age sixty-seven, or attaining age fifty-five with thirty-two years of total service credit.

(d) The actuary may use an actuarially based average percentage reduction for purposes of division (A)(2)(b) or (c) of this section.

(3) For a member eligible to retire under division (A) or (B) of section 145.32 of the Revised Code, the right to a benefit shall vest in accordance with the following schedule, based on the member's attained age by September 1, 1976:

Attained Birthday	Percentage of Base Amount
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66	102
67	104
68	106
69	108
70 or more	110

~~(6)(B)~~ The total annual single lifetime allowance that a member shall receive under ~~division (A)(5)~~ of this section shall not exceed the lesser of ~~one~~ the following:

~~(1) Any limit established under section 145.333 of the Revised Code;~~

~~(2) One hundred per cent of the member's final average salary or the;~~

~~(3) The limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.~~

~~(B)(1) For the purposes of divisions (B) to (G) of this section, "total service credit as a PERS law enforcement officer" and "total service credit as a PERS public safety officer" include credit for military service to the extent permitted by division (E)(2) of this section and credit for service as a police officer or state highway patrol trooper to the extent permitted by divisions (E)(3) and (4) of this section.~~

~~(2) A member who meets the conditions in division (B)(2)(a), (b), or (c) of this section may apply for an age and service retirement benefit under this division:~~

~~(a) The member has attained age forty eight and has at least twenty five years of total service credit as a PERS law enforcement officer;~~

~~(b) The member has attained age fifty two, and has at least twenty five years of total service credit as a PERS public safety officer or has service as a PERS public safety officer and service as a PERS law enforcement officer that when combined equal at least twenty five years of total service credit;~~

~~(c) The member has attained age sixty two and has at least fifteen years of total service credit as either of the following:~~

~~(i) A PERS law enforcement officer;~~

~~(ii) A PERS public safety officer.~~

~~(3) A benefit paid under division (B)(2) of this section shall consist of an annual single lifetime allowance equal to the sum of two and one half per cent of the member's final average salary multiplied by the first twenty five years of the member's total service plus two and one tenth per cent of the member's final average salary multiplied by the number of years of the member's total service credit in excess of twenty five years.~~

~~(4) A member with at least fifteen years of total service credit as a PERS law enforcement officer or PERS public safety officer who voluntarily resigns or is discharged for any reason except death, dishonesty,~~

~~cowardice, intemperate habits, or conviction of a felony may apply for an age and service retirement benefit, which shall consist of an annual single lifetime allowance equal to one and one half per cent of the member's final average salary multiplied by the number of years of the member's total service credit. The allowance shall commence on the first day of the calendar month following the month in which the application is filed with the public employees retirement board on or after the attainment by the applicant of age fifty two.~~

~~(C)(1) A member with at least twenty five years of total service credit who would be eligible to retire under division (B)(2)(b) of this section had the member attained age fifty two and who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony, on or after the date of attaining forty eight years of age, but before the date of attaining fifty two years of age, may elect to receive a reduced benefit as determined by the following schedule:~~

Attained Age	Reduced Benefit
48	75% of the benefit payable under division (B)(3) of this section
49	80% of the benefit payable under division (B)(3) of this section
50	86% of the benefit payable under division (B)(3) of this section
51	93% of the benefit payable under division (B)(3) of this section

~~(2) If a member elects to receive a reduced benefit after attaining age forty eight the reduced benefit is payable from the later of the date of the member's most recent birthday or the date the member becomes eligible to receive the reduced benefit.~~

~~(3) Once a member elects to receive a reduced benefit determined by the schedule in division (C)(1) of this section and has received a payment, the member may not reelect to change that election.~~

~~(4) If a member who has resigned or been discharged has left on deposit the member's accumulated contributions in the employees' savings fund and has not elected to receive a reduced benefit determined by the schedule in division (C)(1) of this section, upon attaining fifty two years of age, the member shall be entitled to receive a benefit computed and paid under division (B)(3) of this section.~~

~~(D) A benefit paid under division (B) or (C) of this section shall not exceed the lesser of ninety per cent of the member's 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.

~~(E)(1) A member with service credit as a PERS law enforcement officer or a PERS public safety officer and other service credit under this chapter may elect one of the following:~~

~~(a) To have all the member's service credit under this chapter, including credit for service as a PERS law enforcement officer or PERS public safety officer, used in calculating a retirement allowance under division (A) of this section if the member qualifies for an allowance under that division;~~

~~(b) If the member qualifies for an allowance under division (B)(2)(a) of this section, to have the member's service credit as a PERS law enforcement officer used in calculating a benefit under that division and the member's credit for all service other than PERS law enforcement service used in calculating a benefit consisting of a single life annuity having a reserve equal to the amount of the member's accumulated contributions for all service other than PERS law enforcement service and an equal amount of employer contributions;~~

~~(c) If the member qualifies for an allowance under division (B)(2)(b) or (c), (B)(4), or (C) of this section, to have the member's service credit as a PERS law enforcement officer or PERS public safety officer used in calculating a benefit under the appropriate division and the member's credit for all service other than PERS law enforcement service or service as a PERS public safety officer under this chapter used in calculating a benefit consisting of a single life annuity having a reserve equal to the amount of the member's accumulated contributions for all service other than PERS law enforcement service or PERS public safety officer service and an equal amount of the employer's contributions;~~

~~(2) Notwithstanding sections 145.01 and 145.30 of the Revised Code, no more than four years of military service credit granted under section 145.30 of the Revised Code and five years of military service credit purchased under section 145.301 or 145.302 of the Revised Code shall be used in calculating service as a PERS law enforcement officer or PERS public safety officer or the total service credit of that person.~~

~~(3) Only credit for the member's service as a PERS law enforcement officer, PERS public safety officer, or service credit obtained as a police officer or state highway patrol trooper shall be used in computing the benefit of a member who qualifies for a benefit under division (B) or (C) of this section for the following:~~

~~(a) Any person who originally is commissioned and employed as a deputy sheriff by the sheriff of any county, or who originally is elected sheriff, on or after January 1, 1975;~~

~~(b) Any deputy sheriff who originally is employed as a criminal bailiff or court constable on or after April 16, 1993;~~

~~(c) Any person who originally is appointed as a township constable or police officer in a township police department or district on or after January 1, 1981;~~

~~(d) Any person who originally is employed as a county narcotics agent on or after September 26, 1984;~~

~~(e) Any person who originally is employed as an undercover drug agent as defined in section 109.79 of the Revised Code, department of public safety enforcement agent who prior to June 30, 1999, was a liquor control investigator, park officer, forest officer, wildlife officer, state watercraft officer, park district police officer, conservancy district officer, 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, or municipal police officer on or after December 15, 1988;~~

~~(f) Any person who originally is employed as a state university law enforcement officer on or after November 6, 1996;~~

~~(g) Any person who is originally employed as a state university law enforcement officer by the university of Akron on or after September 16, 1998;~~

~~(h) Any person who originally is employed as a preserve officer on or after March 18, 1999;~~

~~(i) Any person who originally is employed as a natural resources law enforcement staff officer on or after March 18, 1999;~~

~~(j) Any person who is originally employed as a department of public safety enforcement agent on or after June 30, 1999;~~

~~(k) Any person who is originally employed as a house sergeant at arms or assistant house sergeant at arms on or after September 5, 2001;~~

~~(l) Any person who is originally appointed as a regional transit authority police officer or state highway patrol police officer on or after February 1, 2002;~~

~~(m) Any person who is originally employed as a municipal public safety director on or after September 29, 2005, but not later than the effective date of this amendment.~~

~~(4) Only credit for a member's service as a PERS public safety officer or service credit obtained as a PERS law enforcement officer, police officer, or state highway patrol trooper shall be used in computing the benefit of a member who qualifies for a benefit under division (B)(2)(b) or (c)(ii) or (4) or division (C) of this section for any person who originally is employed as~~

~~a Hamilton county municipal court bailiff on or after November 6, 1996.~~

~~(F)(C)~~ Retirement allowances determined under this section shall be paid as provided in section 145.46 of the Revised Code.

~~(G) For the purposes of this section, service prior to June 30, 1999, as a food stamp trafficking agent under former section 5502.14 of the Revised Code shall be considered service as a law enforcement officer.~~

Sec. 145.331. (A) A recipient of a disability allowance under section 145.361 of the Revised Code who is subject to division (C)(3) of that section may make application for age and service retirement under this section. Retirement shall be effective on the first day of the first month following the last day for which the disability allowance is paid.

(B) The annual allowance payable under this section shall consist of the sum of the amounts determined under divisions (B)(1) and (2) of this section:

(1) The greater of the following:

(a) An allowance calculated as provided in section 145.33 or ~~145.34~~ 145.332 of the Revised Code, excluding any period during which the applicant received a disability benefit under section 145.361 of the Revised Code;

(b) An allowance calculated by multiplying the applicant's total service credit, including service credit for the last continuous period during which the applicant received a disability benefit under section 145.361 of the Revised Code, by two and two-tenths per cent of the applicant's final average salary, except that the allowance shall not exceed forty-five per cent of the applicant's final average salary.

(2) An amount equal to the additional allowance the recipient would receive under section 145.323 of the Revised Code, plus any other additional amount the recipient would receive under this chapter, had the recipient retired under section 145.33 or ~~145.34~~ 145.332 of the Revised Code effective on the effective date of the recipient's most recent continuous period of receipt of a disability benefit under section 145.361 of the Revised Code.

(C) The allowance calculated under division (B) of this section, exclusive of any amount added under division (B)(2) of this section based on section 145.323 of the Revised Code, shall be the base for all future additional allowances under section 145.323 of the Revised Code.

The anniversary date for future additional allowances under section 145.323 of the Revised Code shall be the effective date of the recipient's most recent continuous period of receipt of a disability benefit under section 145.361 of the Revised Code.

(D) The retirement allowance determined under this section shall be paid as provided in section 145.46 of the Revised Code.

Sec. 145.332. Eligibility of members of the public employees retirement system, other than those subject to section 145.32 of the Revised Code, for age and service retirement shall be determined under this section.

(A) A member of the public employees retirement system is eligible for age and service retirement under this division if, not later than five years after the effective date of this section, the member meets one of the following requirements:

(1) Has attained age forty-eight and has at least twenty-five years of total service credit as a PERS law enforcement officer;

(2) Has attained age fifty-two and has at least twenty-five years of total service credit as a PERS public safety officer or has service as a PERS public safety officer and service as a PERS law enforcement officer that when combined equal at least twenty-five years of total service credit;

(3) Has attained age sixty-two and has at least fifteen years of total service credit as a PERS law enforcement officer or PERS public safety officer.

(B)(1) A member who would be eligible to retire not later than ten years after the effective date of this amendment if the requirements of section 145.33 of the Revised Code as they existed immediately prior to the effective date of this amendment were still in effect is eligible to retire under this division if the member meets one of the following requirements:

(a) Has attained age fifty and has at least twenty-five years of total service credit as a PERS law enforcement officer;

(b) Has attained age fifty-four and has at least twenty-five years of total service credit as a PERS public safety officer or has service as a PERS public safety officer and service as a PERS law enforcement officer that when combined equal at least twenty-five years of total service credit;

(c) Has attained age sixty-four and has at least fifteen years of total service credit as a PERS law enforcement officer or PERS public safety officer.

(2) A member who on the effective date of this amendment has twenty or more years of total service credit is eligible for age and service retirement under this division on meeting one of the requirements of division (B)(1) of this section, regardless of when the member meets the requirement unless, between the effective date of this section and the date the member meets the requirement, the member receives a refund of accumulated contributions under section 145.40 of the Revised Code.

(C) A member who is not eligible for age and service retirement under

division (A) or (B) of this section is eligible under this division if the member meets one of the following requirements:

(1) Has attained age fifty-two and has at least twenty-five years of total service credit as a PERS law enforcement officer;

(2) Has attained age fifty-six and has at least twenty-five years of total service credit as a PERS public safety officer or has service as a PERS public safety officer and service as a PERS law enforcement officer that when combined equal at least twenty-five years of total service credit;

(3) Has attained age sixty-four and has at least fifteen years of total service credit as a PERS law enforcement officer or PERS public safety officer.

(D) Service credit purchased or obtained under this chapter shall be used in determining whether a member has the number of years of total service credit required under division (A) or (B) of this section only if the member was a member on the effective date of this section or obtains credit under section 145.483 of the Revised Code that would have made the member a member on that date and one of the following applies:

(1) Except in the case of service credit that has been or will be purchased or obtained under section 145.295 or 145.37 of the Revised Code or is for service covered by the Cincinnati retirement system;

(a) For division (A) of this section, the service credit purchase is completed or the service credit is obtained not later than five years after the effective date of this section;

(b) For division (B) of this section, the service credit purchase is completed or the service credit is obtained not later than ten years after the effective date of this section.

(2) In the case of service credit that has been or will be purchased or obtained under section 145.295 or 145.37 of the Revised Code or is for service covered by the Cincinnati retirement system;

(a) For division (A) of this section, the service for which the credit has been or will be purchased or obtained occurs not later than five years after the effective date of this section;

(b) For division (B) of this section, the service for which the credit has been or will be purchased or obtained occurs not later than ten years after the effective date of this section.

(E)(1) A member with at least twenty-five years of total service credit who would be eligible to retire under division (B)(1)(a) of this section had the member attained age fifty and who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony, on or after attaining age forty-eight, but before

attaining age fifty, may elect to receive a reduced benefit. The benefit shall be the actuarial equivalent of the allowance calculated under division (F) of this section adjusted for age.

(2) A member with at least twenty-five years of total service credit who would be eligible to retire under division (C)(1) of this section had the member attained age fifty-two and who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony, on or after attaining age forty-eight, but before attaining age fifty-two, may elect to receive a reduced benefit. The benefit shall be the actuarial equivalent of the allowance calculated under division (F) of this section adjusted for age.

(3) A member with at least twenty-five years of total service credit who would be eligible to retire under division (A)(2) of this section had the member attained age fifty-two and who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony, on or after attaining age forty-eight, but before attaining age fifty-two, may elect to receive a reduced benefit.

(a) If eligibility to make the election under division (E)(3) of this section occurs not later than five years after the effective date of this section, the benefit shall be calculated in accordance with the following schedule:

<u>Attained Age</u>	<u>Reduced Benefit</u>
<u>48</u>	<u>75% of the benefit payable under division (F) of this section</u>
<u>49</u>	<u>80% of the benefit payable under division (F) of this section</u>
<u>50</u>	<u>86% of the benefit payable under division (F) of this section</u>
<u>51</u>	<u>93% of the benefit payable under division (F) of this section</u>

(b) If eligibility to make the election occurs after the date determined under division (E)(3)(a) of this section, the benefit shall be the actuarial equivalent of the allowance calculated under division (F) of this section adjusted for age.

(4) A member with at least twenty-five years of total service credit who would be eligible to retire under division (B)(1)(b) of this section had the member attained age fifty-four and who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony, on or after attaining age forty-eight, but before attaining age fifty-four, may elect to receive a reduced benefit. The benefit shall be the actuarial equivalent of the allowance calculated under division

(F) of this section adjusted for age.

(5) A member with at least twenty-five years of total service credit who would be eligible to retire under division (C)(2) of this section had the member attained age fifty-six and who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony, on or after attaining age fifty-two, but before attaining age fifty-six, may elect to receive a reduced benefit. The benefit shall be the actuarial equivalent of the allowance calculated under division (F) of this section adjusted for age.

(6) If a member elects to receive a reduced benefit under division (E)(1), (2), (3), (4), or (5) of this section, the reduced benefit shall be based on the member's age on the member's most recent birthday. Once a member elects to receive a reduced benefit and has received a payment, the member may not change that election.

(F) A benefit paid under division (A), (B), or (C) of this section shall consist of an annual single lifetime allowance equal to the sum of two and one-half per cent of the member's final average salary multiplied by the first twenty-five years of the member's total service credit plus two and one-tenth per cent of the member's final average salary multiplied by the number of years of the member's total service credit in excess of twenty-five years.

(G) A member with at least fifteen years of total service credit as a PERS law enforcement officer or PERS public safety officer who voluntarily resigns or is discharged for any reason except death, dishonesty, cowardice, intemperate habits, or conviction of a felony may apply for an age and service retirement benefit, which shall consist of an annual single lifetime allowance equal to one and one-half per cent of the member's final average salary multiplied by the number of years of the member's total service credit.

(1) If the member will attain age fifty-two not later than ten years after the effective date of this section, the retirement allowance shall commence on the first day of the calendar month following the month in which application is filed with the board on or after the member's attainment of age fifty-two.

(2) If the member will not attain age fifty-two on or before the date determined under division (G)(1) of this section, the retirement allowance shall commence on the first day of the calendar month following the month in which application is filed with the board on or after the member's attainment of age fifty-six.

(H) A benefit paid under this section shall not exceed the lesser of ninety per cent of the member's final average salary or the limit established

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

(I) A member with service credit as a PERS law enforcement officer or PERS public safety officer and other service credit under this chapter may elect one of the following:

(1) To have all the member's service credit under this chapter, including credit for service as a PERS law enforcement officer or PERS public safety officer, used in calculating a retirement allowance under section 145.33 of the Revised Code if the member qualifies for an allowance under that section;

(2) If the member qualifies for an allowance under division (A)(1), (B)(1), (C)(1), or (E)(1) or (2) of this section, to receive all of the following:

(a) A benefit under division (A)(1), (B)(1), (C)(1), or (E)(1) or (2) of this section for the member's service credit as a PERS law enforcement officer;

(b) A single life annuity having a reserve equal to the amount of the member's accumulated contributions for all service other than PERS law enforcement service;

(c) A pension equal to the annuity provided under division (I)(2)(b) of this section, excluding amounts of the member's accumulated contributions deposited under former division (Y) of section 145.01 or former sections 145.02, 145.29, 145.292, and 145.42, or sections 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, 145.2916, 145.301, 145.47, and 145.814 of the Revised Code for the purchase of service credit.

(3) If the member qualifies for an allowance under division (A)(2), (B)(2), (C)(2), or (E)(3), (4), or (5) of this section, to receive all of the following:

(a) A benefit under division (A)(2), (B)(2), (C)(2), or (E)(3), (4), or (5) of this section for the member's service credit as a PERS law enforcement officer or PERS public safety officer;

(b) A single life annuity having a reserve equal to the amount of the member's accumulated contributions for all service other than PERS law enforcement service or PERS public safety officer service;

(c) A pension equal to the annuity provided under division (I)(3)(b) of this section, excluding amounts of the member's accumulated contributions deposited under former division (Y) of section 145.01 or former sections 145.02, 145.29, 145.292, and 145.42, or sections 145.20, 145.201, 145.28, 145.291, 145.292, 145.293, 145.299, 145.2916, 145.301, 145.47, and 145.814 of the Revised Code for the purchase of service credit.

(J) For the purposes of this section, "total service credit" includes credit

for military service to the extent permitted by division (K) of this section and credit for service as a police officer or state highway patrol trooper to the extent permitted by division (L) of this section.

(K) Notwithstanding sections 145.01 and 145.30 of the Revised Code, not more than four years of military service credit granted or purchased under section 145.30 of the Revised Code and five years of military service credit purchased under section 145.301 or 145.302 of the Revised Code shall be used in calculating service as a PERS law enforcement officer or PERS public safety officer or the total service credit of that person.

(L)(1) Only credit for the member's service as a PERS law enforcement officer, PERS public safety officer, or service credit obtained as a police officer or state highway patrol trooper shall be used in computing the benefit of a member who qualifies for a benefit under this section for the following:

(a) Any person who originally is commissioned and employed as a deputy sheriff by the sheriff of any county, or who originally is elected sheriff, on or after January 1, 1975;

(b) Any deputy sheriff who originally is employed as a criminal bailiff or court constable on or after April 16, 1993;

(c) Any person who originally is appointed as a township constable or police officer in a township police department or district on or after January 1, 1981;

(d) Any person who originally is employed as a county narcotics agent on or after September 26, 1984;

(e) Any person who originally is employed as an undercover drug agent as defined in section 109.79 of the Revised Code, department of public safety enforcement agent who prior to June 30, 1999, was a liquor control investigator, park officer, forest officer, wildlife officer, state watercraft officer, park district police officer, conservancy district officer, veterans' home police officer, special police officer for a mental health institution, special police officer for an institution for the developmentally disabled, or municipal police officer on or after December 15, 1988;

(f) Any person who originally is employed as a state university law enforcement officer on or after November 6, 1996;

(g) Any person who is originally employed as a state university law enforcement officer by the university of Akron on or after September 16, 1998;

(h) Any person who originally is employed as a preserve officer on or after March 18, 1999;

(i) Any person who originally is employed as a natural resources law enforcement staff officer on or after March 18, 1999;

(j) Any person who is originally employed as a department of public safety enforcement agent on or after June 30, 1999;

(k) Any person who is originally employed as a house sergeant at arms or assistant house sergeant at arms on or after September 5, 2001;

(l) Any person who is originally appointed as a regional transit authority police officer or state highway patrol police officer on or after February 1, 2002;

(m) Any person who is originally employed as a municipal public safety director on or after September 29, 2005, but not later than March 24, 2009.

(2) Only credit for a member's service as a PERS public safety officer or service credit obtained as a PERS law enforcement officer, police officer, or state highway patrol trooper shall be used in computing the benefit of a member who qualifies for a benefit under division (B)(1)(b) or (c), (B)(2), (C)(1)(b) or (c), or (C)(2) of this section for any person who originally is employed as a Hamilton county municipal court bailiff on or after November 6, 1996.

(M) For purposes of this section, service prior to June 30, 1999, as a food stamp trafficking agent under former section 5502.14 of the Revised Code shall be considered service as a law enforcement officer.

(N) Retirement allowances determined under this section shall be paid as provided in section 145.46 of the Revised Code.

(O) A member seeking to retire under this section shall file an application with the public employees retirement board.

Service retirement shall be effective as provided in division (E) of section 145.32 of the Revised Code.

(P) If fewer than one per cent of the retirement system's members are contributing as public safety officers, the board, pursuant to a rule it adopts, may treat service as a public safety officer as service as a law enforcement officer.

Sec. 145.333. (A) As used in this section:

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

(a) An allowance calculated under section 145.33 or 145.332 of the Revised Code prior to any reduction for early retirement or election under section 145.46 of the Revised Code of a plan of payment and exclusive of any amounts payable under divisions (D)(2)(b) and (c) or (D)(3)(b) and (c) of section 145.332 of the Revised Code;

(b) An allowance calculated under division (A) of section 145.45 of the Revised Code;

(c) An allowance calculated under division (B)(1)(a) of section 145.331 of the Revised Code.

(2) "CBBC" means the contribution based benefit cap, a limit established by the public employees retirement board on the retirement allowance a member may receive.

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

(C) Prior to paying a retirement allowance, the public employees retirement system shall make the following calculations:

(1) Determine an amount equal to the value of the member's accumulated contributions, exclusive of contributions payable under divisions (D)(2)(b) and (c) or (D)(3)(b) and (c) of section 145.332 of the Revised Code but including any contributions made under section 145.483 of the Revised Code that represent member contributions, any contributions used to fund a benefit under section 145.36 of the Revised Code, with interest compounded at a rate approved by the board, and a portion of any amounts paid by an employer under sections 145.297 or 145.298 of the Revised Code, as determined by an actuary appointed by the board;

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

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

(D) The amount determined under division (C)(3) of this section is the member's CBBC. Except as provided in division (E) of this section, if the retirement allowance the member would receive exceeds the member's CBBC, the allowance shall be reduced to an amount equal to the member's CBBC.

(E) The retirement allowance of a member eligible for age and service retirement under division (A) of section 145.32 of the Revised Code or division (A) of section 145.332 of the Revised Code shall not be reduced under division (D) of this section by more than five per cent of the member's single lifetime allowance computed under section 145.33 or 145.332 of the Revised Code, unless during any full month of service earned after January 1, 1987, the member's earnable salary was less than one thousand dollars.

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~~ public employer.

(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 PERS public safety officer, regardless of length of service.

The coverage shall extend only to illness or injury that occurs before the member's contributing service terminates or, in the case of illness or injury that results from contributing service, becomes evident not later than two years after the date the contributing service ends. The coverage shall not extend to disability resulting from elective cosmetic surgery other than reconstructive surgery.

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 under the PERS defined benefit plan 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~~, ~~145.332~~, or 145.37 ~~or former section 145.34~~ 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.

The standard used to determine whether a member is incapacitated for duty is that the member is mentally or physically incapable of performing the duties of the position the member held at the time the disabling condition began or of a position with similar duties.

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.

The board shall require the recipient of a disability benefit who is described in section 145.363 of the Revised Code to comply with that section.

(G) A disability benefit that has been granted a member but has not commenced shall not be paid if the member continues in or returns to employment with the same employer in the same position or in a position with duties similar to those of the position the member held at the time the benefit was granted.

(H) 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. 145.36. A member who has elected disability coverage under this section, has not attained the applicable age sixty, and is determined by the public employees retirement board under section 145.35 of the Revised Code to qualify for a disability benefit shall be retired on disability under this section.

The applicable age is sixty if the member is described in division (A) or (B) of section 145.32 or division (A), (B), or (E)(1), (3), or (4) of section 145.332 of the Revised Code. It is sixty-two if the member is described in division (C) of section 145.32 or division (E)(2) or (5) of section 145.332 of the Revised Code.

Upon disability retirement, a member shall receive an annual amount

that shall consist of:

(A) An annuity having a reserve equal to the amount of the retirant's accumulated contributions;

(B) A pension that shall be the difference between the member's annuity and an annual amount determined by multiplying the total service credit of the retirant, and in addition thereto the projected number of years and fractions thereof between the effective date of the member's disability retirement and ~~attained attainment of the applicable age sixty~~, assuming continuous service, by ~~eighty-six dollars or two and two-tenths per cent of the member's final average salary, whichever is greater.~~

Where the recipient is not receiving a disability benefit under section 145.37 of the Revised Code and is receiving a disability benefit from either the state teachers retirement system or the school employees retirement system, the recipient shall not be eligible for service credit based upon the number of years and fractions thereof between the date of disability and attained age sixty as provided for in this division.

In no case shall disability retirement be less than thirty per cent or more than seventy-five per cent of the member's final average salary, except that it shall not exceed any limit to which the retirement system is subject under section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

A year of service for the purpose of disability retirement is a complete year of full-time employment, or the equivalent thereof. The public employees retirement board is the final authority in determining the eligibility of a member for disability retirement.

Sec. 145.361. (A) A member with disability coverage under this section who is determined by the public employees retirement board under section 145.35 of the Revised Code to qualify for a disability benefit shall receive a disability allowance under this section. The allowance shall be an annual amount equal to the greater of the following:

- (1) Forty-five per cent of the member's final average salary;
- (2) The member's total service credit multiplied by two and two-tenths per cent of the member's final average salary, not exceeding sixty per cent of the member's final average salary.

(B) Sufficient reserves for payment of the disability allowance shall be transferred to the annuity and pension reserve fund from the employers' contribution fund. The accumulated contributions of the member shall remain in the employees' savings fund. No part of the allowance paid under this section shall be charged against the member's accumulated contributions.

(C) A disability allowance paid under this section shall terminate at the earliest of the following:

(1) The effective date of age and service retirement under sections 145.32 ~~and~~, 145.33, and 145.332, or section ~~145.34 or~~ 145.37 ~~or former section 145.34~~ of the Revised Code;

(2) The date the allowance is terminated under section 145.362 of the Revised Code;

(3) The later of the last day of the month in which the recipient attains the applicable age ~~sixty-five~~, or the last day of the month in which the benefit period ends as follows:

Attained Age at

Effective Date of

Disability Allowance

Benefit Period

60 or 61

60 months

62 or 63

48 months

64 or 65

36 months

66, 67, or 68

24 months

69 or older

12 months

The applicable age is sixty-five if the member is described in division (A) of section 145.32 or division (A) of section 145.332 of the Revised Code. It is sixty-six if the member is described in division (B) of section 145.32 or division (B) of section 145.332 of the Revised Code. It is sixty-seven if the member is described in division (C) of section 145.32 or division (C) of section 145.332 of the Revised Code.

Sec. 145.362. A disability benefit recipient whose application for a disability benefit was received by the public employees retirement system before the effective date of this amendment shall, regardless of when the disability occurred, retain membership status and shall be considered on leave of absence from employment during the first five years following the effective date of a disability benefit, notwithstanding any contrary provisions in this chapter.

A disability benefit recipient whose application for a disability benefit is received by the system on or after the effective date of this amendment shall, regardless of when the disability occurred, retain membership status and shall be considered on leave of absence from employment during the first three years following the effective date of a disability benefit, except that, if the member is receiving rehabilitative services acceptable to a physician or physicians selected by the board, the board may permit the recipient to retain membership status and be considered on leave of absence from employment for up to five years following the effective date of a

disability benefit.

The public employees retirement board shall require any disability benefit recipient to undergo an annual medical examination, except that the board may waive the medical examination if the board's physician or physicians certify that the recipient's disability is ongoing or for any other reason specified in rules adopted by the board. If any disability benefit recipient refuses to submit to a medical examination, the recipient's disability benefit shall be suspended until withdrawal of the refusal. Should the refusal continue for one year, all the recipient's rights in and to the disability benefit shall be terminated as of the effective date of the original suspension.

On completion of the examination by an examining physician or physicians selected by the board, the physician or physicians shall report and certify to the board whether the disability benefit recipient meets the applicable standard for termination of a disability benefit.

(A) Regardless of when the disability occurred, if the recipient's application for a disability benefit was received by the system before the effective date of this amendment, or, if after that date, the recipient has been receiving the benefit for less than three years or is receiving rehabilitative services acceptable to the physician or physicians and considered on leave of absence, or, if, when the disability occurred, the recipient was a PERS law enforcement officer, the standard for termination is that the recipient is no longer physically and mentally incapable of resuming the service from which the recipient was found disabled. If

(B) Regardless of when the disability occurred, if the recipient's application for a disability benefit is received by the system on or after the effective date of this amendment the recipient has been receiving the benefit for three years or longer, the recipient was not a PERS law enforcement officer when the disability occurred, and the recipient is not receiving rehabilitative services acceptable to the physician or physicians, the standard for termination is that the recipient is not physically or mentally incapable of performing the duties of any position that meets all of the following criteria:

(1) Replaces not less than seventy-five per cent of the member's final average salary, adjusted each year by the actual average 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 1982-1984=100");

(2) Is reasonably to be found in the member's regional job market;

(3) Is one that the member is qualified for by experience or education.

If the board concurs in the report that the disability benefit recipient is

~~no longer incapable~~ meets the applicable standard for termination of a disability benefit, the payment of the disability benefit shall be terminated not later than three months after the date of the board's concurrence or upon employment as a public employee. If the leave of absence has not expired, the retirement board shall certify to the disability benefit recipient's last employer before being found disabled that the recipient is no longer physically and mentally incapable of resuming service that is the same or similar to that from which the recipient was found disabled. The employer shall restore the recipient to the recipient's previous position and salary or to a position and salary similar thereto, unless the recipient was dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance, or conviction of a felony.

Each disability benefit recipient shall file with the board an annual statement of earnings, current medical information on the recipient's condition, and any other information required in rules adopted by the board. The board may waive the requirement that a disability benefit recipient file an annual statement of earnings or current medical information if the board's physician certifies that the recipient's disability is ongoing.

The board shall annually examine the information submitted by the recipient. If a disability benefit recipient refuses to file the statement or information, the disability benefit shall be suspended until the statement and information are filed. If the refusal continues for one year, the recipient's right to the disability benefit shall be terminated as of the effective date of the original suspension.

If a disability benefit recipient is restored to service by, or elected to an elective office with, an employer covered by this chapter, the recipient's disability benefit shall cease.

The board may terminate a disability benefit at the request of the recipient.

If disability retirement under section 145.36 of the Revised Code is terminated for any reason, the annuity and pension reserves at that time in the annuity and pension reserve fund shall be transferred to the employees' savings fund and the employers' accumulation fund, respectively. If the total disability benefit paid is less than the amount of the accumulated contributions of the member transferred to the annuity and pension reserve fund at the time of the member's disability retirement, the difference shall be transferred from the annuity and pension reserve fund to another fund as may be required. In determining the amount of a member's account following the termination of disability retirement for any reason, the total amount paid shall be charged against the member's refundable account.

If a disability allowance paid under section 145.361 of the Revised Code is terminated for any reason, the reserve on the allowance at that time in the annuity and pension reserve fund shall be transferred from that fund to the employers' accumulation fund.

If a former disability benefit recipient again becomes a contributor, other than as an other system retirant under section 145.38 of the Revised Code, to this system, the state teachers retirement system, or the school employees retirement system, and completes an additional two years of service credit, the former disability benefit recipient shall be entitled to full service credit, not exceeding five years' service credit, for the period as a disability benefit recipient, except that if the board adopts a rule requiring payment for the service credit it shall be granted only if the former disability benefit recipient pays an amount determined under the rule. The rule shall not require payment of more than the additional liability to the retirement system resulting from granting the credit. The former recipient may choose to purchase only part of the credit in any one payment.

If any employer employs any member who is receiving a disability benefit, the employer shall file notice of employment with the retirement board, designating the date of employment. In case the notice is not filed, the total amount of the benefit paid during the period of employment prior to notice shall be charged to and paid by the employer.

Sec. 145.363. This section does not apply to a disability recipient who, when the disability occurred, was a PERS law enforcement officer.

(A) A recipient of a disability benefit granted under this chapter whose application for such benefit is received by the public employees retirement system on or after the effective date of this section shall, regardless of when the disability occurred, apply for social security disability insurance benefit payments under 42 U.S.C. 423 if the recipient meets the requirements of divisions (a)(1)(A), (B), and (C) of that section. The application for a social security disability insurance benefit shall be made not later than ninety days after the recipient is granted a disability benefit under this chapter unless the public employees retirement board determines from the member's medical records that the member is physically or mentally unable to make the application. The recipient shall file a copy of the completed application with the public employees retirement system and the system shall accept the copy as evidence of the member's application. If a recipient fails without just cause to apply for social security disability insurance benefit payments or to file a copy of the application with the system, the disability benefit under this chapter shall be suspended until application is made and a copy of the application filed with the system.

(B) Regardless of whether the recipient's disability is ongoing, a recipient of a disability benefit under this chapter who also receives social security disability insurance benefit payments shall file an annual statement of earnings under section 145.362 of the Revised Code and include a copy of the social security disability insurance benefit annual reward letter that specifies the amount of the social security disability insurance program benefit.

(C) Except as provided in division (D) of this section, if any year the total of a disability benefit recipient's benefit under this chapter and social security disability insurance benefit payments exceeds the recipient's adjusted final average salary, the annual benefit under this chapter shall be reduced so that the annual total equals the recipient's adjusted final average salary.

The recipient's adjusted final average salary shall be determined by annually increasing the recipient's final average salary by the percentage increase in the consumer price index, not exceeding three per cent, as determined by the United States bureau of labor statistics (U.S. city average for urban wage earners and clerical workers: "all items 1982-84=100") for the twelve-month period ending on the thirtieth day of June of the immediately preceding calendar year. If the consumer price index for that period did not increase, no increase shall be made to the recipient's adjusted final average salary for that period. No adjustment to a benefit shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 415, as amended.

If a disability benefit recipient receives retroactive payments of social security disability insurance benefits, the system may reduce future disability benefit payments under this chapter to recoup any overpayments.

(D) The reductions required by division (C) of this section do not apply to a recipient of a disability benefit under this chapter who has not less than five years of service credit for periods during which the recipient had earnings from other employment that was subject to the tax imposed by the "Federal Insurance Contributions Act," 26 U.S.C. 3101.

Sec. 145.37. (A) As used in this section:

(1) "State retirement system" means the public employees retirement system, school employees retirement system, or state teachers retirement system.

(2) "Total service credit" means all service credit earned in the state retirement systems, except credit for service subject to section 145.38 of the Revised Code. Total service credit shall not exceed one year of credit for any twelve-month period.

(3) In addition to the meaning given in division (N) of section 145.01 of the Revised Code, "disability benefit" means "disability benefit" as defined in sections 3307.01 and 3309.01 of the Revised Code.

(B) To coordinate and integrate membership in the state retirement systems, the following provisions apply:

(1) ~~At Subject to division (B)(2) of this section, at the option election~~ of a member, total contributions and service credit in all state retirement systems, including amounts paid to restore service credit under sections 145.311, 3307.711, and 3309.261 of the Revised Code, shall be used in determining the eligibility and total retirement or disability benefit payable. When total contributions and service credit are so combined, the following provisions apply:

(a) Age and service retirement ~~or disability benefits are~~ shall be effective on the first day of the month immediately following the later of:

(i) The last day for which compensation was paid;

(ii) The attainment of minimum age or service credit eligibility for benefits provided under this section;

(iii) Ninety days prior to receipt by the board of the member's completed application for retirement.

~~(b) In determining eligibility~~ Disability benefits shall be effective on the first day of the month immediately following the later of the following:

(i) The last day for which compensation was paid;

(ii) The attainment of eligibility for a disability benefit.

(c) Eligibility for a disability benefit, the medical examiner's report to shall be determined by the retirement board of any the state retirement system, showing that will calculate and pay the member's disability incapacitates the member for the performance of duty, may benefit, as provided in division (B)(1)(d) of this section. The state retirement system calculating and paying the disability benefit shall certify the determination to the board of each other state retirement system in which the member has service credit and shall be accepted by the state retirement boards that board as sufficient for granting a disability benefit.

~~(e)(d)~~ The board of the state retirement system in which the member had the greatest service credit, without adjustment, shall ~~determine~~ calculate and pay the total retirement or disability benefit. Where the member's credit is equal in two or more state retirement systems, the system having the largest total contributions of the member shall ~~determine~~ calculate and pay the total benefit.

~~(d)(e)~~ In determining the total credit to be used in calculating a retirement or disability benefit, ~~credit shall not be reduced below that~~

~~certified by the system or systems transferring credit, except that such~~ total combined service credit shall not exceed one year of credit for any one "year" as defined in the law of the system making the calculation.

~~(e)(f)~~ The state retirement system ~~determining~~ calculating and paying a retirement or disability benefit shall receive from the other system or systems ~~the member's refundable account at retirement or the effective date of a disability benefit plus an amount from the employers' accumulation fund equal to the member's refundable account less interest credited under section 145.471, 145.472, or 3307.563 of the Revised Code~~ all of the following for each year of service:

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

(ii) An amount equal to the lesser of the employer's contributions made on behalf of the member to the retirement system for that year of service or the amount that would have been contributed by the employer for the service had the member been a member of the public employees retirement system at the time the credit was earned;

(iii) Interest compounded annually on the amounts specified in divisions (B)(1)(f)(i) and (ii) of this section at the lesser of the actuarial assumption rate for that year of the retirement system determining and paying the benefit or the other retirement system or systems transferring amounts under this section. If

If applicable, the public employees retirement system shall pay to the retirement system ~~determining~~ calculating and paying the benefit a portion of the amount paid on behalf of the member by an employer under section 145.483 of the Revised Code. The portion shall be paid from the employers' accumulation fund and shall equal the product obtained by multiplying by two the amount the member would have contributed during the period the employer failed to deduct contributions, as described in section 145.483 of the Revised Code.

~~(i)(g)~~ The annuity rates and mortality tables of the state retirement system making the calculation and paying the benefit shall be exclusively applicable.

~~(ii)(h)~~ Deposits made for the purpose of an additional annuity, ~~and including guaranteed interest together with earnings as provided in section 145.62 of the Revised Code,~~ upon the request of the member, shall be transferred to the state retirement system paying the benefit. The return upon such deposits shall be that offered by the state retirement system making the calculation and paying the benefit.

(2) A former member receiving a retirement or disability benefit under this section, who accepts employment amenable to coverage in any state retirement system that participated in the former member's combined benefit, shall be subject to the applicable provisions of law governing such re-employment. If a former member should be paid any amount in a retirement benefit, to which the former member is not entitled under the applicable provisions of law governing such re-employment, such amount shall be recovered by the state retirement system paying such benefit by utilizing any recovery procedure available under the code provisions of the state retirement system covering such re-employment.

(C) A PERS retirant or other system retirant, as defined in section 145.38 of the Revised Code, is not eligible to receive any benefit under this section for service subject to section 145.38 of the Revised Code.

Sec. 145.38. (A) As used in this section and sections 145.381 and 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~~, 145.332, or 145.46 or former section 145.34 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 under a PERS defined contribution plan.

(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 and section 145.381 of the Revised Code, 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 primary election for the term or the date on which a primary for the term would have been held, filed a written declaration of intent to retire before the end of the term with the director of the board of elections of the county in which petitions for nomination or election to the office are 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. 145.383. (A) As used in this section:

(1) "Compensation" has the same meaning as in section 3307.01 or 3309.01 of the Revised Code, as appropriate.

(2) "PERS position" means a position for which a member of the public employees retirement system is making contributions to the system.

(3) "Other state retirement system" means the state teachers retirement system or the school employees retirement system.

(4) "State retirement system" means the public employees retirement system, state teachers retirement system, or the school employees retirement system.

(B)(1) A member of the public employees retirement system who holds two or more PERS positions may retire under section 145.32, 145.33, 145.331, ~~145.34~~, 145.332, 145.37, or 145.46 of the Revised Code from the position for which the annual earnable salary at the time of retirement is highest and continue to contribute to the retirement system for the other PERS position or positions.

(2) A member of the public employees retirement system who also holds one or more other positions covered by the other state retirement systems may retire under section 145.32, 145.33, 145.331, ~~145.34~~, 145.332, 145.37, or 145.46 of the Revised Code from the PERS position and continue contributing to the other state retirement systems if the annual earnable salary for the PERS position at the time of retirement is greater than annual compensation for the position, or any of the positions, covered by the other state retirement systems.

(3) A member of the public employees retirement system who holds two

or more PERS positions and at least one other position covered by one of the other state retirement systems may retire under section 145.32, 145.33, 145.331, ~~145.34~~, 145.332, 145.37, or 145.46 of the Revised Code from one of the PERS positions and continue contributing to the public employees retirement system and the other state retirement system if the annual earnable salary for the PERS position from which the member is retiring is, at the time of retirement, greater than the annual compensation or earnable salary for any of the positions for which the member is continuing to make contributions.

(4) A member of the public employees retirement system who has retired as provided in division (B)(2) or (3) of section 3307.351 or division (B)(2) or (3) of section 3309.343 of the Revised Code may continue to contribute to the public employees retirement system for a PERS position if the member held the position at the time of retirement from the other state retirement system.

(5) A member who contributes to the public employees retirement system in accordance with division (B)(1), (3), or (4) of this section shall contribute in accordance with section 145.47 of the Revised Code. The member's employer shall contribute as provided in section 145.48 of the Revised Code. Neither the member nor the member's survivors are eligible for any benefits based on those contributions other than those provided under section 145.384, 3307.352, or 3309.344 of the Revised Code.

(C)(1) In determining retirement eligibility and the annual retirement allowance of a member who retires as provided in division (B)(1), (2), or (3) of this section, the following shall be used to the date of retirement:

(a) The member's earnable salary and compensation for all positions covered by a state retirement system;

(b) Total service credit in any state retirement system, except that the credit shall not exceed one year of credit for any period of twelve months;

(c) The member's accumulated contributions.

(2) A member who retires as provided in division (B)(1), (2), or (3) of this section is a retirant for all purposes of this chapter, except that the member is not subject to section 145.38 of the Revised Code for a position or positions for which contributions continue under those divisions or division (B)(4) of this section.

(D) A retired member receiving a benefit under section 145.384 of the Revised Code based on employment subject to this section is not a member of the public employees retirement system and does not have any rights, privileges, or obligations of membership. The retired member is a PERS retirant for purposes of section 145.38 of the Revised Code.

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

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

- (1) A member who retired under section 145.383 of the Revised Code;
- (2) A retiree whose retirement allowance resumed under section 145.385 of the Revised Code.

(B)(1) An other system retiree or PERS retiree who has made contributions under section 145.38 or 145.383 of the Revised Code or, in the case of a retiree 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 to receive either a benefit, as provided in division (B)(2) of this section, or payment of the retiree's contributions made under those sections, as provided in division (H) of this section.

(2) A benefit under this section shall consist of an annuity having a reserve equal to the amount of the retiree'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 amount of the employer's contributions determined by the board.

(a) Unless, as described in division (I) of this section, the application is accompanied by a statement of the spouse's consent to another form of payment or the board waives the requirement of spousal consent, a PERS retiree or other system retiree who is married at the time of application for a benefit under this section shall receive a monthly annuity under which the actuarial equivalent of the retiree's single life annuity is paid in a lesser amount for life and one-half of the lesser amount continues after the retiree's death to the surviving spouse.

(b) A PERS retiree or other system retiree who is not subject to division (B)(2)(a) of this section shall elect either to receive the benefit as a monthly annuity or a lump sum payment discounted to the present value using a rate of interest determined by the board. A retiree who elects to receive a monthly annuity shall select one of the following as the plan of payment:

- (i) The retiree's single life annuity;
- (ii) The actuarial equivalent of the retiree's single life annuity in an equal or lesser amount for life and continuing after death to a surviving beneficiary designated at the time the plan of payment is selected.

If a retiree who is eligible to select a plan of payment under division

(B)(2)(b) of this section fails to do so, the benefit shall be paid as a monthly annuity under the plan of payment specified in rules adopted by the public employees retirement board.

(c) Notwithstanding divisions (B)(2)(a) and (b) of this section, if a monthly annuity would be less than twenty-five dollars per month, the retirant shall receive a lump sum payment.

(C)(1) The death of a spouse or other designated beneficiary under a plan of payment described in 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 board, effective the first day of the month following ~~receipt by the board of notice~~ of the date of death.

(2) On divorce, annulment, or marriage dissolution, a PERS retirant or other system retirant receiving a benefit described in 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 retirant's single life annuity as determined by the 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 described in division (B)(2)(b)(i) of this section may elect a new plan of payment under division (B)(2)(b) of this section based on the actuarial equivalent of the retirant's single life annuity as determined by the board.

If the marriage or remarriage occurs on or after ~~the effective date of this amendment~~ June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage.

The plan elected under this division shall be effective on the date of receipt by the board of an application on a form approved by the board, but any change in the amount of the benefit shall commence on the first day of the month following the effective date of the plan.

(E) A benefit payable under division (B)(2) of 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, 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, 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;

(4) Ninety days prior to receipt by the board of the member's completed application for retirement;

(5) A date specified by the retirant.

(F)(1) If a PERS retirant or other system retirant dies while employed in employment subject to section 145.38, 145.383, or 145.385 of the Revised Code, a lump sum payment ~~calculated in accordance with division (B)(2) of this section~~ shall be paid to the retirant's beneficiary under division (G) of this section. The lump sum shall be calculated in accordance with division (H) of this section if the retirant was under age sixty-five at the time of death. It shall be calculated in accordance with division (B)(2) of this section if the retirant was age sixty-five or older at the time of death.

(2) If at the time of death a PERS retirant or other system retirant receiving a monthly annuity under division (B)(2)(b)(i) of this section 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 (G) of this section.

(3) If a beneficiary receiving a monthly annuity under division (B)(2) of this section dies and, at the time of the beneficiary's death, the total of the amounts paid to the retirant and beneficiary are less than the amount the retirant would have received as a lump sum payment, the difference between the total of the amounts received by the retirant and beneficiary and the amount that the retirant would have received as a lump sum payment shall be paid to the beneficiary's estate.

(G) A PERS retirant or other system retirant employed under section 145.38, 145.383, or 145.385 of the Revised Code may designate one or more persons as beneficiary to receive any benefits payable under division (B)(2)(b) of 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.

(H)(1) A PERS retirant or other system retirant who applies under division (B)(1) of this section for payment of the retirant's contributions and is unmarried or is married and, unless the board has waived the requirement of spousal consent, includes with the application a statement of the spouse's consent to the payment, shall be paid the contributions made 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, plus interest as provided in section 145.471 of the Revised Code, if the following conditions are met:

(a) The retirant has not attained sixty-five years of age and has terminated employment subject to section 145.38, 145.383, or 145.385 of the Revised Code for any cause other than death or the receipt of a benefit under this section.

(b) Three months have elapsed since the termination of the retirant's employment subject to section 145.38, 145.383, or 145.385 of the Revised Code, other than employment exempted from contribution pursuant to section 145.03 of the Revised Code.

(c) The retirant has not returned to public service, other than service exempted from contribution pursuant to section 145.03 of the Revised Code, during the three-month period.

(2) Payment of a retirant's contributions cancels the retirant's right to a benefit under division (B)(2) of this section.

(I) A statement of a spouse's consent under division (B)(2) of this section to the form of a benefit or under division (H) of this section to a payment of contributions is valid only if signed by the spouse and witnessed by a notary public. The board may waive the requirement of spousal 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.

(J) 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. 145.39. Whenever the limits established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, are raised, the public employees retirement board shall increase the amount of the pension, benefit, or allowance of any person whose

pension, benefit, or allowance payable under section 145.323, 145.33, 145.331, ~~145.34~~, ~~145.332~~, 145.36, or 145.361 or former section 145.34 of the Revised Code was limited by the application of section 415. The amount of the increased pension, benefit, or allowance shall not exceed the lesser of the amount the person would have received if the limits established by section 415 had not been applied or the amount the person is eligible to receive subject to the new limits established by section 415.

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 or 3305.051 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 both the following apply:

(a) Three months have elapsed since the member's 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 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.

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~~ 145.332 of the Revised Code or would be eligible for age and service retirement under any of those sections but for a forfeiture ordered under division (A) or (B) of section 2929.192 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 or 3305.051 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 or 3305.051 of the Revised Code, pay to the appropriate provider, in accordance with section 3305.052 of the Revised Code, the amount described in section 3305.052 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 or 3305.051 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. 145.401. (A) As used in this section:

~~(1) "Eligible contributions" means amounts contributed under section 145.47 of the Revised Code, amounts received from a member or transferred under section 145.20, 145.295, 145.302, or 145.44 of the Revised Code, and any interest credited under section 145.471 or 145.472 of the Revised Code. "Eligible contributions" does not include contributions that were used in the payment of a disability benefit or, as provided in rules adopted by the board, were refunded to a member because the system was not authorized to accept the contributions.~~

~~(2) "Service, "service credit" means service credit earned for periods for which contributions were made under section 145.47 of the Revised Code and, if applicable, periods for which service credit was purchased or transferred restored under section 145.20, 145.295, 145.302, or 145.44 145.31 of the Revised Code.~~

(B) If a member has, or at the time of death had, at least five years of service credit, the public employees retirement board shall include the

amount specified in ~~division (B)(1) or (2) of this section~~ rules adopted by the board in the amount payable under section 145.40 of the Revised Code to the member, or under division (B) of section 145.43 of the Revised Code to a beneficiary or beneficiaries of the member, unless at the time of death the member was a disability benefit recipient. The amount specified in ~~division (B)(1) or (2) of this section~~ rules shall be paid from the employers' accumulation fund.

~~(1) If the member has, or had at the time of death, at least five but less than ten years of service credit, the amount included shall be equal to thirty-three per cent of the member's eligible contributions.~~

~~(2) If the member has, or had at the time of death, at least ten years of service credit, the amount included shall be equal to sixty-seven per cent of the member's eligible contributions.~~ (C) The public employees retirement board shall adopt rules under section 145.09 of the Revised Code specifying the additional amounts that may be provided a member under section 145.40 of the Revised Code or a beneficiary or beneficiaries under division (B) of section 145.43 of the Revised Code. The additional amounts may vary depending on the amount of service credit the member has accrued.

Sec. 145.41. Membership shall cease upon refund of accumulated contributions, death, or retirement except as provided in section 145.362 of the Revised Code. A member who separates from service for any reason other than death or retirement or who otherwise ceases to be a public employee for any reason other than death or retirement may leave the member's accumulated contributions on deposit with the public employees retirement board and, for the purposes of the public employees retirement system, be considered on a membership leave of absence. The member's membership rights shall continue until the member has withdrawn the member's accumulated contributions, retired on a retirement allowance as provided in section 145.33, 145.331, or ~~145.34~~ 145.332 of the Revised Code, or died. The account of such a member shall remain in the employees' savings fund, except that the account of a member who has less than five calendar years of contributing service credit or is a member of the state teachers retirement system or the school employees retirement system may be transferred to the income fund if by the end of the fifth calendar year following the calendar year in which the last contribution was received the member has not died, claimed a refund of contributions, or requested the retirement board to continue the member's membership on a leave of absence basis. In case such a member later requests a refund, the member's account shall be restored to the employees' savings account and refunded therefrom. Members on such leaves of absence shall retain all rights,

obligations, and privileges of membership in the public employees retirement system. A "contributor," as defined in division (F) of section 145.01 of the Revised Code, who formerly lost membership through termination of membership leave of absence and who has not withdrawn the contributor's account shall be reinstated as a member with all the rights, privileges, and obligations of membership in the system. In no case shall a member on leave of absence as provided in this section add to the member's total number of years of service credit by reason of such leave of absence, unless such member ~~was receiving benefits from the state insurance fund and by reason of such benefits qualified for additional service credit as provided in division (H) of section 145.01 of the Revised Code, or was~~ is eligible to and does make a payment as provided in section 145.291 of the Revised Code.

Sec. 145.43. (A) As used in this section and in section 145.45 of the Revised Code:

(1) "Child" means a biological or legally adopted child of a deceased member. If a court hearing for an interlocutory decree for adoption was held prior to the member's death, "child" includes the child who was the subject of the hearing notwithstanding the fact that the final decree of adoption, adjudging the surviving spouse as the adoptive parent, is made subsequent to the member's death.

(2) "Parent" is a parent or legally adoptive parent of a deceased member.

(3) "Dependent" means a beneficiary who receives one-half of the beneficiary's support from a member during the twelve months prior to the member's death.

(4) "Surviving spouse" means an individual who establishes a valid marriage to a member at the time of the member's death by marriage certificate or pursuant to division (E) of this section.

(5) "Survivor" means a surviving spouse, child, or parent.

(6) "Accumulated contributions" has the meaning given in section 145.01 of the Revised Code, except that, notwithstanding that section, it does not include additional amounts deposited in the employees' savings fund pursuant to the version of division (C) of section 145.23 of the Revised Code as it existed immediately prior to ~~the effective date of this amendment~~ April 6, 2007, or pursuant to section 145.62 of the Revised Code.

(B) Except as provided in division (C)(1) of section 145.45 of the Revised Code, should a member die before age and service retirement, the member's accumulated contributions and any applicable amount calculated under section 145.401 of the Revised Code, shall be paid to the person or persons the member has designated ~~in writing duly executed on a form~~

~~provided by the public employees retirement board, signed by the member, and filed with the board prior to the member's death under section 145.431 of the Revised Code.~~ A member may designate two or more persons as beneficiaries to be paid the accumulated account in a lump sum. Subject to rules adopted by the public employees retirement board, a member who designates two or more persons as beneficiaries ~~under this division~~ shall specify the percentage of the lump sum that each beneficiary is to be paid. If the member has not specified the percentages, the lump sum shall be divided equally among the beneficiaries.

The last designation of any beneficiary revokes all previous designations. The member's marriage, divorce, marriage dissolution, legal separation, or withdrawal of account, or the birth of the member's child, or adoption of a child, shall constitute an automatic revocation of the member's previous designation. If a deceased member was also a member of the school employees retirement system or the state teachers retirement system, the beneficiary last established among the systems shall be the sole beneficiary in all the systems.

If the accumulated contributions of a deceased member are not claimed by a beneficiary or by the estate of the deceased member within five years ~~after the death~~, the contributions shall remain in the employees' savings fund or may be transferred to the income fund and thereafter shall be paid to the beneficiary or to the member's estate upon application to the board. The board shall formulate and adopt the necessary rules governing all designations of beneficiaries.

(C) Except as provided in division (C)(1) of section 145.45 of the Revised Code, if a member dies before age and service retirement and is not survived by a designated beneficiary, the following shall qualify, with all attendant rights and privileges, in the following order of precedence, the member's:

- (1) Surviving spouse;
- (2) Children, share and share alike;
- (3) A dependent parent, if that parent takes survivor benefits under division (B) of section 145.45 of the Revised Code;
- (4) Parents, share and share alike;
- (5) Estate.

If the beneficiary is deceased or is not located within ninety days, the beneficiary ceases to qualify for any benefit and the beneficiary next in order of precedence shall qualify as a beneficiary.

Any payment made to a beneficiary as determined by the board shall be a full discharge and release to the board from any future claims.

(D) Any amount due a retirant or disability benefit recipient receiving a monthly benefit and unpaid to the retirant or recipient at death shall be paid to the beneficiary designated ~~in writing on a form approved by the board, signed by the retirant or recipient and filed with the board~~ under section 145.431 of the Revised Code. If no such designation has been filed, or if the designated beneficiary is not located within ninety days, any amounts payable under this chapter due to the death of the retirant or recipient shall be paid in the following order of precedence to the retirant's or recipient's:

- (1) Surviving spouse;
- (2) Children, share and share alike;
- (3) Parents, share and share alike;
- (4) Estate.

The payment shall be a full discharge and release to the board from any future claim for the payment.

Any amount due a beneficiary receiving a monthly benefit and unpaid to the beneficiary at the beneficiary's death shall be paid to the beneficiary's estate.

(E) If the validity of marriage cannot be established to the satisfaction of the board for the purpose of disbursing any amount due under this section or section 145.45 of the Revised Code, the board may accept a decision rendered by a court having jurisdiction in the state in which the member was domiciled at the time of death that the relationship constituted a valid marriage at the time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing the distribution of the member's intestate personal property.

(F) As used in this division, "recipient" means an individual who is receiving or may be eligible to receive an allowance or benefit under this chapter based on the individual's service to a public employer.

If the death of a member, a recipient, or any individual who would be eligible to receive an allowance or benefit under this chapter by virtue of the death of a member or recipient is caused by one of the following beneficiaries, no amount due under this chapter to the beneficiary shall be paid to the beneficiary in the absence of a court order to the contrary filed with the board:

(1) A beneficiary who is convicted of, pleads guilty to, or is found not guilty by reason of insanity of a violation of or complicity in the violation of either of the following:

- (a) Section 2903.01, 2903.02, or 2903.03 of the Revised Code;
- (b) An existing or former law of any other state, the United States, or a foreign nation that is substantially equivalent to section 2903.01, 2903.02, or

2903.03 of the Revised Code.

(2) A beneficiary who is indicted for a violation of or complicity in the violation of the sections or laws described in division (F)(1)(a) or (b) of this section and is adjudicated incompetent to stand trial;

(3) A beneficiary who is a juvenile found to be a delinquent child by reason of committing an act that, if committed by an adult, would be a violation of or complicity in the violation of the sections or laws described in division (F)(1)(a) or (b) of this section.

Sec. 145.431. Designation of a beneficiary for the purposes of section 145.40 of the Revised Code or payment of benefits or return of contributions to the beneficiary of a member participating in a PERS defined contribution plan shall be made under this section. A beneficiary shall be designated in writing duly executed on a form provided by the public employees retirement board and signed by the member. A designation under this section is not valid unless received by the board prior to the member's death.

A beneficiary designation made under this section applies to the PERS defined benefit plan or PERS defined contribution plan in which the member participated or, if the member participated in both the defined benefit plan and one or more defined contribution plans, to both the defined benefit plan and the defined contribution plans.

The last designation of any beneficiary revokes all previous designations. The member's marriage, divorce, marriage dissolution, legal separation, or withdrawal of account, or the birth of the member's child, or adoption of a child, shall constitute an automatic revocation of the member's previous designation.

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~~ 145.332 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 Δ " 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	Or
Annual Benefit as a Per Cent of Decedent's Final Average Salary	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 meets one of the following qualifications:

(i) Except as provided in division (B)(7) of this section, the deceased member had ten or more years of Ohio service credit.

(ii) The spouse is caring for a qualified child.

(iii) The spouse is 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 following restrictions do not apply if the deceased member was contributing toward benefits under ~~division (B) or (C) of section 145.33~~ 145.332 of the Revised Code at the time of death:

(a) That the deceased member have had 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;

(b) If the deceased member was killed in the line of duty, that the deceased member have had ten or more years of Ohio service credit as described in division (B)(2)(a)(i) of this section.

For the purposes of division (B)(7)(b) of this section, "killed in the line of duty," means either that death occurred in the line of duty or that death occurred as a result of injury sustained in the line of duty.

(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. 145.452. Upon the death of a member prior to receipt of service retirement, the surviving spouse or dependents of the deceased member shall have the right to purchase any service credit the member, had the member not died, would have been eligible to purchase under this chapter upon the same terms and conditions that the deceased member could have purchased such service credit had the member not died. The surviving spouse of a member who dies on or after the effective date of this amendment may continue any service credit purchase the member initiated before death. A purchase shall be considered to have been initiated before the member's death if the member made one or more payments for the purchase before death. Any~~

Any service credit purchased under this section shall be applied under the provisions of this chapter in the same manner as it would have been applied had it been purchased by the deceased member during the deceased member's lifetime.

Sec. 145.46. (A) A retirement allowance calculated under section 145.33, 145.331, or ~~145.34~~ 145.332 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)(a) Except as provided in divisions (B)(1)(b) and (c) of this section, 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.~~

~~(b) A member may receive a retirement allowance under a plan of payment other than "plan A" if either of the following is the case:~~

~~(i) 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;~~

~~(ii) A plan of payment providing for payment in a specified portion of the allowance continuing after the member's death to a former spouse is required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property prior to the effective date of the member's retirement.~~

~~(c) If a member is subject to division (B)(1)(b)(ii) of this section and the board has received a copy of the order described in that division, Unless the member is required by division (C) of this section to select a specified plan of payment, a member may elect a plan of payment as provided in division (B)(1), (2), or (3) of this section. An election shall be made at the time the member makes application for retirement and 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 145.332 of the Revised Code.~~

~~(B) The following plans of payment shall be offered by the public employees retirement system:~~

~~(1) "Joint-life plan," an allowance that consists of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.332 of the Revised Code in a lesser amount payable for life and one-half or some other portion equal to ten per cent or more of the allowance continuing after death to the member's designated beneficiary for the beneficiary's life. The beneficiary shall be nominated by written designation filed with the retirement board. The amount payable to the beneficiary shall not exceed the amount payable to the member.~~

(2) "Single-life plan." the member's retirement allowance determined under section 145.33, 145.331, or 145.332 of the Revised Code;

(3) "Multiple-life plan." an allowance that consists of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.332 of the Revised Code in a lesser amount payable to the retirant for life and some portion of the lesser amount continuing after death to two, three, or four surviving beneficiaries designated at the time of the member's retirement. Unless required under division (C) of this section, no portion allocated under this plan of payment shall be less than ten per cent. The total of the portions allocated shall not exceed one hundred per cent of the member's lesser allowance.

(C) A member shall select a plan of payment as follows:

(1) Subject to division (C)(2) of this section, if the member is married at the time of retirement, the member shall select a joint-life plan and receive a plan of payment that consists of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.332 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 married member is not required to select this plan of payment if the member's spouse consents in writing to the member's election of a plan of payment other than described in this division or the board waives the requirement that the spouse consent;

(2) If prior to the effective date of the member's retirement, the public employees retirement board receives a copy of a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property the board shall accept the member's election of a plan of payment under this section only if the member complies with both of the following:

(i)(a) The member elects a plan of payment that is in accordance with the order described in division (B)(1)(b)(ii) of this section.

(ii)(b) If the member is married, the member elects "a multiple-life plan F" and designates the member's current spouse as a beneficiary under that plan unless that spouse consents in writing to not being designated a beneficiary under any plan of payment or the board waives the requirement that the current spouse consent.

(2)(D) An application for retirement shall include an explanation of all of the following:

(a)(1) That, if the member is married, unless the spouse consents to another plan of payment or there is a court order dividing marital property issued under section 3105.171 or 3105.65 of the Revised Code or the laws

of another state regarding the division of marital property that provides for payment in a specified amount, the member's retirement allowance will be paid under "a joint-life plan A," ~~which consists and consist~~ 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)(2)~~ A description of the alternative plans of payment, including all plans described in ~~divisions~~ division (B)(2) ~~and (3)~~ of this section, available with the consent of the spouse;

~~(c)(3)~~ That the spouse may consent to another plan of payment and the procedure for giving consent;

~~(d)(4)~~ 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.

~~(3) 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)(4) of this section or one of the following plans:~~

~~(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.~~

~~(c) "Plan F," 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 to the retirant for life and some portion of the lesser amount continuing after death to two, three, or four surviving beneficiaries designated at the time of the member's retirement. The portion of the lesser allowance that continues after the member's death shall be allocated among the beneficiaries at the time of the member's retirement. If the member elects this plan as required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property and compliance with the court order requires the allocation of a portion less than ten per cent to any beneficiary, the member shall allocate a portion less than ten per cent to that beneficiary in accordance with that order. In all other circumstances, no portion allocated under this plan of payment shall be less than ten per cent. The total of the portions allocated shall not exceed one hundred per cent of the member's lesser allowance.~~

~~(4)(a)(E)(1)~~ 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)(2)~~ 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)~~(4)(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.

~~(5) An election under division (B)(3) or (4) of this section shall be made at the time the member makes application for retirement.~~

~~(6) 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)(F)~~ 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)(G)~~(1) The death of a spouse or any designated beneficiary following retirement shall cancel the portion of the plan of payment providing continuing lifetime benefits to the deceased spouse or deceased designated beneficiary. The retirant shall receive the actuarial equivalent of the retirant's single lifetime benefit, as determined by the board, based on the number of remaining beneficiaries, with no change in the amount payable to any remaining beneficiary. The change shall be effective the month following receipt by the board of notice of the date of 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 portion of the plan providing continuing lifetime benefits to that spouse. The retirant shall receive the actuarial equivalent of the retirant's single lifetime benefit as determined by the retirement board based on the number of remaining beneficiaries, with no change in amount payable to any remaining beneficiary. 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)(H)~~(1) Following a marriage or remarriage, both of the following apply:

(a) A retirant who is receiving the retirant's retirement allowance under "a single-life plan B" may elect a new plan of payment under division (B)(1), ~~(3)(b)~~, or ~~(3)(c)~~ of this section based on the actuarial equivalent of the retirant's single lifetime benefit as determined by the board.

(b) A retirant who is receiving a retirement allowance pursuant to a plan of payment providing for payment to a former spouse pursuant to a court order described in division ~~(B)(1)(b)(ii)(C)(2)~~ of this section may elect a new plan of payment ~~under~~ "in the form of a multiple-life plan F" based on the actuarial equivalent of the retirant's single lifetime retirement allowance as determined by the board if the new plan of payment elected does not reduce the payment to the former spouse.

(2) If the marriage or remarriage occurs on or after ~~the effective date of this amendment~~ June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage.

The plan elected under this division shall become effective on the date of receipt by the board of an application on a form approved by the board, but any change in the amount of the retirement allowance shall commence on the first day of the month following the effective date of the plan.

~~(F)(I)~~ 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)(J)~~ 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. 145.47. (A) Each public employee who is a contributor to the public employees retirement system shall contribute eight per cent of the contributor's earnable salary to the employees' savings fund, except that the public employees retirement board may raise the contribution rate to a rate not greater than ten per cent of the employee's earnable salary.

(B) The head of each state department, institution, board, and commission, and the fiscal officer of each local authority subject to this chapter, shall ~~deduct from the earnable salary of~~ transmit to the system for each contributor on every payroll of such contributor for each payroll period subsequent to the date of coverage, an amount equal to the applicable per cent of the each contributor's earnable salary at such intervals and in such form as the system shall require. The head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the system a report of contributions at such intervals and in such form as the system shall require, showing thereon all ~~deductions for the system made from the contributions and~~ earnable salary of each contributor employed, together with warrants, checks, or electronic payments covering the total of such deductions. A penalty shall be added when such report, together with warrants, checks, or electronic payments to cover the total

amount due from the earnable salary of all amenable employees of such employer, is filed thirty or more days after the last day of such reporting period. The system, after making a record of all receipts under this division, shall deposit the receipts with the treasurer of state for use as provided by this chapter.

(C) Unless the board adopts a rule under division (D) of this section, the penalty described in division (B) of this section for failing to timely transmit a report, pay the total amount due, or both is as follows:

(1) At least one but not more than ten days past due, an amount equal to one per cent of the total amount due;

(2) At least eleven but not more than thirty days past due, an amount equal to two and one-half per cent of the total amount due;

(3) Thirty-one or more days past due, an amount equal to five per cent of the total amount due.

The penalty described in this division shall be added to and collected on the next succeeding regular employer billing. Interest at a rate set by the retirement board shall be charged on the amount of the penalty in case such penalty is not paid within thirty days after it is added to the regular employer billing.

(D) The board may adopt rules to establish penalties in amounts that do not exceed the amounts specified in divisions (C)(1) to (3) of this section.

(E) In addition to the periodical reports of deduction required by this section, the fiscal officer of each local authority subject to this chapter shall submit to the system at least once each year a complete listing of all noncontributing appointive employees. Where an employer fails to transmit contributions to the system, the system may make a determination of the employees' liability for contributions and certify to the employer the amounts due for collection in the same manner as payments due the employers' accumulation fund. Any amounts so collected shall be held in trust pending receipt of a report of contributions for such public employees for the period involved as provided by law and, thereafter, the amount in trust shall be transferred to the employees' savings fund to the credit of the employees. Any amount remaining after the transfer to the employees' savings fund shall be transferred to the employers' accumulation fund as a credit of such employer.

(F) The fiscal officer of each local authority subject to this chapter shall require each new contributor to submit to the system a detailed report of all the contributor's previous service as a public employee along with such other facts as the board requires for the proper operation of the system.

(G) Any member who, because of the member's own illness, injury, or

other reason which may be approved by the member's employer is prevented from making the member's contribution to the system for any payroll period, ~~may pay such deductions as a back payment~~ purchase service credit for the period of absence within one year. Credit shall be purchased under this division in accordance with section 145.29 of the Revised Code.

Sec. 145.473. (A) ~~Except as provided in division (C) of this section, the~~ The rate of interest credited to individual accounts of contributors under sections 145.471 and 145.472 of the Revised Code shall be as follows:

(1) Four per cent per annum, compounded annually, to and including December 31, 1955;

(2) Three per cent per annum, compounded annually, from January 1, 1956, to and including December 31, 1963;

(3) Three and one-quarter per cent per annum, compounded annually, from January 1, 1964, to and including December 31, 1969;

(4) Four per cent per annum, compounded annually, from January 1, 1970, to and including the day before December 13, 2000;

(5) An amount determined by the public employees retirement board that is not greater than six per cent per annum, compounded annually, on and after December 13, 2000.

(B) ~~Except as provided in division (C) of this section, for~~ For the purpose of determining the reserve value of a contributor's annuity, the rate of interest shall be as follows:

(1) Four per cent per annum, compounded annually, for contributors retiring before October 1, 1956;

(2) Three per cent per annum, compounded annually, for contributors retiring on or after October 1, 1956, but before January 1, 1964;

(3) Three and one-quarter per cent per annum, compounded annually, for contributors retiring on or after January 1, 1964, but before January 1, 1970;

(4) Four per cent per annum, compounded annually, for contributors retiring on or after January 1, 1970, but before December 13, 2000;

(5) An amount determined by the board based on the recommendation of the board's actuary, compounded annually, for contributors retiring on or after December 13, 2000.

~~(C) For a PERS retiree who is not subject to division (C) of section 145.38 of the Revised Code or an other system retiree, as those terms are defined in section 145.38 of the Revised Code, or a member of the public employees retirement system who retires in accordance with section 145.383 of the Revised Code, the rate of interest shall be the current actuarial assumption rate of interest, as determined by the board's actuary,~~

~~for the purposes described in divisions (A) and (B) of this section.~~

Sec. 145.48. (A) Each employer shall pay to the public employees retirement system an amount that shall be a certain per cent of the earnable salary of all contributors to be known as the "employer contribution," except that the public employees retirement board may raise the employer contribution to a rate not to exceed fourteen per cent of the earnable salaries of all contributors.

(B)(1) On the basis of regular interest and of such mortality and other tables as are adopted by the public employees retirement board, the actuary for the board shall determine the liabilities and employer rates of contribution as follows:

(a) The percentage of earnable salary that, when added to the per cent of earnable salary contributed by each member, will cover the costs of benefits to be paid to members for each year of service rendered;

(b) The percentage of earnable salary that, if paid over a period of future years, will discharge fully the system's unfunded actuarial accrued pension liability;

(c) The percentage of earnable salary designated by the board to pay benefits authorized under section 145.58 of the Revised Code.

(2) If recognized assets exceed the liabilities for service previously rendered, on approval of the board, a percentage of earnable salary may be deducted from the employer rates of contribution that, if deducted annually over a period of future years, will eliminate the excess.

~~(C) Any publicly owned utility that became subject to this chapter subsequent to July 1, 1938, shall assume before January 1, 1967, the obligation to pay those of its employees entitled to any prior service credit a pension for such service that is in an amount at least equal to the pension provided for other public employees under this chapter. No employers' contributions for prior service credit shall be required of such publicly owned utility. The public employees retirement system has no obligation to pay a prior service pension to any such employees of a publicly owned utility, nor is it obligated to grant any service credit for service with such utility prior to May 1, 1942, or prior to the date such utility became subject to this chapter, whichever is the later date.~~

Sec. 145.483. Upon a finding that an employer failed to deduct contributions pursuant to section 145.47 of the Revised Code during a period of employment for which such contributions were required, a statement of delinquent contributions shall be prepared showing the amount the contributor and employer would have contributed had regular payroll deductions been taken. Simple interest from the end of each calendar year at

a rate ~~set by the public employees retirement board~~ equal to the assumed actuarial rate of interest at the time the statement is prepared shall be included. If delinquent contribution statements are ~~not~~ paid ~~not~~ later than thirty days after the end of the month in which they become an obligation of the employer, any balance remaining shall be collected with penalties and interest pursuant to section 145.51 of the Revised Code.

Any amount paid under this section by an employer shall be credited in accordance with section 145.23 of the Revised Code.

Sec. 145.49. (A) Notwithstanding section 145.47 of the Revised Code:

(1) The public employees retirement system shall be authorized to calculate the employee contribution rates separately for those public employees contributing toward benefits as PERS public safety officers under section ~~145.33~~ 145.332 of the Revised Code.

(2) Each public employee contributing toward benefits as PERS law enforcement officers under section ~~145.33~~ 145.332 of the Revised Code shall contribute to the employees' savings fund the rate determined under division (A)(1) of this section plus an additional percentage specified by the public employees retirement board, which shall initially be one per cent of the employee's earnable salary and shall not be increased to more than two per cent of the employee's earnable salary.

(B) Notwithstanding section 145.48 of the Revised Code, the public employees retirement system shall be authorized to calculate the employer contribution rates separately for those public employees contributing toward benefits as PERS public safety officers under section ~~145.33~~ 145.332 of the Revised Code or as PERS law enforcement officers under that section, except that the employer contribution rate shall not exceed eighteen and one-tenth per cent of the earnable salaries of those employees.

(C) If the public employees retirement board adopts a rule under division (P) of section 145.332 of the Revised Code under which service as a public safety officer is treated as service as a law enforcement officer, the contributions for service as a public safety officer shall be at the rate for service as a law enforcement officer.

Sec. 145.51. (A) Each employer described in division (D) of section 145.01 of the Revised Code shall pay into the employers' accumulation fund, in monthly installments, an amount certified by the public employees retirement board, which equals the employer obligation as described in section 145.12 or 145.69 of the Revised Code. In addition, the board shall add to the employer billing next succeeding the amount, with interest, to be paid by the employer to provide the member with contributing service credit for the service prior to the date of initial contribution to the system for

which the member has made additional payments, except payments made pursuant to former section 145.29 or sections 145.28 and ~~145.29~~ 145.292 of the Revised Code.

(B) Except as provided in section 145.52 of the Revised Code, all employer obligations described in division (A) of this section must be received by the public employees retirement system not later than the thirtieth day after the last day of the calendar month for which related member contributions are withheld.

(C) Unless the board adopts a rule under division (F) of this section establishing a different interest rate or penalty, interest and penalties for failing to pay the employer obligation when due under division (B) of this section shall be as follows:

(1) Interest, compounded annually and charged monthly, for each day after the due date that the employer obligation remains unpaid in an amount equal to six per cent per annum of the past due amount of the employer obligation and any penalties imposed under this section;

(2) The penalty for failing to pay the employer obligation when due under division (B) is as follows:

(a) At least eleven but not more than thirty days past due, an amount equal to one per cent of the past due obligation;

(b) At least thirty-one but not more than sixty days past due, an additional amount equal to one and one-half per cent of the past due obligation;

(c) Sixty-one or more days past due, an additional amount equal to two and one-half per cent of the past due obligation.

(D) The aggregate of all payments by employers under this section shall be sufficient, when combined with the amount in the employers' accumulation fund, to provide amounts payable under this chapter out of the fund, and if not, the additional amount so required shall be collected by means of an increased rate per cent, which shall be certified to such employers by the board.

(E) Upon certification by the board to the director of budget and management, or to the county auditor, of an amount due from an employer within any county who is subject to this chapter, by reason of such employer's delinquency in making payments into the employers' accumulation fund for past billings, such amount shall be withheld from such employer from any funds subject to the control of the director or the county auditor to such employer and shall be paid to the public employees retirement system.

(F) The board may adopt rules to do any of the following:

(1) Establish interest at a rate that does not exceed the annual rate described in division (C)(1) of this section;

(2) Establish penalties in amounts that do not exceed the amounts described in division (C)(2) of this section;

(3) Permit the board to lengthen the periods of time or enter into repayment agreements for employers to comply with divisions (B) and (C) of this section.

Sec. 145.54. The public employees retirement board shall estimate annually the amount required to defray the expenses of the administration of the public employees retirement system in the ensuing year. If in the judgment of the board, as evidenced by a resolution of that board in its minutes, the amount in the income fund exceeds the amount necessary to cover the ordinary requirements of that fund, the board may transfer to the expense fund such excess amount not exceeding the entire amount required to cover the expenses as estimated for the year. The If the amount in the expense fund, including any amount transferred from the income fund, is not sufficient to defray the expenses of administration of the system in the ensuing year, the board may then apportion transfer any remaining amount required for the expense fund for the year then current among contributors. The amount so apportioned in any year shall not exceed three dollars per contributor to that fund from the employer's accumulation fund.

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 income taxes imposed pursuant to section 5748.02, 5748.08, or 5748.09 of the Revised Code, and, except as provided in sections 145.57, 145.572, 145.573, 145.574, 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. 145.561. (A) Except as provided in division (B) of this section and

section 145.363, 145.573, or 145.574 of the Revised Code, the granting of a retirement allowance, annuity, pension, or other benefit to any person pursuant to action of the public employees retirement board vests a right in such person, so long as the person remains the recipient of any benefit of the funds established by section 145.23 of the Revised Code, to receive such retirement allowance, annuity, pension, or other benefit at the rate fixed at the time of granting such retirement allowance, annuity, pension, or other benefit. Such right shall also be vested with equal effect in the recipient of a grant heretofore made from any of the funds named in section 145.23 of the Revised Code.

(B) This section does not apply to an increase made under section 145.323 of the Revised Code for a recipient whose benefit effective date is on or after the effective date of this amendment.

Sec. 145.563. If the Notwithstanding section 145.561 of the Revised Code:

(A) The public employees retirement system may adjust an allowance or benefit payable under this chapter if an error occurred in calculation of the allowance or benefit:

(B) If any person who is a member, former member, contributor, former contributor, retirant, beneficiary, or alternate payee, as defined in section 3105.80 of the Revised Code, is paid any benefit or payment by the public employees retirement system, including any payment made to a third party on the person's behalf, to which the person is not entitled, the benefit or payment shall be repaid to the retirement system by the person or third party. If the person or third party fails to make the repayment, the retirement system shall withhold the amount or a portion of the amount due from any benefit or payment due the person or the person's beneficiary under this chapter, or may collect the amount in any other manner provided by law.

Sec. 145.574. Notwithstanding any other provision of this chapter, any right of a member of the public employees retirement system to a disability benefit is subject to a forfeiture order issued under section 2929.194 of the Revised Code.

If the retirement system receives notice under section 2901.431 of the Revised Code that felony charges have been filed against a member, the retirement system shall not grant the member a disability benefit unless it determines that the member's disability was not caused by commission of the felony. If the member has disability coverage under this chapter or was granted a disability benefit after the date on which the felony was committed, the retirement system shall notify the prosecutor who sent the notice under section 2901.431 of the Revised Code that the member may be

subject to an order of forfeiture under section 2929.194 of the Revised Code.

On receipt under section 2929.194 of the Revised Code of a journal entry showing an order of forfeiture of any right a member may have to a disability benefit, the retirement system shall comply with the order. If a disability benefit was granted prior to receipt of the order, the retirement system shall terminate the benefit. Any disability benefit paid to the member prior to its termination may be recovered in accordance with section 145.563 of the Revised Code.

Neither this section nor section 2929.194 of the Revised Code precludes a member from withdrawing the member's accumulated contributions in accordance with section 145.40 of the Revised Code if the member is not subject to section 145.572 or 2929.193 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~~ The public employees retirement board shall adopt rules establishing eligibility for any coverage provided under this section. The rules shall base eligibility on years and types of service credit earned by members. Eligibility determinations shall be made in accordance with the rules, except that an individual who, as a result of making a false statement in an attempt to secure a benefit under this section, is convicted of violating section 2921.13 of the Revised Code is ineligible for coverage.

(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~~ eligible 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)~~(C)(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 eligible 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 who are not eligible under the rules adopted under division (A) of this section 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~~ 145.584 of the Revised Code for any ~~ineligible~~ such 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) 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 the medicare program established under Title XVIII of "The Social Security Act Amendments of 1965," 79 Stat. 301 (1965), 42 U.S.C.A. 1395j, as amended, an amount determined by the board for such coverage ~~that is not less than ninety six dollars and forty cents~~, except that the board shall make no such payment to any ~~ineligible~~ individual who is not eligible for coverage under the rules adopted under division (A) of this section or pay an amount that exceeds the amount paid by the recipient for the coverage.

At the request of the board, the recipient shall certify to the retirement system the amount paid by the recipient for coverage described in this division.

(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~~ 145.584 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.

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

Sec. ~~145.325~~ 145.584. (A) Except as otherwise provided in division (B) of this section, the board of the public employees retirement system shall make available to each retirant or disability benefit recipient receiving a monthly allowance or benefit on or after January 1, 1968, who has attained the age of sixty-five years, and who is not eligible to receive hospital insurance benefits under the federal old age, survivors, and disability insurance program, hospital insurance coverage substantially equivalent to the federal hospital insurance benefits, Social Security Amendments of 1965, 79 Stat. 291, 42 U.S.C.A. 1395c, as amended. This coverage shall also be made available to the spouse, widow, or widower of such retirant or disability benefit recipient provided such spouse, widow, or widower has attained age sixty-five and is not eligible to receive hospital insurance benefits under the federal old age, survivors, and disability insurance program. The widow or widower of a retirant or disability benefit recipient shall be eligible for such coverage only if he or she is the recipient of a monthly allowance or benefit from this system. ~~One-half~~ A portion of the cost of the premium for the spouse ~~shall~~ may be paid from the appropriate funds of the public employees retirement system ~~and one-half. The remainder of the cost shall be paid by the recipient of the allowance or benefit.~~

The cost of such coverage, paid from the funds of the system, shall be included in the employer's rate provided by section 145.48 of the Revised Code. The retirement board is authorized to make all necessary rules pursuant to the purpose and intent of this section, and shall contract for such coverage as provided in section 145.58 of the Revised Code.

(B) The board need not make the hospital insurance coverage described in division (A) of this section available to any person for whom it is prohibited by section 145.58 of the Revised Code from paying or reimbursing the premium cost of such insurance.

Sec. 145.62. Subject to rules adopted by the public employees retirement system under section 145.09 of the Revised Code, a contributor participating in the PERS defined benefit plan or contributing under section 145.38 or 145.383 of the Revised Code may deposit additional amounts in the employees' savings fund established under section 145.23 of the Revised

Code. The additional deposits may be made either directly to the retirement system or by payroll deduction under section 145.294 of the Revised Code. The contributor shall receive in return either an annuity, as provided in section 145.64 of the Revised Code, having a reserve equal to the amount deposited or a refund under section 145.63 of the Revised Code of the amount deposited, together with earnings on the amount deposited as the public employees retirement board determines appropriate. If the annuity under the plan of payment selected by the contributor under section 145.64 of the Revised Code would be less than twenty-five dollars per month, the contributor shall receive the refund.

Sec. 145.63. (A) Deposits under section 145.62 of the Revised Code, together with earnings, shall be refunded under whichever of the following circumstances applies:

(1) On withdrawal of accumulated contributions as provided in sections 145.40 and 145.43 of the Revised Code or payment of a lump sum under section 145.384 of the Revised Code;

(2) On the death of a contributor prior to retirement;

(3) In the case of a contributor participating in the PERS defined benefit plan, on application of the contributor prior to attaining eligibility for age and service retirement;

(4) In the case of a contributor under section 145.38 or 145.383 of the Revised Code, on application of the contributor prior to attaining eligibility for a benefit under section 145.384 of the Revised Code;

(5) In the case of a contributor who has attained eligibility for an age and service retirement benefit or a benefit under section 145.384 of the Revised Code and is not married, on application;

(6) In the case of a contributor who has attained eligibility for an age and service retirement benefit or a benefit under section 145.384 of the Revised Code and is married, on application if the application is accompanied by a statement of the spouse's consent to the refund or the public employees retirement board waives the requirement that the spouse consent;

(7) In the case of a contributor who has attained eligibility for an age and service retirement benefit as a consequence of section 145.37 of the Revised Code and will receive a retirement or disability benefit from the state teachers retirement system or school employees retirement system but has not requested a transfer of funds to the other retirement system under division (B)(1)(g) of section 145.37 of the Revised Code, at the time the public employees retirement system pays to the other retirement system the amount required under division (B)(1)(e) of that section.

(B) The consent of a spouse to a refund is valid only if it is in writing, 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.

Sec. 145.64. (A) As used in this section:

(1) ~~"Plan A" means a plan of payment that is the same as, "joint-life plan A," as described in section 145.46 of the Revised Code.~~

(2) ~~"Plan B" means a plan of payment that is the same as "single-life plan B," as described in section 145.46 of the Revised Code.~~

(3) ~~"Plan F" means a plan of payment that is the same as and "multiple-life plan F" have the same meanings as described in division (B) of section 145.46 of the Revised Code.~~

(B) A contributor who has not received a refund of amounts deposited under section 145.62 or the version of division (C) of section 145.23 of the Revised Code as it existed immediately prior to ~~the effective date of this section~~ April 6, 2007, may file an application with the public employees retirement system for a benefit under this section. The Except as provided in section 145.62 of the Revised Code, the benefit shall consist of an annuity under a plan of payment that shall be paid as described in division (A)(B) of this section 145.46 of the Revised Code.

The application must be filed prior to receipt of an age and service retirement benefit from the retirement system or, in the case of a contributor under section 145.38 or 145.383 of the Revised Code, a benefit under section 145.384 of the Revised Code. A contributor who fails to file an application for a benefit under this section prior to receipt of an age and service retirement benefit or a benefit under section 145.384 of the Revised Code shall be eligible only for a refund under section 145.63 of the Revised Code.

(1) Except as provided in division (B)(2) of this section, a contributor who is married at the time of application for a benefit under this section shall receive the benefit as a monthly annuity under "a joint-life plan A."

(2) A contributor may receive a benefit under this section under a plan of payment other than "a joint-life plan A" if one of the following is the case:

(a) The contributor is unmarried;

(b) The benefit application is accompanied by a statement of the spouse's consent to another plan of payment or the public employees retirement board waives the requirement that the spouse consent;

(c) A plan of payment providing for payment in a specified portion of the benefit continuing after the member's death to a former spouse is required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property prior to the effective date of the contributor's benefit application.

(3) If a member is subject to division (B)(2)(c) of this section and the board has received a copy of the order described in that division, the board shall accept the member's election of a plan of payment under this section only if the member complies with both of the following:

(a) The member elects a plan of payment that is in accordance with the order described in division (B)(2)(c) of this section.

(b) If the member is married, the member elects "a multiple-life plan F" and designates the member's current spouse as a beneficiary under that plan unless that spouse consents in writing to not being designated a beneficiary or the board waives the requirement that the current spouse consent.

(4) The contributor shall designate the beneficiary or beneficiaries under a plan of payment in writing at the time the plan is selected.

(5) A plan of payment, other than "a single-life plan B," shall be effective only if it is certified by an actuary engaged by the board to be the actuarial equivalent of the contributor's "single-life plan B" annuity and is approved by the board.

(6) A contributor who is eligible to select a plan of payment under this section but fails to do so shall receive a monthly annuity under the plan of payment specified in rules adopted by the board.

(C) An annuity shall be paid monthly and consist of an amount determined by the public employees retirement system or the actuarial equivalent of that amount paid ~~under a plan of payment as~~ described in this section.

Payments shall begin on whichever of the following applies:

(1) ~~The~~ Except as provided in this division, the later of the effective date of the contributor's age and service retirement allowance; or the first day of the month following the latest of:

(a) The last day for which compensation was paid;

(b) The attainment of the member's applicable minimum age or service credit eligibility as provided in section 145.32 of the Revised Code;

(c) The first day of the month following receipt of an application for an age and service retirement benefit.

(2) ~~The~~ later of the effective date of a benefit under section 145.384 of the Revised Code; or the first day of the month following the latest of:

(a) The last day for which compensation for employment subject to

section 145.38 or 145.383 of the Revised Code was paid;

(b) Attainment by the contributor of age sixty-five;

(c) If the contributor was previously employed as described in division (E)(3) of section 145.384 of the Revised Code, completion of a period of twelve months since the effective date of the last benefit under that section;

(d) Receipt of an application for a benefit under section 145.384 of the Revised Code.

(3) The later of the effective date of disability retirement under section 145.36 of the Revised Code or the date on which a member receiving disability retirement under section 145.36 of the Revised Code would have been eligible for an age and service retirement allowance.

(4) The first day of the month following the last day for which a disability allowance is paid under section 145.361 of the Revised Code.

(D) The consent of a spouse to a plan of payment other than "a joint-life plan A" is valid only if it is in writing, 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.

(E)(1) The death of a spouse or any designated beneficiary shall cancel the portion of an annuity providing continuing lifetime payments to the deceased spouse or deceased designated beneficiary. The contributor shall receive the actuarial equivalent of the contributor's remaining annuity, as determined by the board, based on the number of remaining beneficiaries, with no change in the amount payable to any remaining beneficiary. The If the retirement system receives notice of the death on or after the effective date of this amendment, the change shall be effective the month following receipt by the board of notice of the date of death.

(2) On divorce, annulment, or marriage dissolution, a contributor receiving an annuity under a plan of payment that provides for continuation of all or part of the annuity after death for the lifetime of the contributor'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 portion of the plan providing continuing lifetime payments to that spouse. The contributor shall receive the actuarial equivalent of the contributor's annuity as determined by the board based on the number of remaining beneficiaries, with no change in the amount payable to any remaining beneficiary. The election shall be made on a form provided by the board and shall be effective the month following its receipt by the board.

(F)(1) Following a marriage or remarriage, both of the following apply:

(a) A contributor who is receiving payments under "a single-life plan B" may elect a new plan of payment based on the actuarial equivalent of the contributor's "single-life plan B" annuity as determined by the board.

(b) A contributor receiving an annuity under this section pursuant to a plan of payment providing for payment to a former spouse pursuant to a court order as described in division (B)(2)(c) of this section may elect a new plan of payment under "a multiple-life plan F" based on the actuarial equivalent of the contributor's benefit as determined by the board if the new plan of payment does not reduce the payment to the former spouse.

(2) An election under division (F)(1) of this section must be made not later than one year after the date of the marriage or remarriage.

The plan elected shall become effective on the date of receipt by the board of an application on a form approved by the board, but any change in the amount of the annuity payment shall commence on the first day of the month following the effective date of the plan.

(G) If at the time of death a contributor receiving a monthly annuity under "a single-life plan B" has received less than the retirant's deposits under section 145.62 or the version of division (C) of section 145.23 of the Revised Code as it existed immediately prior to ~~the effective date of this section~~ April 6, 2007, plus earnings on those deposits, the difference between the amount received and the amount of the contributor's deposits plus earnings shall be paid to the contributor's beneficiary under section 145.65 of the Revised Code. If any designated beneficiary receiving a monthly annuity under this section dies and at the time of the beneficiary's death the amounts paid to the contributor and the beneficiary are less than the amount of the contributor's deposits plus earnings on those deposits, the difference between the amount received by the contributor and the beneficiary and the amount of the contributor's deposits plus earnings shall be paid to the beneficiary's estate.

(H) Receipt of the first month's annuity payment constitutes final acceptance of the plan of payment and may be changed only as provided in this section.

Sec. 145.813. Each PERS defined contribution plan 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. Amounts to be credited ~~to an individual account~~ under a PERS defined contribution plan may be deposited into any of the funds created under section 145.23 of the Revised Code or may be transferred to the entity administering the plan for

~~deposit into the purpose of making distributions from 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, 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)(D)~~ 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)(D)~~ An eligible member may elect to have the member's amount on deposit for the prior plan 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 the member, by an the election under division (A) of this section, will begin participating in the PERS defined benefit plan or a PERS defined contribution plan with definitely determinable benefits. The amount~~

on deposit is the amount the member would be entitled to receive as a refund from the prior plan if the member ceased to be a public employee.

~~(3)~~ If a member ~~described in division (C)(2) of this section~~ makes the election described in that this division and service credit is transferred, the board's actuary shall determine the additional liability to the system, if any. If The additional liability is the amount that, when added to the amount on deposit, will provide the remaining portion of the pension reserve for the period of the member's service as a public employee in the prior plan.

If the actuary determines that there is an additional liability, the member shall elect one of the following:

~~(a)(1)~~ 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 (2)~~ To receive an amount of service credit in the new plan that corresponds to the amount on deposit for the prior plan.

For each member who makes the election described in this division (C)(2) of this section, the system shall deposit and credit to the new plan the amount on deposit for the prior plan and, if applicable, the amount paid by the member. The board may specify in rules adopted under sections 145.09 and 145.80 of the Revised Code how service credit in the defined benefit plan may be converted to amounts on deposit in the defined contribution plan.

Sec. 145.82. (A) Except as provided in 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, 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: 145.195, 145.22, 145.221, 145.23, 145.25, 145.26, 145.27, 145.296, 145.38, ~~145.382~~, ~~145.383~~, 145.384, 145.391, ~~145.43~~, ~~145.431~~, 145.47, 145.48, 145.483, 145.51, 145.52, 145.53, 145.54, 145.55, 145.56, 145.563, 145.57, 145.571, 145.572, 145.573, ~~145.574~~, 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 described in section 145.583 of the Revised Code under which a ~~participating member participating in the plan~~ 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 as described in that section. ~~The program may be a voluntary employees' beneficiary association, as described in section 501(e)(9) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 501(e)(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 public employees retirement 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. 145.87. For each member participating in a PERS defined contribution plan, the public employees retirement system ~~shall~~ may transfer to the employers' accumulation fund a portion of the employer contribution required under section 145.48 of the Revised Code. ~~The~~ If the public employees retirement board elects to make a transfer under this section, the portion transferred shall equal not exceed 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~~ may have prepared, at intervals determined by the board, an actuarial study to determine whether ~~the percentage transferred a transfer~~ under this section should be changed is necessary to reflect a change in the level of negative financial impact resulting from members' participation in a plan. The percentage transferred, if any, 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 in the percentage transferred shall take effect on ~~the first day of the year following the date the conclusions of the study are reported to a date determined by the board.~~

~~The~~ If a transfer under this section is made, 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 or 145.584 of the Revised Code and benefit increases to members and former members participating in the PERS defined benefit plan granted after 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 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~~ sections 145.85 and ~~145.86~~ 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. 145.92. If a member participating in a PERS defined contribution plan is married at the time benefits under the plan are to commence, unless the spouse consents to another plan of payment or the spouse's consent is waived, the member's ~~retirement allowance benefit~~ under the plan shall be paid in a lesser amount payable for life and one-half of ~~the allowance that amount~~ continuing after death to the surviving spouse for the life of the spouse.

Consent is valid only if it is evidenced by a written document signed by

the spouse 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 rules adopted by the public employees retirement board.

A plan shall waive the requirement of consent if a plan of payment that provides for payment in a specified portion of the retirement allowance continuing after the member's death to a former spouse is required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or laws of another state regarding division of marital property prior to the effective date of the member's retirement. If a court order requires this plan of payment, the member shall be required to annuitize the member's accumulated amounts in accordance with the order. If the member is married, the plan of payment selected by the member also shall provide for payment to the member's current spouse, unless the current spouse consents in writing to not being designated a beneficiary under the plan of payment or the current spouse's consent is waived by reason other than the court order.

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

Sec. 145.95. (A) Subject to division (B) of this section and sections 145.38, 145.56, 145.57, 145.572, and 145.573, and 145.574 of the Revised Code, the right of a member participating in a PERS defined contribution plan 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.

(B) This section does not apply to an increase made under section 145.323 of the Revised Code on or after the effective date of this amendment.

Sec. 145.97. Each PERS defined contribution plan shall permit a member participating in the plan to do ~~all~~ both 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 that have accumulated on behalf of the member under the~~

plan, returns to employment covered under this chapter, and is participating in a plan that includes definitely determinable benefits, pay to the system the amounts withdrawn in accordance with rules adopted under section ~~145.31~~ 145.80 of the Revised Code;

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

Sec. 742.63. The board of trustees of the Ohio police and fire pension fund shall adopt rules for the management of the Ohio public safety officers death benefit fund and for disbursements of benefits as set forth in this section.

(A) As used in this section:

(1) "Member" means all of the following:

(a) A member of the Ohio police and fire pension fund, including a member of the fund who has elected to participate in the deferred retirement option plan established under section 742.43 of the Revised Code or 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;

(b) A member of the state highway patrol retirement system, including a member who is participating in the deferred retirement option plan established under section 5505.50 of the Revised Code;

(c) A member of the public employees retirement system who at the time of the member's death was one of the following:

(i) A county sheriff or deputy sheriff;

(ii) A full-time regular police officer in a municipal corporation or township;

(iii) A full-time regular firefighter employed by the state, an instrumentality of the state, a municipal corporation, a township, a joint fire district, or another political subdivision;

(iv) A full-time park district ranger or patrol trooper;

(v) A full-time law enforcement officer of the department of natural resources;

(vi) A full-time department of public safety enforcement agent;

(vii) A full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of a municipal corporation;

(viii) A full-time law enforcement officer of a conservancy district;

(ix) A correction officer at an institution under the control of a county, a group of counties, a municipal corporation, or the department of rehabilitation and correction;

(x) A state university law enforcement officer;

(xi) An investigator, as defined in section 109.541 of the Revised Code,

or an investigator commissioned as a special agent of the bureau of criminal identification and investigation.

(xii) A drug agent, as defined in section 145.01 of the Revised Code.

(d) A member of a retirement system operated by a municipal corporation who at the time of death was a full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of the municipal corporation.

(2) Notwithstanding section 742.01 of the Revised Code, "fire or police department" includes a fire department of the state or an instrumentality of the state or of a municipal corporation, township, joint fire district, or other political subdivision, the state highway patrol, a county sheriff's office, the security force of an institution under the control of the department of rehabilitation and correction, the security force of a jail or workhouse under the control of a county, group of counties, or municipal corporation, the security force of a metropolitan, county, or township park district, the security force of lands under the control of the department of natural resources, department of public safety enforcement agents, the security force of parks, waterway lands, or reservoir lands under the control of a municipal corporation, the security force of a conservancy district, the police department of a township or municipal corporation, and the police force of a state university.

(3) "Firefighter or police officer" includes a state highway patrol trooper, a county sheriff or deputy sheriff, a correction officer at an institution under the control of a county, a group of counties, a municipal corporation, or the department of rehabilitation and correction, a police officer employed by a township or municipal corporation, a firefighter employed by the state, an instrumentality of the state, a municipal corporation, a township, a joint fire district, or another political subdivision, a full-time park district ranger or patrol trooper, a full-time law enforcement officer of the department of natural resources, a full-time department of public safety enforcement agent, a full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of a municipal corporation, a full-time law enforcement officer of a conservancy district, and a state university law enforcement officer.

(4) "Correction officer" includes, in addition to any correction officer, any correction corporal, sergeant, lieutenant, or captain, and the equivalents of all such persons.

(5) "A park district ranger or patrol trooper" means a peace officer commissioned to make arrests, execute warrants, and preserve the peace upon lands under the control of a board of park commissioners of a

metropolitan, county, or township park district.

(6) "Metropolitan, county, or township park district" means a park district created under the authority of Chapter 511. or 1545. of the Revised Code.

(7) "Conservancy district" means a conservancy district created under the authority of Chapter 6101. of the Revised Code.

(8) "Law enforcement officer" means an officer commissioned to make arrests, execute warrants, and preserve the peace upon lands under the control of the governmental entity granting the commission.

(9) "Department of natural resources law enforcement officer" includes a forest officer designated pursuant to section 1503.29 of the Revised Code, a preserve officer designated pursuant to section 1517.10 of the Revised Code, a wildlife officer designated pursuant to section 1531.13 of the Revised Code, a park officer designated pursuant to section 1541.10 of the Revised Code, and a state watercraft officer designated pursuant to section 1547.521 of the Revised Code.

(10) "Retirement eligibility date" means the last day of the month in which a deceased member would have first become eligible, had the member lived, for the retirement pension provided under section 145.33, section 145.332, Chapter 521. or 741., division (C)(1) of section 742.37, or division (A)(1) of section 5505.17 of the Revised Code or provided by a retirement system operated by a municipal corporation.

(11) "Death benefit amount" means an amount equal to the full monthly salary received by a deceased member prior to death, minus an amount equal to the benefit received under section 145.45, 742.37, 742.3714, or 5505.17 of the Revised Code or the benefit received from a retirement system operated by a municipal corporation, plus any increases in salary that would have been granted the deceased member.

(12) "Killed in the line of duty" means either of the following:

(a) Death in the line of duty;

(b) Death from injury sustained in the line of duty, including heart attack or other fatal injury or illness caused while in the line of duty.

(B) A spouse of a deceased member shall receive a death benefit each month equal to the full death benefit amount, provided that the deceased member was a firefighter or police officer killed in the line of duty and there are no surviving children eligible for a benefit under this section. The spouse shall receive this benefit during the spouse's natural life until the deceased member's retirement eligibility date, on which date the benefit provided under this division shall terminate.

(C)(1) If a member killed in the line of duty as a firefighter or police

officer is survived only by a child or children, the child or children shall receive a benefit each month equal to the full death benefit amount. If there is more than one surviving child, the benefit shall be divided equally among these children.

(2) If the death benefit paid under this division is divided among two or more surviving children and any of the children become ineligible to continue receiving a portion of the benefit as provided in division (H) of this section, the full death benefit amount shall be paid to the remaining eligible child or divided among the eligible children so that the benefit paid to the remaining eligible child or children equals the full death benefit amount.

(3) Notwithstanding divisions (C)(1) and (2) of this section, all death benefits paid under this division shall terminate on the deceased member's retirement eligibility date.

(D) If a member killed in the line of duty as a firefighter or police officer is survived by both a spouse and a child or children, the monthly benefit provided shall be as follows:

(1)(a) If there is a surviving spouse and one surviving child, the spouse shall receive an amount each month equal to one-half of the full death benefit amount and the child shall receive an amount equal to one-half of the full death benefit amount.

(b) If the surviving spouse dies or the child becomes ineligible as provided in division (H) of this section, the surviving spouse or child remaining eligible shall receive the full death benefit amount.

(2)(a) If there is a surviving spouse and more than one child, the spouse shall receive an amount each month equal to one-third of the full death benefit amount and the children shall receive an amount, equally divided among them, equal to two-thirds of the full death benefit amount.

(b) If a spouse and more than one child each are receiving a death benefit under division (D)(2)(a) of this section and the spouse dies, the children shall receive an amount each month, equally divided among them, equal to the full death benefit amount.

(c) If a spouse and more than one child each are receiving a benefit under division (D)(2)(a) of this section and any of the children becomes ineligible to receive a benefit as provided in division (H) of this section, the spouse and remaining eligible child or children shall receive a death benefit as follows:

(i) If there are two or more remaining eligible children, the spouse shall receive an amount each month equal to one-third of the full death benefit amount and the children shall receive an amount each month, equally divided among them, equal to two-thirds of the full death benefit amount;

(ii) If there is one remaining eligible child, the spouse shall receive an amount each month equal to one-half of the full death benefit amount, and the child shall receive an amount each month equal to one-half of the full death benefit amount.

(d) If a spouse and more than one child each are receiving a benefit under division (D)(2)(a) of this section and all of the children become ineligible to receive a benefit as provided in division (H) of this section, the spouse shall receive the full death benefit amount.

(3) Notwithstanding divisions (D)(1) and (2) of this section, death benefits paid under this division to a surviving spouse shall terminate on the member's retirement eligibility date. Death benefits paid to a surviving child or children shall terminate on the deceased member's retirement eligibility date unless earlier terminated pursuant to division (H) of this section.

(E) If a member, on or after January 1, 1980, is killed in the line of duty as a firefighter or police officer and is survived by only a parent or parents dependent upon the member for support, the parent or parents shall receive an amount each month equal to the full death benefit amount. If there is more than one surviving parent dependent upon the deceased member for support, the death benefit amount shall be divided equally among the surviving parents. On the death of one of the surviving parents, the full death benefit amount shall be paid to the other parent.

(F)(1) The following shall receive a monthly death benefit under this division:

(a) A surviving spouse whose benefits are terminated in accordance with division (B) or (D)(3) of this section on the deceased member's retirement eligibility date, or who would qualify for a benefit under division (B) or (D) of this section except that the deceased member reached the member's retirement eligibility date prior to the member's death;

(b) A qualified surviving spouse of a deceased 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 who was a firefighter or police officer killed in the line of duty.

(2) The monthly death benefit shall be one-half of an amount equal to the monthly salary received by the deceased member prior to the member's death, plus any salary increases the deceased member would have received prior to the member's retirement eligibility date. The benefit shall terminate on the surviving spouse's death. A death benefit payable under this division shall be reduced by an amount equal to any allowance or benefit payable to the surviving spouse under section 742.3714 of the Revised Code.

(3) A benefit granted to a surviving spouse under division (F)(1)(b) of

this section 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 any evidence the board may require to establish that the deceased spouse was killed in the line of duty.

(G)(1) If there is not a surviving spouse eligible to receive a death benefit under division (F) of this section or the surviving spouse receiving a death benefit under that division dies, a surviving child or children whose benefits under division (C) or (D) of this section are or have been terminated pursuant to division (C)(3) or (D)(3) of this section or who would qualify for a benefit under division (C) or (D) of this section except that the deceased member reached the member's retirement eligibility date prior to the member's death shall receive a monthly death benefit under this division. The monthly death benefit shall be one-half of an amount equal to the monthly salary received by the deceased member prior to the member's death, plus any salary increases the member would have received prior to the member's retirement eligibility date. If there is more than one surviving child, the benefit shall be divided equally among the surviving children.

(2) If two or more surviving children each are receiving a benefit under this division and any of those children becomes ineligible to continue receiving a benefit as provided in division (H) of this section, the remaining eligible child or children shall receive an amount equal to one-half of the monthly salary received by the deceased member prior to death, plus any salary increases the deceased member would have received prior to the retirement eligibility date. If there is more than one remaining eligible child, the benefit shall be divided equally among the eligible children.

(3) A death benefit, or portion of a death benefit, payable to a surviving child under this division shall be reduced by an amount equal to any allowance or benefit payable to that child under section 742.3714 of the Revised Code, but the reduction in that child's benefit shall not affect the amount payable to any other surviving child entitled to a portion of the death benefit.

(H) A death benefit paid to a surviving child under division (C), (D), or (G) of this section shall terminate on the death of the child or, unless one of the following is the case, when the child reaches age eighteen:

(1) The child, because of physical or mental disability, is unable to provide the child's own support, in which case the death benefit shall terminate when the disability is removed;

(2) The child is unmarried, under age twenty-two, and 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 trustees of the fund.

(I) Acceptance of any death benefit under this section does not prohibit a spouse or child from receiving other benefits provided under the Ohio police and fire pension fund, the state highway patrol retirement system, the public employees retirement system, or a retirement system operated by a municipal corporation.

(J) No person shall receive a benefit under this section if any of the following occur:

(1) The person fails to exercise the right to a monthly survivor benefit under division (A) or (B) of section 145.45, division (D), (E), or (F) of section 742.37, or division (A)(3), (4), or (7) of section 5505.17 of the Revised Code; to a monthly survivor benefit from a retirement system operated by a municipal corporation; or to a retirement allowance under section 742.3714 of the Revised Code.

(2) The member's accumulated contributions under this chapter or Chapter 145. or 5505. of the Revised Code are refunded unless the member had been a member of the public employees retirement system and had fewer than eighteen months of total service credit at the time of death.

(3) In the case of a full-time park district ranger or patrol trooper, a full-time law enforcement officer of the department of natural resources, a full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of a municipal corporation, a full-time law enforcement officer of a conservancy district, a correction officer at an institution under the control of a county, group of counties, or municipal corporation, or a member of a retirement system operated by a municipal corporation who at the time of the member's death was a full-time law enforcement officer of parks, waterway lands, or reservoir lands under the control of the municipal corporation, the member died prior to April 9, 1981, in the case of a benefit under division (B), (C), or (D) of this section, or prior to January 1, 1980, in the case of a benefit under division (E) of this section.

(4) In the case of a full-time department of public safety enforcement agent who prior to June 30, 1999, was a liquor control investigator of the department of public safety, the member died prior to December 23, 1986;

(5) In the case of a full-time department of public safety enforcement agent other than an enforcement agent who, prior to June 30, 1999, was a liquor control investigator, the member died prior to June 30, 1999.

(K) A surviving spouse whose benefit was terminated prior to June 30, 1999, due to remarriage shall receive a benefit under division (B), (D), or

(F) of this section beginning on the first day of the month following receipt by the board of an application on a form provided by the board. The benefit amount shall be determined as of that date.

(1) If the benefit will begin prior to the deceased member's retirement eligibility date, it shall be paid under division (B) or (D) of this section and shall terminate as provided in those divisions. A benefit paid to a surviving spouse under division (D) of this section shall be determined in accordance with that division, even if benefits paid to surviving children are reduced as a result.

(2) If the benefit will begin on or after the deceased member's retirement eligibility date, it shall be paid under division (F) of this section and shall terminate as provided in that division. A benefit paid to a surviving spouse under division (F) of this section shall be determined in accordance with that division, even if benefits paid to surviving children are terminated as a result.

Sec. 2329.66. (A) Every person who is domiciled in this state may hold property exempt from execution, garnishment, attachment, or sale to satisfy a judgment or order, as follows:

(1)(a) In the case of a judgment or order regarding money owed for health care services rendered or health care supplies provided to the person or a dependent of the person, one parcel or item of real or personal property that the person or a dependent of the person uses as a residence. Division (A)(1)(a) of this section does not preclude, affect, or invalidate the creation under this chapter of a judgment lien upon the exempted property but only delays the enforcement of the lien until the property is sold or otherwise transferred by the owner or in accordance with other applicable laws to a person or entity other than the surviving spouse or surviving minor children of the judgment debtor. Every person who is domiciled in this state may hold exempt from a judgment lien created pursuant to division (A)(1)(a) of this section the person's interest, not to exceed twenty thousand two hundred dollars, in the exempted property.

(b) In the case of all other judgments and orders, the person's interest, not to exceed twenty thousand two hundred dollars, in one parcel or item of real or personal property that the person or a dependent of the person uses as a residence.

(2) The person's interest, not to exceed three thousand two hundred twenty-five dollars, in one motor vehicle;

(3) The person's interest, not to exceed four hundred dollars, in cash on hand, money due and payable, money to become due within ninety days, tax refunds, and money on deposit with a bank, savings and loan association,

credit union, public utility, landlord, or other person, other than personal earnings.

(4)(a) The person's interest, not to exceed five hundred twenty-five dollars in any particular item or ten thousand seven hundred seventy-five dollars in aggregate value, in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, musical instruments, firearms, and hunting and fishing equipment that are held primarily for the personal, family, or household use of the person;

(b) The person's aggregate interest in one or more items of jewelry, not to exceed one thousand three hundred fifty dollars, held primarily for the personal, family, or household use of the person or any of the person's dependents.

(5) The person's interest, not to exceed an aggregate of two thousand twenty-five dollars, in all implements, professional books, or tools of the person's profession, trade, or business, including agriculture;

(6)(a) The person's interest in a beneficiary fund set apart, appropriated, or paid by a benevolent association or society, as exempted by section 2329.63 of the Revised Code;

(b) The person's interest in contracts of life or endowment insurance or annuities, as exempted by section 3911.10 of the Revised Code;

(c) The person's interest in a policy of group insurance or the proceeds of a policy of group insurance, as exempted by section 3917.05 of the Revised Code;

(d) The person's interest in money, benefits, charity, relief, or aid to be paid, provided, or rendered by a fraternal benefit society, as exempted by section 3921.18 of the Revised Code;

(e) The person's interest in the portion of benefits under policies of sickness and accident insurance and in lump sum payments for dismemberment and other losses insured under those policies, as exempted by section 3923.19 of the Revised Code.

(7) The person's professionally prescribed or medically necessary health aids;

(8) The person's interest in a burial lot, including, but not limited to, exemptions under section 517.09 or 1721.07 of the Revised Code;

(9) The person's interest in the following:

(a) Moneys paid or payable for living maintenance or rights, as exempted by section 3304.19 of the Revised Code;

(b) Workers' compensation, as exempted by section 4123.67 of the Revised Code;

(c) Unemployment compensation benefits, as exempted by section

4141.32 of the Revised Code;

(d) Cash assistance payments under the Ohio works first program, as exempted by section 5107.75 of the Revised Code;

(e) Benefits and services under the prevention, retention, and contingency program, as exempted by section 5108.08 of the Revised Code;

(f) Disability financial assistance payments, as exempted by section 5115.06 of the Revised Code;

(g) Payments under section 24 or 32 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, as amended.

(10)(a) Except in cases in which the person was convicted of or pleaded guilty to a violation of section 2921.41 of the Revised Code and in which an order for the withholding of restitution from payments was issued under division (C)(2)(b) of that section, in cases in which an order for withholding was issued under section 2907.15 of the Revised Code, in cases in which an order for forfeiture was issued under division (A) or (B) of section 2929.192 of the Revised Code, and in cases in which an order was issued under section 2929.193 or 2929.194 of the Revised Code, and only to the extent provided in the order, and except as provided in sections 3105.171, 3105.63, 3119.80, 3119.81, 3121.02, 3121.03, and 3123.06 of the Revised Code, the person's right to a pension, benefit, annuity, retirement allowance, or accumulated contributions, the person's right to a participant account in any deferred compensation program offered by the Ohio public employees deferred compensation board, a government unit, or a municipal corporation, or the person's other accrued or accruing rights, as exempted by section 145.56, 146.13, 148.09, 742.47, 3307.41, 3309.66, or 5505.22 of the Revised Code, and the person's right to benefits from the Ohio public safety officers death benefit fund;

(b) Except as provided in sections 3119.80, 3119.81, 3121.02, 3121.03, and 3123.06 of the Revised Code, the person's right to receive a payment under any pension, annuity, or similar plan or contract, not including a payment from a stock bonus or profit-sharing plan or a payment included in division (A)(6)(b) or (10)(a) of this section, on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the person and any of the person's dependents, except if all the following apply:

(i) The plan or contract was established by or under the auspices of an insider that employed the person at the time the person's rights under the plan or contract arose.

(ii) The payment is on account of age or length of service.

(iii) The plan or contract is not qualified under the "Internal Revenue

Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, as amended.

(c) Except for any portion of the assets that were deposited for the purpose of evading the payment of any debt and except as provided in sections 3119.80, 3119.81, 3121.02, 3121.03, and 3123.06 of the Revised Code, the person's right in the assets held in, or to receive any payment under, any individual retirement account, individual retirement annuity, "Roth IRA," or education individual retirement account that provides benefits by reason of illness, disability, death, or age, to the extent that the assets, payments, or benefits described in division (A)(10)(c) of this section are attributable to any of the following:

(i) Contributions of the person that were less than or equal to the applicable limits on deductible contributions to an individual retirement account or individual retirement annuity in the year that the contributions were made, whether or not the person was eligible to deduct the contributions on the person's federal tax return for the year in which the contributions were made;

(ii) Contributions of the person that were less than or equal to the applicable limits on contributions to a Roth IRA or education individual retirement account in the year that the contributions were made;

(iii) Contributions of the person that are within the applicable limits on rollover contributions under subsections 219, 402(c), 403(a)(4), 403(b)(8), 408(b), 408(d)(3), 408A(c)(3)(B), 408A(d)(3), and 530(d)(5) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(d) Except for any portion of the assets that were deposited for the purpose of evading the payment of any debt and except as provided in sections 3119.80, 3119.81, 3121.02, 3121.03, and 3123.06 of the Revised Code, the person's right in the assets held in, or to receive any payment under, any Keogh or "H.R. 10" plan that provides benefits by reason of illness, disability, death, or age, to the extent reasonably necessary for the support of the person and any of the person's dependents.

(11) The person's right to receive spousal support, child support, an allowance, or other maintenance to the extent reasonably necessary for the support of the person and any of the person's dependents;

(12) The person's right to receive, or moneys received during the preceding twelve calendar months from, any of the following:

(a) An award of reparations under sections 2743.51 to 2743.72 of the Revised Code, to the extent exempted by division (D) of section 2743.66 of the Revised Code;

(b) A payment on account of the wrongful death of an individual of whom the person was a dependent on the date of the individual's death, to

the extent reasonably necessary for the support of the person and any of the person's dependents;

(c) Except in cases in which the person who receives the payment is an inmate, as defined in section 2969.21 of the Revised Code, and in which the payment resulted from a civil action or appeal against a government entity or employee, as defined in section 2969.21 of the Revised Code, a payment, not to exceed twenty thousand two hundred dollars, on account of personal bodily injury, not including pain and suffering or compensation for actual pecuniary loss, of the person or an individual for whom the person is a dependent;

(d) A payment in compensation for loss of future earnings of the person or an individual of whom the person is or was a dependent, to the extent reasonably necessary for the support of the debtor and any of the debtor's dependents.

(13) Except as provided in sections 3119.80, 3119.81, 3121.02, 3121.03, and 3123.06 of the Revised Code, personal earnings of the person owed to the person for services in an amount equal to the greater of the following amounts:

(a) If paid weekly, thirty times the current federal minimum hourly wage; if paid biweekly, sixty times the current federal minimum hourly wage; if paid semimonthly, sixty-five times the current federal minimum hourly wage; or if paid monthly, one hundred thirty times the current federal minimum hourly wage that is in effect at the time the earnings are payable, as prescribed by the "Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C. 206(a)(1), as amended;

(b) Seventy-five per cent of the disposable earnings owed to the person.

(14) The person's right in specific partnership property, as exempted by ~~division (B)(3) of section 1775.24 of the Revised Code~~ or the person's rights in a partnership pursuant to section 1776.50 of the Revised Code, except as otherwise set forth in section 1776.50 of the Revised Code;

(15) A seal and official register of a notary public, as exempted by section 147.04 of the Revised Code;

(16) The person's interest in a tuition unit or a payment under section 3334.09 of the Revised Code pursuant to a tuition payment contract, as exempted by section 3334.15 of the Revised Code;

(17) Any other property that is specifically exempted from execution, attachment, garnishment, or sale by federal statutes other than the "Bankruptcy Reform Act of 1978," 92 Stat. 2549, 11 U.S.C.A. 101, as amended;

(18) The person's aggregate interest in any property, not to exceed one

thousand seventy-five dollars, except that division (A)(18) of this section applies only in bankruptcy proceedings.

(B) On April 1, 2010, and on the first day of April in each third calendar year after 2010, the Ohio judicial conference shall adjust each dollar amount set forth in this section to reflect the change in the consumer price index for all urban consumers, as published by the United States department of labor, or, if that index is no longer published, a generally available comparable index, for the three-year period ending on the thirty-first day of December of the preceding year. Any adjustments required by this division shall be rounded to the nearest twenty-five dollars.

The Ohio judicial conference shall prepare a memorandum specifying the adjusted dollar amounts. The judicial conference shall transmit the memorandum to the director of the legislative service commission, and the director shall publish the memorandum in the register of Ohio. (Publication of the memorandum in the register of Ohio shall continue until the next memorandum specifying an adjustment is so published.) The judicial conference also may publish the memorandum in any other manner it concludes will be reasonably likely to inform persons who are affected by its adjustment of the dollar amounts.

(C) As used in this section:

(1) "Disposable earnings" means net earnings after the garnishee has made deductions required by law, excluding the deductions ordered pursuant to section 3119.80, 3119.81, 3121.02, 3121.03, or 3123.06 of the Revised Code.

(2) "Insider" means:

(a) If the person who claims an exemption is an individual, a relative of the individual, a relative of a general partner of the individual, a partnership in which the individual is a general partner, a general partner of the individual, or a corporation of which the individual is a director, officer, or in control;

(b) If the person who claims an exemption is a corporation, a director or officer of the corporation; a person in control of the corporation; a partnership in which the corporation is a general partner; a general partner of the corporation; or a relative of a general partner, director, officer, or person in control of the corporation;

(c) If the person who claims an exemption is a partnership, a general partner in the partnership; a general partner of the partnership; a person in control of the partnership; a partnership in which the partnership is a general partner; or a relative in, a general partner of, or a person in control of the partnership;

(d) An entity or person to which or whom any of the following applies:

(i) The entity directly or indirectly owns, controls, or holds with power to vote, twenty per cent or more of the outstanding voting securities of the person who claims an exemption, unless the entity holds the securities in a fiduciary or agency capacity without sole discretionary power to vote the securities or holds the securities solely to secure to debt and the entity has not in fact exercised the power to vote.

(ii) The entity is a corporation, twenty per cent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the person who claims an exemption or by an entity to which division (C)(2)(d)(i) of this section applies.

(iii) A person whose business is operated under a lease or operating agreement by the person who claims an exemption, or a person substantially all of whose business is operated under an operating agreement with the person who claims an exemption.

(iv) The entity operates the business or all or substantially all of the property of the person who claims an exemption under a lease or operating agreement.

(e) An insider, as otherwise defined in this section, of a person or entity to which division (C)(2)(d)(i), (ii), (iii), or (iv) of this section applies, as if the person or entity were a person who claims an exemption;

(f) A managing agent of the person who claims an exemption.

(3) "Participant account" has the same meaning as in section 148.01 of the Revised Code.

(4) "Government unit" has the same meaning as in section 148.06 of the Revised Code.

(D) For purposes of this section, "interest" shall be determined as follows:

(1) In bankruptcy proceedings, as of the date a petition is filed with the bankruptcy court commencing a case under Title 11 of the United States Code;

(2) In all cases other than bankruptcy proceedings, as of the date of an appraisal, if necessary under section 2329.68 of the Revised Code, or the issuance of a writ of execution.

An interest, as determined under division (D)(1) or (2) of this section, shall not include the amount of any lien otherwise valid pursuant to section 2329.661 of the Revised Code.

Sec. 2901.431. On the filing of charges against a person who is a member of the public employees retirement system alleging that the person committed a felony on or after the effective date of this section, the

prosecutor assigned to the case shall send written notice to the retirement system that the charges have been filed. The notice shall specifically identify the person.

For purposes of this section, a violation or offense that includes as an element a course of conduct or the occurrence of multiple acts is committed on or after the effective date of this section if the course of conduct continues, one or more of the multiple acts occurs, or the person's accountability for the course of conduct or one or more of the multiple acts continues on or after that date.

Sec. 2921.13. (A) No person shall knowingly make a false statement, or knowingly swear or affirm the truth of a false statement previously made, when any of the following applies:

- (1) The statement is made in any official proceeding.
- (2) The statement is made with purpose to incriminate another.
- (3) The statement is made with purpose to mislead a public official in performing the public official's official function.
- (4) The statement is made with purpose to secure the payment of unemployment compensation; Ohio works first; prevention, retention, and contingency benefits and services; disability financial assistance; retirement benefits or health care coverage from a state retirement system; economic development assistance, as defined in section 9.66 of the Revised Code; or other benefits administered by a governmental agency or paid out of a public treasury.
- (5) The statement is made with purpose to secure the issuance by a governmental agency of a license, permit, authorization, certificate, registration, release, or provider agreement.
- (6) The statement is sworn or affirmed before a notary public or another person empowered to administer oaths.
- (7) The statement is in writing on or in connection with a report or return that is required or authorized by law.
- (8) The statement is in writing and is made with purpose to induce another to extend credit to or employ the offender, to confer any degree, diploma, certificate of attainment, award of excellence, or honor on the offender, or to extend to or bestow upon the offender any other valuable benefit or distinction, when the person to whom the statement is directed relies upon it to that person's detriment.
- (9) The statement is made with purpose to commit or facilitate the commission of a theft offense.
- (10) The statement is knowingly made to a probate court in connection with any action, proceeding, or other matter within its jurisdiction, either

orally or in a written document, including, but not limited to, an application, petition, complaint, or other pleading, or an inventory, account, or report.

(11) The statement is made on an account, form, record, stamp, label, or other writing that is required by law.

(12) The statement is made in connection with the purchase of a firearm, as defined in section 2923.11 of the Revised Code, and in conjunction with the furnishing to the seller of the firearm of a fictitious or altered driver's or commercial driver's license or permit, a fictitious or altered identification card, or any other document that contains false information about the purchaser's identity.

(13) The statement is made in a document or instrument of writing that purports to be a judgment, lien, or claim of indebtedness and is filed or recorded with the secretary of state, a county recorder, or the clerk of a court of record.

(14) The statement is made in an application filed with a county sheriff pursuant to section 2923.125 of the Revised Code in order to obtain or renew a license to carry a concealed handgun or is made in an affidavit submitted to a county sheriff to obtain a temporary emergency license to carry a concealed handgun under section 2923.1213 of the Revised Code.

(15) The statement is required under section 5743.71 of the Revised Code in connection with the person's purchase of cigarettes or tobacco products in a delivery sale.

(B) No person, in connection with the purchase of a firearm, as defined in section 2923.11 of the Revised Code, shall knowingly furnish to the seller of the firearm a fictitious or altered driver's or commercial driver's license or permit, a fictitious or altered identification card, or any other document that contains false information about the purchaser's identity.

(C) No person, in an attempt to obtain a license to carry a concealed handgun under section 2923.125 of the Revised Code, shall knowingly present to a sheriff a fictitious or altered document that purports to be certification of the person's competence in handling a handgun as described in division (B)(3) of section 2923.125 of the Revised Code.

(D) It is no defense to a charge under division (A)(6) of this section that the oath or affirmation was administered or taken in an irregular manner.

(E) If contradictory statements relating to the same fact are made by the offender within the period of the statute of limitations for falsification, it is not necessary for the prosecution to prove which statement was false but only that one or the other was false.

(F)(1) Whoever violates division (A)(1), (2), (3), (4), (5), (6), (7), (8), (10), (11), (13), or (15) of this section is guilty of falsification, a

misdemeanor of the first degree.

(2) Whoever violates division (A)(9) of this section is guilty of falsification in a theft offense. Except as otherwise provided in this division, falsification in a theft offense is a misdemeanor of the first degree. If the value of the property or services stolen is one thousand dollars or more and is less than seven thousand five hundred dollars, falsification in a theft offense is a felony of the fifth degree. If the value of the property or services stolen is seven thousand five hundred dollars or more and is less than one hundred fifty thousand dollars, falsification in a theft offense is a felony of the fourth degree. If the value of the property or services stolen is one hundred fifty thousand dollars or more, falsification in a theft offense is a felony of the third degree.

(3) Whoever violates division (A)(12) or (B) of this section is guilty of falsification to purchase a firearm, a felony of the fifth degree.

(4) Whoever violates division (A)(14) or (C) of this section is guilty of falsification to obtain a concealed handgun license, a felony of the fourth degree.

(G) A person who violates this section is liable in a civil action to any person harmed by the violation for injury, death, or loss to person or property incurred as a result of the commission of the offense and for reasonable attorney's fees, court costs, and other expenses incurred as a result of prosecuting the civil action commenced under this division. A civil action under this division is not the exclusive remedy of a person who incurs injury, death, or loss to person or property as a result of a violation of this section.

Sec. 2929.194. (A) This section applies to members of the public employees retirement system except that in any circumstance in which either section 2929.192 or 2929.193 of the Revised Code applies this section does not apply.

(B) If an offender is being sentenced for a felony offense that was the cause of a physical or mental disability in the offender and was committed on or after the effective date of this section while the offender was a member of the public employees retirement system, in addition to any sanction it imposes under section 2929.14, 2929.15, 2929.16, 2929.17, or 2929.18 of the Revised Code but subject to division (C) of this section, the court shall order forfeiture of any right of the offender to a disability benefit from the retirement system that is based on the disability caused by commission of the felony. The forfeiture shall be ordered regardless of whether a disability benefit has been requested or granted. A forfeiture ordered under this section is part of, and shall be included in, the offender's

sentence.

(C) Before sentencing in a case in which the sentencing court is required to order forfeiture under division (B) of this section, the offender may request a hearing regarding the forfeiture by delivering a written request for a hearing to the court. If there is a timely request, the court shall schedule the hearing to be conducted before sentencing. Not later than ten days prior to the scheduled date of the hearing, the court shall give notice of the hearing date to the offender, the prosecutor who handled the case, and the retirement system. The hearing shall be limited to determination of whether the offender's disability resulted from commission of the offense. If a disability benefit has already been granted, the retirement system shall submit to the court documentation of the evidence on which the benefit was granted.

(D) If the offender does not make a timely request for a hearing or if a hearing is held and the court determines that the disability resulted from commission of the offense, the court shall order the forfeiture of any right the offender may have to a disability benefit from the retirement system that is based on the disability caused by commission of the felony. If the disability benefit has already been granted, the court shall order termination of the benefit. Any disability benefit paid to the offender prior to its termination may be recovered in accordance with section 145.563 of the Revised Code.

(E) The court shall send a copy of the journal entry imposing sentence on the offender to the retirement system.

(F) For purposes of this section, any violation or offense that includes as an element a course of conduct or the occurrence of multiple acts is committed on or after the effective date of this section if the course of conduct continues, one or more of the multiple acts occurs, or the offender's accountability for the course of conduct or for one or more of the multiple acts continues on or after the effective date 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)(4)~~ (E)(1) of section 145.46, division (B) of section 3307.60, or division (B)(4) 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 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 sections 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. 3305.06. (A) Each electing employee shall contribute an amount, which shall be a certain percentage of the employee's compensation, to the provider of the investment option the employee has selected. This percentage shall be the percentage the electing employee would have otherwise been required to contribute to the state retirement system that applies to the employee's position, except that the percentage shall not be less than three per cent. Employee contributions under this division may be treated as employer contributions in accordance with Internal Revenue Code 414(h).

(B) Each public institution of higher education employing an electing employee shall contribute a percentage of the employee's compensation to the provider of the investment option the employee has selected. This

percentage shall be equal to the percentage that the public institution of higher education would otherwise contribute on behalf of that employee to the state retirement system that would otherwise cover that employee's position, less the percentage contributed by the public institution of higher education under division (D) of this section.

(C)(1) In no event shall the amount contributed by the electing employee pursuant to division (A) of this section and on the electing employee's behalf pursuant to division (B) of this section be less than the amount necessary to qualify the plan as a state retirement system pursuant to Internal Revenue Code 3121(b)(7) and the regulations adopted thereunder.

(2) The full amount of the electing employee's contribution under division (A) of this section and the full amount of the employer's contribution made on behalf of that employee under division (B) of this section shall be paid to the appropriate provider for application to the electing employee's investment option.

(D) Each public institution of higher education employing an electing employee shall contribute on behalf of that employee to the state retirement system that otherwise applies to the electing employee's position a percentage of the electing employee's compensation to mitigate any negative financial impact of the alternative retirement program on the state retirement system. The percentage shall be six per cent, except that the percentage may be adjusted by the Ohio retirement study council to reflect the determinations made by actuarial studies conducted under section 171.07 of the Revised Code. Any adjustment shall become effective on the first day of the second month following submission of the actuarial study to the Ohio board of regents under section 171.07 of the Revised Code.

Contributions on behalf of an electing employee shall continue in accordance with this division until the occurrence of the following:

(1) If the electing employee would be subject to Chapter 145. of the Revised Code had the employee not made an election pursuant to section 3305.05 or 3305.051 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section ~~145.325~~ or 145.58 or 145.584 of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 145.22 of the Revised Code;

(2) If the electing employee would be subject to Chapter 3307. of the Revised Code had the employee not made an election pursuant to section 3305.05 or 3305.051 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under

section 3307.39 ~~or 3307.61~~ of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 3307.51 of the Revised Code;

(3) If the electing employee would be subject to Chapter 3309. of the Revised Code had the employee not made an election pursuant to section 3305.05 or 3305.051 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 3309.375 or 3309.69 of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 3309.21 of the Revised Code.

Sec. 3309.312. (A) Not later than ninety days after September 16, 1998, a member who, on September 16, 1998, is employed full time pursuant to section 3345.04 of the Revised Code by the university of Akron as a state university law enforcement officer may elect to transfer to the public employees retirement system in accordance with this section. An election shall be made by giving notice to the school employees retirement system on a form provided by the school employees retirement board and shall be irrevocable.

(B) When a member makes the election described in this section, the school employees retirement system shall notify the public employees retirement system. The school employees retirement system shall transfer all of the member's service credit to the public employees retirement system and shall certify to the public employees retirement system a copy of the member's records of service and contributions. For each year or portion of a year of credit, the school employees retirement system shall transfer to the public employees retirement system all of the following:

(1) An amount equal to the accumulated contributions standing to the member's credit;

(2) An amount equal to the total employer contributions paid on behalf of the member;

(3) Any amount paid by the member or employer to the school employees retirement system for the purchase of service credit.

At the request of the public employees retirement system, the employer of a member who makes an election under this section shall certify to the public employees retirement system the member's salary.

(C) A member who elects to transfer to the public employees retirement system under this section shall make contributions and receive benefits in accordance with ~~divisions (B) to (F) of section 145.33~~ 145.332 of the

Revised Code.

(D) A member who fails to make an election in accordance with this section shall remain a member of the school employees retirement system.

Sec. 3375.411. A board of library trustees of a free public library, appointed pursuant to the provisions of sections 3375.06, 3375.08, 3375.12, 3375.15, and 3375.22 of the Revised Code, which has not less than seventy-five full-time employees, and which, prior to September 16, 1943, was providing for retirement of the employees of such library with annuities, insurance, or other provisions, under authority granted by former section 7889 of the General Code, may provide such retirement, insurance, or other provisions in the same manner authorized by former section 7889 of the General Code, as follows: the library board of such library which has appropriated and paid the board's portion provided in such system or plan, may continue to appropriate and pay the board's portion provided in such system or plan out of the funds received to the credit of such board by taxation or otherwise. Each employee of such library who is to be included in a system of retirement shall contribute to the retirement fund not less than four per cent per annum of the employee's salary from the time of eligibility to join the retirement system to the time of retirement. If a group insurance plan is installed by any library, not less than fifty per cent of the cost of such insurance shall be borne by the employees included in such plan.

Provided, any employee whose employment by said library began on or after September 16, 1943, may exempt self from inclusion in such retirement system, or withdraw from such retirement system. Upon such exemption or withdrawal, such person shall become a member of the public employees retirement system in accordance with former section 145.02 and sections ~~145.02~~, 145.03, and 145.28 of the Revised Code, respectively. All employees appointed for the first time on and after January 1, 1956, shall, for retirement purposes, be eligible only for membership in the public employees retirement system as provided in Chapter 145. of the Revised Code.

A library board which provides for the retirement of its employees with annuities, insurance, or other provisions under the authority granted by this section may, pursuant to a board resolution adopted within thirty days after the effective date of this section, terminate such retirement plan. Upon the effective date of such termination, which is specified in the resolution, each employee covered by such retirement plan shall become a member of the public employees retirement system.

SECTION 2. That existing sections 101.92, 101.93, 145.01, 145.04,

145.041, 145.05, 145.057, 145.06, 145.09, 145.19, 145.191, 145.192, 145.193, 145.20, 145.201, 145.22, 145.23, 145.27, 145.28, 145.29, 145.291, 145.293, 145.294, 145.295, 145.297, 145.298, 145.299, 145.2911, 145.2912, 145.2913, 145.2914, 145.30, 145.301, 145.31, 145.32, 145.323, 145.325, 145.33, 145.331, 145.35, 145.36, 145.361, 145.362, 145.37, 145.38, 145.383, 145.384, 145.39, 145.40, 145.401, 145.41, 145.43, 145.45, 145.452, 145.46, 145.47, 145.473, 145.48, 145.483, 145.49, 145.51, 145.54, 145.56, 145.561, 145.563, 145.58, 145.62, 145.63, 145.64, 145.813, 145.814, 145.82, 145.83, 145.87, 145.88, 145.92, 145.95, 145.97, 742.63, 2329.66, 2921.13, 3105.80, 3305.06, 3309.312, and 3375.411 and sections 145.02, 145.292, 145.321, 145.322, 145.324, 145.326, 145.327, 145.328, 145.329, 145.3210, 145.3211, 145.3212, 145.3213, 145.332, 145.34, 145.42, 145.44, 145.461, and 145.462 of the Revised Code are hereby repealed.

SECTION 3. Notwithstanding the times specified in the amendments to section 145.87 of the Revised Code made by this act, if the Public Employees Retirement Board determines that a decrease in the percentage transferred under that section is warranted, the Board may decrease the percentage transferred not later than one hundred twenty days after the effective date of this section. The decrease shall take effect on the first day of the second month following the Board's action.

SECTION 4. (A) The amendments by this act regarding purchasing service credit from the Public Employees Retirement System do not apply to service credit purchases initiated not later than six months after the effective date of this section. A purchase shall be considered initiated not later than the date that is six months after the effective date of this section if the member makes one or more payments not later than that date or the system receives a payroll deduction form with a post-mark date that is not later than that date and the amount deducted is received by the system not later than one hundred twenty days after the post-mark date.

(B) A purchase of service credit under Chapter 145. of the Revised Code that is initiated as described in division (A) of this section shall continue at the total cost of that credit immediately before the effective date of this section if the purchase is completed not later than five years and six months after the effective date of this section and the member complies with any other requirements of section 145.294 of the Revised Code and any applicable rules adopted pursuant to that section.

(C)(1) Except as otherwise provided in this division, a member who is

subject to a payroll deduction agreement described in division (E) of Ohio Administrative Code section 145-1-38 for the purchase of service credit under Chapter 145. of the Revised Code is ineligible to initiate under this section a purchase of the same type of service credit while the agreement is in effect.

(2)(a) Subject to division (C)(2)(b) of this section and notwithstanding section 145.294 of the Revised Code or any rules adopted pursuant to that section, a member who, on the effective date of this section, is subject to a payroll deduction agreement described in division (E) of Ohio Administrative Code section 145-1-38 for the purchase of service credit under section 145.201 of the Revised Code may initiate, by a lump sum or partial payment, the purchase of any additional credit the member is eligible to purchase under section 145.201 of the Revised Code. A purchase initiated under division (C)(2)(a) of this section is subject to division (B) of this section.

(b) Credit based on service for which the earnable salary is less than one thousand dollars per month of earnable salary is not eligible for purchase under division (C)(2)(a) of this section.

(c) If a member who elects to make a purchase under division (C)(2)(a) of this section fails to complete a payroll deduction agreement described in that division, the member shall receive a refund of the amounts paid under division (C)(2)(a) of this section. A refund cancels any credit purchased with the refunded amount.

(D) The Public Employees Retirement Board shall adopt rules specifying the service credit purchases that are subject to this section.

SECTION 5. Notwithstanding sections 145.32 and 145.37 of the Revised Code, as amended by this act, an application for age and service retirement that is received by the Public Employees Retirement System on or after the effective date of this section but not later than ninety days after that date shall have an effective date of retirement that is the first day of the month following the later of the following:

(A) The last day for which compensation was paid;

(B) The attainment of minimum age or service credit retirement eligibility provided under section 145.32, 145.332, or 145.37 of the Revised Code;

(C) The effective date of this section.

SECTION 6. Sections 1, 2, 3, 4, and 5 of this act take effect January 7,

2013.

SECTION 7. The amendments by this act regarding purchasing service credit from the Public Employees Retirement System shall not be construed as intent by the System to increase the cost of service credit under section 145.301 of the Revised Code.

Sub. S. B. No. 343

129th G.A.

William D. Etchelder

Speaker _____ of the House of Representatives.

Thomas E. Niehaus

President _____ of the Senate.

Passed *September 12*, 20*12*

Approved *9/26*, 20*12*

John R. Karsch

Governor.

Sub. S. B. No. 343

129th G.A.

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

Mark C. Flanders

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the 26 day of September, A. D. 2012.

Jer Huston

Secretary of State.

File No. 148

Effective Date December 26, 2012

(129th General Assembly)
(Substitute Senate Bill Number 343)

AN ACT

To amend sections 101.92, 101.93, 145.01, 145.04, 145.041, 145.05, 145.057, 145.06, 145.09, 145.19, 145.191, 145.192, 145.193, 145.20, 145.201, 145.22, 145.23, 145.27, 145.28, 145.29, 145.291, 145.293, 145.294, 145.295, 145.297, 145.298, 145.299, 145.2911, 145.2912, 145.2913, 145.2914, 145.30, 145.301, 145.31, 145.32, 145.323, 145.325, 145.33, 145.331, 145.35, 145.36, 145.361, 145.362, 145.37, 145.38, 145.383, 145.384, 145.39, 145.40, 145.401, 145.41, 145.43, 145.45, 145.452, 145.46, 145.47, 145.473, 145.48, 145.483, 145.49, 145.51, 145.54, 145.56, 145.561, 145.563, 145.58, 145.62, 145.63, 145.64, 145.813, 145.814, 145.82, 145.83, 145.87, 145.88, 145.92, 145.95, 145.97, 742.63, 2329.66, 2921.13, 3105.80, 3305.06, 3309.312, and 3375.411; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 145.29 (145.292) and 145.325 (145.584); to enact new sections 145.29 and 145.332 and sections 145.016, 145.017, 145.036, 145.037, 145.038, 145.101, 145.194, 145.195, 145.2915, 145.2916, 145.333, 145.363, 145.431, 145.574, 2901.431, and 2929.194; and to repeal sections 145.02, 145.292, 145.321, 145.322, 145.324, 145.326, 145.327, 145.328, 145.329, 145.3210, 145.3211, 145.3212, 145.3213, 145.332, 145.34, 145.42, 145.44, 145.461, and 145.462 of the Revised Code to revise the law governing the Public Employees Retirement System.

Introduced by

Senators Niehaus, Kearney

Sponsors: Senators Bacon, Coley, Eklund, Hite, Jones, Lechner, Schiavoni, Seitz, Smith, Tavares
Representatives Adams, R., Amstutz, Anielski, Antonio, Baker, Barnes, Blair, Blessing, Boose, Boyce, Boyd, Bupp, Buchy, Budish, DeVitis, Drieaus, Duffey, Fedor, Fende, Foley, Garland, Goyal, Grossman, Hackett, Hagan, C., Hagan, R., Heard, Henne, Hill, Letson, Lynch, Martin, McGregor, Milkovich, Murray, Newbold, Pillich, Ramos, Roegner, Ruhl, Sears, Slaby, M., Smith, Stebelton, Thompson, Wachtmann, Winburn, Yuko
Speaker Batchelder

Passed by the Senate,

May 16, 2012

Passed by the House of Representatives,

September 12, 2012

Filed in the office of the Secretary of State at
Columbus, Ohio, on the

concurring in House
amendments
September 12, 2012

26 day of September, A. D. 2012


Secretary of State.