

Sub. S. B. No. 341

129th G.A.

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(D) The superintendent shall certify to the director of budget and management the amounts thus due the system for payment.

Sec. 3309.571. The school employees retirement system shall impose the following penalties, which may be collected in the same manner as described in division (B) of section 3309.51 of the Revised Code:

(A) For a failure to transmit contributions withheld from employees not later than the date specified under rules adopted by the school employees retirement board, one hundred dollars per day for each day the employer fails to transmit the contributions;

(B) For a failure to transmit any amount due the employer's trust fund not later than the date specified under rules adopted by the board, one hundred dollars per day for each day the employer fails to transmit the amounts;

(C) Except for a statement required by section 3309.28 of the Revised Code, for a failure to submit, complete, or correct any payroll information or other report required under this chapter not later than the date specified under rules adopted by the board, one hundred dollars per day for each day the employer fails to submit, complete, or correct the information or report, except that the penalty shall not exceed one thousand five hundred dollars;

(D) For a failure to submit a record in the form of a statement required by section 3309.28 of the Revised Code, fifty dollars per record for each month the record is not filed, except that the penalty shall not exceed three hundred dollars.

Sec. 3309.69. (A) As used in this section, "ineligible individual" means all of the following:

(1) A former member receiving benefits pursuant to section 3309.34, 3309.35, 3309.36, 3309.38, or 3309.381 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 of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code;

(2) The spouse of the former member;

(3) The beneficiary of the former member receiving benefits pursuant to section 3309.46 of the Revised Code.

(B) The school employees retirement board may enter establish a program to provide medical, hospital, surgical, prescription, or other health care coverage, benefits, reimbursement, or any combination thereof, to eligible individuals or dependents.

Any program established under this section shall be designed and administered by the board. In establishing a program, the board may do any

of the following:

(1) Enter into an agreement with insurance companies, health insuring corporations, persons or government agencies authorized to do business in the state for issuance of a policy or contract of health, medical, hospital, or prescription, surgical, or other health care benefits, or any combination thereof, for those individuals receiving service retirement or a disability or survivor benefit subscribing to the plan and their eligible dependents.

If all or any portion of the policy or contract premium is to be paid by any individual receiving service retirement or a disability or survivor benefit, the person shall, by written authorization, instruct the board to deduct the premiums agreed to be paid by the individual to the companies, corporations, or agencies.

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 school employees retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate provided by sections 3309.49 and 3309.491 of the Revised Code. The board shall not pay or reimburse the cost for health care under this section or section 3309.375 of the Revised Code for any ineligible individual.

The board may provide:

(2) 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 the rules of the board;

(3) Provide reimbursements or subsidies to eligible participants;

(4) Make disbursements;

(5) Determine levels of coverage and costs for the program;

(6) Take any other action it considers necessary to establish and administer the program.

(B) If it establishes a health care program, the board shall establish eligibility criteria and any other requirements for participation. To be eligible, an individual must meet the criteria established by the board and be one or more of the following:

(1) A former member receiving benefits pursuant to section 3309.34, 3309.35, 3309.36, or 3309.381 or former section 3309.38 of the Revised Code;

(2) A disability benefit recipient receiving a disability benefit pursuant to section 3309.35, 3309.39, 3309.40, or 3309.401 of the Revised Code;

(3) A beneficiary receiving monthly benefits pursuant to section 3309.45 of the Revised Code;

(4) The beneficiary of a former member who is receiving monthly benefits pursuant to section 3309.46 of the Revised Code;

(5) A dependent, as determined under rules adopted by the board, of an individual described in divisions (B)(1) to (4) of this section.

(C) The cost paid from the funds of the system for coverage under this section shall be included in the employer contribution under sections 3309.49 and 3309.491 of the Revised Code.

(D)(1) The board may require payment of a premium for participation in the health care program. Participation is deemed consent for the deduction of premiums from any pension, benefit, or annuity provided under this chapter to an eligible participant.

(2) An individual who fails to pay any required premium or receives any coverage or payment to which the individual is not entitled shall pay or repay any amount due the system. If an individual fails to pay or repay an amount due, the system may withhold the amount from any pension, benefit, annuity, or payment due the individual or the individual's beneficiary under this chapter or collect the amount in any other manner provided by law.

(E) A health care program participant who is eligible for coverage under medicare part B, "Supplementary Medical Insurance Benefits for the Aged and Disabled," 42 U.S.C. 1395j, as amended, shall enroll for that coverage. The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, make a monthly payment to each recipient of service retirement, or a disability or survivor benefit under the school employees retirement system who is eligible for insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, except that the board shall make no such payment to any ineligible individual. Effective on the first day of the month after April 9, 2001, the amount of the payment shall be the lesser of an amount equal to the basic premium for such coverage, or an amount equal to the basic premium in effect on January 1, 1999 the participant in an amount determined by the board for such coverage that is not less than forty-five dollars and fifty cents, except that the board shall make no payment to a participant who is not eligible for coverage under medicare part B or pay an amount that exceeds the amount paid by the recipient for the coverage.

(F) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section or section 3309.375 of the Revised Code with any similar coverage, payment, or benefit made available to the same individual by the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, or state highway patrol retirement system.

~~(E)(G)~~ The board shall make all other necessary rules pursuant to the purpose and intent of this section.

(H) This section does not require the board to establish, maintain, offer, or continue any health care program. This section does not require the board to provide or continue access to any health care program, or any level of coverage or costs provided under the program, if the board establishes or maintains a program under this section.

Sec. 3309.81. The school employees retirement board ~~shall~~ may establish one or more plans consisting of benefit options that provide for an individual account for each participating member and under which benefits are based solely on the amounts that have accumulated in the account. The plans may include options under which a member participating in a plan may receive definitely determinable benefits.

Each plan established under this section shall meet the requirements of sections 3309.81 to 3309.98 of the Revised Code and any rules adopted in accordance with section 3309.80 of the Revised Code. It may include life insurance, annuities, variable annuities, regulated investment trusts, pooled investment funds, or other forms of investment.

The board may administer the plans, enter into contracts with other entities to administer the plans, or both.

Sec. 3309.88. For each member participating in a plan established under section 3309.81 of the Revised Code, the school employees retirement system shall transfer to the employers' trust fund a portion of the employer contribution required under section 3309.49 of the Revised Code. The portion shall equal the percentage of compensation of members for whom the contributions are being made that is determined by an actuary appointed by the school 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 an actuarial study to determine whether the percentage transferred under this section should be changed to reflect a change in the level of negative financial impact resulting from members' participation in a plan. The percentage transferred 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 shall take effect on the first day of the year following the date the conclusions of the study are reported to the board.

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 3309.375 or 3309.69 of the Revised Code and benefit increases to members and former members participating in the