

TION 145.325 OF THE REVISED CODE WITH ANY SIMILAR COVERAGE, PAYMENT, OR BENEFIT MADE AVAILABLE TO THE SAME INDIVIDUAL BY THE POLICE AND FIREMEN'S DISABILITY AND PENSION FUND, STATE TEACHERS RETIREMENT SYSTEM, SCHOOL EMPLOYEES RETIREMENT SYSTEM, OR STATE HIGHWAY PATROL RETIREMENT SYSTEM.

(F) The board shall make all OTHER necessary rules pursuant to the purpose and intent of this section.

Sec. 152.27. Unless otherwise determined by the Ohio building authority, obligations issued pursuant to section 152.23 of the Revised Code shall be sold to the state insurance fund of the bureau of workers' compensation. If so determined by the authority, the administrator of workers' compensation shall purchase those obligations by investing the amount necessary from the surplus or reserve in that state insurance fund pursuant to division (F) of section 4123.441 of the Revised Code. Notwithstanding other provisions of this chapter, obligations sold to the state insurance fund shall be sold at par. Bonds or notes with maturities not greater than two years shall bear interest at a rate equal to the greater of five and one-half per cent per annum or a rate equal to two percentage points above the yield on United States treasury obligations of the same term issued during the month immediately preceding the month in which such obligations are dated. Obligations with maturities greater than two years shall bear interest at a variable rate or rates, changing from time to time, but for periods not in excess of two years. Interest shall be calculated as provided in the formula set forth in this section.

Sec. 742.01. As used in this chapter:

(A)(1) "Police department" means the police department of a municipal corporation.

(2) "Member of a police department" means both of the following:

(a) Any person who receives an original appointment as a full-time regular police officer in a police department from a duly established civil service eligible list or pursuant to section 124.411 of the Revised Code, or who is described in section 742.511 of the Revised Code, or who transfers from the public employees retirement system to the police and firemen's disability and pension fund pursuant to section 742.513, or who is appointed pursuant to section 737.15 or 737.16 of the Revised Code as a full-time regular police officer and is paid solely out of public funds of the employing municipal corporation;

(b) Any person who, on October 1, 1965, was contributing four per cent of ~~his~~ THE PERSON'S annual salary to a police relief and pension fund established under former section 741.32 of the Revised Code.

(B)(1) "Fire department" means 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.

(2) "Member of a fire department" means all of the following:

(a) Any person who commences employment after November 8, 1990, as a full-time ~~fireman~~ FIREFIGHTER with a fire department, in a position in which ~~he~~ THE PERSON is required to satisfactorily complete or have satisfactorily completed a ~~fire fighter~~ FIREFIGHTER training

course approved under former section 3303.07 or section 4765.55 or conducted under section 3737.33 of the Revised Code;

(b) Any person who has elected under section 742.515 of the Revised Code to be transferred from the public employees retirement system to the police and firemen's disability and pension fund;

(c) Any full-time ~~fireman~~ FIREFIGHTER who, on November 8, 1990, is a member of the police and firemen's disability and pension fund.

(C) "Employee" means any person who is a member of a police department or a member of a fire department.

(D) "Employer" means the government entity by which an employee is employed and paid.

(E) "Member of the fund" means any person, except an other system retirant as defined in section 742.26 of the Revised Code, who is contributing a percentage of ~~his~~ THE PERSON'S annual salary to the police and firemen's disability and pension fund or who is receiving a disability benefit or pension from ~~such~~ THE fund as a result of service in a police or fire department. A person, other than an other system retirant, who is contributing a percentage of ~~his~~ THE PERSON'S annual salary to the fund and is dismissed, resigns, or is granted a leave of absence from a police or fire department shall be considered a "member of the fund" for a period of twelve months after the first day of ~~such~~ THE dismissal, resignation, or leave of absence, provided the sum deducted from ~~such~~ THE person's salary and credited to ~~his~~ THE PERSON'S account in the fund remains on deposit in ~~such~~ THE fund.

(F) "Total disability" means inability to perform the duties of any gainful occupation for which the member of the fund is reasonably fitted by training, experience, and accomplishments, provided that absolute helplessness is not a prerequisite of total disability.

(G) "Permanent disability" means a condition of disability with respect to which the board of trustees of the police and firemen's disability and pension fund finds there is no present indication of recovery. For purposes of making such a determination, the board shall consider and base its findings on all competent evidence, including medical testimony, opinions, and statements, made available to it.

(H) "Year," for the purpose of determining benefits, means any twelve consecutive calendar months of active service as a member of the fund, or, in the case of a member whose salary is paid weekly or biweekly, fifty-two consecutive weeks of active service as a member.

(I) "Average annual salary" means the highest average annual salary of a member of the fund during any three years of contributions determined by dividing ~~his~~ THE MEMBER'S total salary as an employee during ~~such~~ THE years by three.

(J) "Normal service pension benefit" means the pension benefit payable to a member of the fund under division (C)(1) of section 742.37 of the Revised Code upon attaining age forty-eight.

(K) "Retirement allowance" means the total pension benefit or disability benefit to which a member of the fund may be entitled under division (C) of section 742.37 of the Revised Code.

(L) "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.

(M) "Terminal pay" means the following payments made by an employer to an employee on termination of his employment:

(1) Payments for accrued but unused leave, including sick leave, vacation, personal leave, and compensatory time;

(2) Payments deferred more than one year compensating the employee for holidays worked or for longevity;

(3) Payments for overtime worked that are not included either in the payroll for the period in which ~~they are~~ THE OVERTIME IS worked or for the next subsequent payroll period;

(4) Other payments that are not compensation for services rendered in the last pay period in which services were rendered and are designated as terminal pay by rule of the board of trustees of the police and firemen's disability and pension fund. The board shall not designate as terminal pay payments deferred one year or less compensating an employee for holidays worked or for longevity.

(N)(1) Except as otherwise provided in this division, "salary" means all compensation, wages, and other earnings paid to an employee by reason of his employment, but without regard to whether compensation, wages, or other earnings are treated as deferred income for federal income tax purposes. "Salary" includes payments for overtime that are made not later than the payroll following the payroll period in which the overtime is worked.

(2) "Salary" does not include any of the following:

(a) Compensation for services outside the scope of an employee's regular employment;

(b) Reimbursement of expenses;

(c) Terminal pay;

(d) Payments for accrued but unused sick leave or personal leave, or vacation pay covering periods for which salary, compensation, or benefits are paid;

(e) Payments made under division (B) or (D) of section 5923.05 of the Revised Code or ~~section~~ SECTION 4 of Substitute Senate Bill No. 3 of the 119th general assembly;

(f) Payments made to or on behalf of an employee that are in excess of the annual compensation that may be taken into account by the fund 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.

(3) The board shall determine by rule whether any compensation, wages, or earnings not enumerated in this division is salary, and its decision shall be final.

(O) "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.

Sec. 742.11. (A) As used in this section:

(1) "American depository receipt" means a receipt for the shares of a foreign corporation held by an American bank or trust company, representing the deposit of an equivalent amount of underlying foreign shares.

(2) "Commingled stock investment fund" means a pooling of securities to create a fund of a certain type or classification of stock wherein participants share in the total return of the fund represented by dividends, interest, and appreciation.

(3) "Derivative instrument" means a financial obligation that derives its precise value from the value of one or more other instruments or assets at the same point in time.

(4) "Pass-through security" means a security, representing pooled debt obligations repackaged as shares, that passes income and principal from debtors through an intermediary to investors.

(B) The members of the board of trustees of the police and firemen's disability and pension fund shall be the trustees of the ~~several~~ funds created by section 742.38 of the Revised Code. THE BOARD SHALL HAVE FULL POWER TO INVEST THE FUNDS. The board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the ~~system~~ POLICE AND FIREMEN'S DISABILITY AND PENSION FUND; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent ~~man~~ PERSON acting in a like capacity and familiar with ~~such~~ THESE matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the ~~system~~ DISABILITY AND PENSION FUND so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

TO FACILITATE INVESTMENT OF THE FUNDS, THE BOARD MAY ESTABLISH A PARTNERSHIP, TRUST, LIMITED LIABILITY COMPANY, CORPORATION, INCLUDING A CORPORATION EXEMPT FROM TAXATION UNDER THE INTERNAL REVENUE CODE, 100 STAT. 2085, 26 U.S.C.A. 1, AS AMENDED, OR ANY OTHER LEGAL ENTITY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE.

(C) (B) In exercising its fiduciary responsibility with respect to the investment of the funds, it shall be the intent of the board to give consideration to investments that enhance the general welfare of the state and its citizens where ~~such~~ THE investments offer quality, return, and safety