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retirement before September 16, 1998.

(2) The monthly pension of each person described in division (D)(1) of this section shall be increased as follows:

(a) For the period beginning July 1, 1999, and ending June 30, 2000, to five hundred fifty dollars:

(b) For the period beginning July 1, 2000, and the first day of July of each year thereafter and continuing for the following twelve months, to an amount equal to the monthly amount paid during the prior twelve-month period plus an amount determined by multiplying five hundred fifty dollars by the average percentage change in the consumer price index, not exceeding three per cent, as determined each year by the board of trustees of the police and firemen's disability and pension fund under section 742.3716 of the Revised Code.

(3) If a person who is receiving a pension under division (D) of section 742.37 of the Revised Code and a benefit under division (B) or (D) of section 742.63 of the Revised Code ceases to be eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code, the person's monthly pension shall be increased, effective the first day of the first month following the date on which the person ceases to be eligible for the benefit, to the amount it would be under division (D)(2) of this section had the person never been eligible for a benefit under division (B) or (D) of section 742.63 of the Revised Code.

(E) The monthly pension of each person receiving a pension under division (E) of section 742.37 of the Revised Code shall be increased to one hundred fifty dollars effective July 1, 1999.

(F) Effective July 1, 1999, the monthly pension of each person receiving a pension under division (F) of section 742.37 of the Revised Code shall be increased as follows:

(1) If there are two dependent parents, to one hundred dollars;

(2) If there is one dependent parent, to two hundred dollars.

Sec. 742.3720. As used in this section, "eligible person" means a person who has been receiving a pension under division (E) or (F) of section 742.37 of the Revised Code for twelve months or longer.

On or before the fifteenth day of April of each year, the board of trustees of the police and firemen's disability and pension fund shall determine the average percentage change 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") for the twelve-calendar-month period prior to the first day of January over the next preceding twelve-calendar-month period, as reported by the bureau.

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On a determination by the board that this change is an increase, or that the change plus the accumulation described in this section is an increase, the board shall increase pensions payable to eligible persons by a percentage equal to the percentage increase in the consumer price index or to that increase plus the accumulation, except that the increase shall not exceed three per cent and no pension 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.

Any percentage increase in the consumer price index in any year that is in excess of three per cent shall be accumulated and used to determine increases in succeeding years.

The first increase under this section is payable to eligible persons beginning July 1, 2000. The increased amount is payable for the ensuing twelve-month period or until the next increase is granted under this section, whichever is later.

The date of the first increase under this section is the anniversary date for any future increases. The pension used in the first calculation of an increase under this section shall remain as the base for all future increases paid under this section, unless a new base is established by law.

The board shall adopt any rules necessary to implement this section.

Sec. 742.39. (A) A member of the police and firemen's disability and pension fund determined to be eligible for a disability benefit under division (D)(1) of section 742.38 of the Revised Code shall be paid annual disability benefits, payable in twelve monthly installments, in an amount equal to seventy-two per cent of the member's average annual salary.

(B) A member of the fund determined to be eligible for a disability benefit under division (D)(2) of section 742.38 of the Revised Code shall be paid annual disability benefits, payable in twelve monthly installments. If the member has fewer than twenty-five years of active service in a police or fire department, the benefit shall be in an amount fixed by the board of trustees of the police and firemen's disability and pension fund. The board may increase or decrease the benefit whenever the board determines that the impairment of the member's earning capacity warrants an increase or decrease based on the standards adopted under division (C) of section 742.38 of the Revised Code applicable to the determination, but in no event shall the benefit exceed sixty per cent of the member's average annual salary.

A member who has completed twenty-five or more years of active service in the department shall receive annual disability benefits, payable in twelve monthly installments, in an amount equal to a percentage of the