

day after accruals begin under this division and ending on the earlier of the date that is three years thereafter or the date the member ceases participation in the plan, seventy-five per cent of the member's contributions for that period;

(c) During the period beginning on the date that is three years and one day after accruals begin under this section and ending on the date the member ceases participation in the plan, one hundred per cent of the member's contributions for that period.

(2) The amounts contributed under section 742.31 of the Revised Code by a member who, on or after July 2, 2013, elects to participate in the deferred retirement option plan shall accrue to the member's benefit as follows:

(a) During the period beginning on the first day of the first payroll period after the election's effective date and ending on the earlier of the date that is three years thereafter or the date the member ceases participation in the plan, fifty per cent of the member's contributions for that period;

(b) During the period beginning on the date that is three years and one day after accruals begin under this division and ending on the earlier of the date that is five years thereafter or the date the member ceases participation in the plan, seventy-five per cent of the member's contributions for that period;

(c) During the period beginning on the date that is five years and one day after accruals begin under this section and ending on the date the member ceases participation in the plan, one hundred per cent of the member's contributions for that period.

(3) The Ohio police and fire pension fund shall credit the portion of a member's contributions that are not accrued to the member's benefit under division (B)(1) or (2) of this section to the police officers' contribution fund or firefighters' contribution fund, as appropriate.

(C) During the period beginning on the election's effective date and ending on the day before the date distributions under division (B)(3) of section 742.444 of the Revised Code are completed, the amounts described in divisions (A) and (B)(1) of this section shall earn interest at an annual rate established by the board of trustees of the fund and compounded annually using a method established by rule adopted under section 742.43 of the Revised Code.

Sec. 742.444. (A) A member's participation in the deferred retirement option plan ceases on the occurrence of the earliest of the following:

(1) Termination of the member's active service in a police or fire department;

(2) The last day of the eight-year period that begins on the effective date of the member's election to participate in the plan;

(3) Acceptance by the member of a disability benefit awarded by the board of trustees of the Ohio police and fire pension fund, unless the acceptance is revoked by the member in accordance with rules adopted by the board;

(4) The member's death.

(B) If a member terminates active service in a police or fire department not later than eight years after the effective date of the member's election to participate in the plan, all of the following apply:

(1) The member shall notify the Ohio police and fire pension fund of the date of termination on a form prescribed by the fund. The member is not eligible to make another election under section 742.44 of the Revised Code.

(2) ~~¶ (a) For a member whose election to participate in the plan is effective before July 2, 2013,~~ the member's termination of active service occurs on or after the date that is the first day of the fourth year after the effective date of the election to participate in the plan, the entire amount that has accrued to the member's benefit under the deferred retirement option plan shall be distributed to the member pursuant to the member's selection under division (B)(3) of this section. If the member's termination of active service occurs before the date that is four years after the effective date of the election to participate, the member shall forfeit the total amount of the interest credited under division (C) of section 742.443 of the Revised Code.

(b) For a member whose election to participate in the plan is effective on or after July 2, 2013, if the member's termination of active service occurs on or after the date that is the sixth year after the effective date of the election to participate in the plan, the entire amount that has accrued to the member's benefit under the deferred retirement option plan shall be distributed to the member pursuant to the member's selection under division (B)(3) of this section. If the member's termination of active service occurs before the date that is six years after the effective date of the election to participate, the member shall forfeit the total amount of the interest credited under division (C) of section 742.443 of the Revised Code.

(3) The member shall select one of the following as the method of distribution of the amount to be distributed to the member:

(a) A single payment;

(b) Periodic payments as determined by the board.

The fund shall retain amounts accrued to the benefit of a member under the plan until a form specifying the method of distribution selected is filed with the fund by the member or an authorized representative of the member.

The board shall afford a member who selects periodic payments the opportunity at least once during each calendar year to change the member's selection.

(4) Distribution of the amount accrued to a member's benefit under the deferred retirement option plan shall not commence until the following:

(a) For members whose election to participate in the plan is effective before July 2, 2013, the date that is the first day of the fourth year after the effective date of the election;

(b) For members whose election to participate in the plan is effective on or after July 2, 2013, the date that is the first day of the sixth year after the effective date of the election.

(5) The member shall select a plan of payment under section 742.3711 of the Revised Code for the pension payable to the member under division (C) of section 742.37 of the Revised Code, unless the member selected a plan of payment at the time of electing to participate in the plan. The pension shall commence not later than the first day of the second month following the date the employee ceases to participate in the plan.

(C) If, at the end of the eight-year period that begins on the effective date of a member's election to participate in the plan, the member has failed to terminate active service in a police or fire department, all of the following apply:

(1) No further amounts shall accrue to the member's benefit, and the member shall forfeit all amounts that have accrued to the member's benefit under section 742.443 of the Revised Code. The amounts forfeited shall be treated as if the member had continued in the active service of a police or fire department and not elected to participate in the plan.

(2) The member shall be granted service credit for the period the member was participating in the plan, and when the member's pension is calculated under section 742.37 of the Revised Code, the calculation shall be made as though the member had never participated in the plan.

(3) Further contributions, and service credit for those contributions, shall be credited as provided in sections 742.31 through 742.34 of the Revised Code.

Sec. 742.45. (A) The board of trustees of the Ohio police and fire pension fund may enter into an agreement 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 individuals receiving service or disability pensions or survivor benefits subscribing to the plan. Notwithstanding any other provision of this chapter, the policy or contract