

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.