

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.

(3) In addition to the meaning given in division (N) of section 145.01 of the Revised Code, "disability benefit" means "disability benefit" as defined in sections 3307.01 and 3309.01 of the Revised Code.

(4) "Paying system" means the state retirement system in which the member has the greatest service credit, without adjustment or, if a member who has equal service credit in two or more retirement systems, the retirement system in which the member has the greatest total contributions.

(5) "Transferring system" means the state retirement system transferring a member's contributions and service credit in that system to the paying system.

(6) "Retention percentage" means five per cent, or a percentage determined under division (D) of this section, of a member's earnable salary in the case of a member of the public employees retirement system or five per cent, or a percentage determined under division (D) of this section, of a member's compensation in the case of a member of the state teachers

retirement system or school employees retirement system.

(B) To coordinate and integrate membership in the state retirement systems, ~~the following provisions apply:~~

~~(1) Subject to division (B)(2) of this section,~~ at the election of a member, total contributions and service credit in all state retirement systems, including amounts paid to restore service credit under sections 145.311, 3307.711, and 3309.261 of the Revised Code, shall be used in determining the eligibility and total retirement or disability benefit payable. When total contributions and service credit are so combined, the following provisions apply:

~~(a)(1)~~ Age and service retirement shall be effective on the first day of the month immediately following the later of:

~~(i)(a)~~ The last day for which compensation was paid;

~~(ii)(b)~~ The attainment of minimum age or service credit eligibility for benefits provided under this section;

~~(iii)(c)~~ Ninety days prior to receipt by the board of the member's completed application for retirement.

~~(b)(2)~~ Disability benefits shall be effective on the first day of the month immediately following the later of the following:

~~(i)(a)~~ The last day for which compensation was paid;

~~(ii)(b)~~ The attainment of eligibility for a disability benefit.

~~(c) Eligibility for a disability benefit shall be determined by the (3) The board of the state retirement paying system that will calculate shall do both of the following:~~

~~(a) Determine a member's eligibility for a retirement or disability benefit:~~

~~(b) Calculate and pay the member's retirement or disability benefit, as provided in division (B)(1)(d) of this section. The state retirement~~

~~(4)(a) Each transferring system calculating and paying the disability benefit in which the member has service credit shall certify the determination to the board of each other state retirement paying system in which the member has service credit and shall be accepted by that board as sufficient for granting a disability benefit.~~

~~(d) The board of the state retirement system in which the member had the greatest service credit, without adjustment, shall calculate and pay the total retirement or disability benefit. Where the member's credit is equal in two or more state retirement systems, the system having the largest total contributions of the member shall calculate and pay the total benefit.~~

~~(e) all of the following:~~

~~(i) The service credit earned by the member in the transferring system;~~

(ii) The beginning and ending dates of the service credit period covered by the transferring system;

(iii) Any breaks in service by the member, excluding school breaks;

(iv) If available, a statement listing the member's monthly contributions and service credit earned, obtained, or purchased in the transferring system.

(b) The certification under division (B)(4)(a) of this section may be reviewed by both the transferring system and the paying system.

(5) In determining the total credit to be used in calculating a retirement or disability benefit, ~~total combined service credit shall not exceed~~ credit shall not be reduced below that certified by the transferring system, except as follows:

(a) Not more than one year of credit may be certified by the transferring system for any one "year" as defined in the law of the transferring system making the calculation.

~~(b)~~ The paying system may reduce any credit certified by the transferring system that is concurrent with any period of service credit the member earned from the paying system.

(c) The paying system may reduce any credit certified by the transferring system if the amount certified, when added to the paying system's service credit for any one "year" as defined in the law of the paying system, exceeds one year.

~~(6)(a) The state retirement paying system calculating and paying a retirement or disability benefit shall receive from the other transferring system or systems all of the following for each year of service:~~

(i) The amount contributed by the member, or, in the case of service credit purchased by the member, paid by the member, that is attributable to the year of service;

(ii) An amount equal to the lesser of the employer's contributions made on behalf of the member to the ~~retirement~~ transferring system for that year of service ~~less the retention percentage~~ or the amount that would have been contributed by the employer for the service had the member been a member of the public employees retirement system at the time the credit was earned ~~less the retention percentage~~;

(iii) Interest compounded annually on the amounts specified in divisions (B)~~(4)(b)~~~~(6)(a)~~(i) and (ii) of this section at the lesser of the actuarial assumption rate for that year of the ~~retirement paying~~ system ~~determining and paying the benefit~~ or the ~~other retirement~~ transferring system or systems ~~transferring amounts under this section~~.

(b) If applicable, the public employees retirement system shall pay to the ~~retirement paying~~ system ~~calculating and paying the benefit~~ a portion of

the amount paid on behalf of the member by an employer under section 145.483 of the Revised Code. The portion shall be paid from the employers' accumulation fund and shall equal the product obtained by multiplying by two the amount the member would have contributed during the period the employer failed to deduct contributions, as described in section 145.483 of the Revised Code.

~~(g)(7)~~ The annuity rates and mortality tables of the ~~state retirement paying~~ system ~~making the calculation and paying the benefit~~ shall be exclusively applicable.

~~(h)(8)~~ Deposits made for the purpose of an additional annuity, together with earnings as provided in section 145.62 of the Revised Code, upon the request of the member, shall be transferred to the ~~state retirement paying~~ system ~~paying the benefit~~. The return upon such deposits shall be that offered by the ~~state retirement paying~~ system ~~making the calculation and paying the benefit~~.

~~(i)(9)~~ A former member receiving a retirement or disability benefit under this section, who accepts employment amenable to coverage in any state retirement system that participated in the former member's combined benefit, shall be subject to the applicable provisions of law governing such re-employment. If a former member should be paid any amount in a retirement benefit, to which the former member is not entitled under the applicable provisions of law governing such re-employment, such amount shall be recovered by the ~~state retirement paying~~ system ~~paying such benefit~~ by utilizing any recovery procedure available under the ~~code provisions of the state retirement system covering such~~ paying system's re-employment provisions.

(C) A PERS retirant or other system retirant, as defined in section 145.38 of the Revised Code, is not eligible to receive any benefit under this section for service subject to section 145.38 of the Revised Code.

(D) The retention percentage used in the calculation under division (B)(6)(a)(ii) of this section shall be reviewed by the state retirement systems not less than once every five years after the effective date of this amendment or on request of any of the systems. If the retirement systems agree, the retention percentage may be changed if any system's employer contribution rate increases or decreases or the systems agree that a change is in the interest of one or more of the systems.

Sec. 145.384. (A) As used in this section, "PERS retirant" means a PERS retirant who is not subject to division (C) of section 145.38 of the Revised Code. For purposes of this section, "PERS retirant" also includes both of the following: