

surviving spouse or beneficiary qualifies for benefits under division (A) of this section, the surviving spouse or beneficiary may elect to receive benefits under division (A) of this section. The benefits shall be effective on the first day of the month immediately following the termination.

(D) The final average salary used in the calculation of a benefit payable pursuant to division (A) or (B) of this section to a survivor or beneficiary of a disability benefit recipient shall be adjusted for each year between the disability benefit's effective date and the recipient's date of death by the lesser of three per cent or the actual average percentage increase 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").

(E) If the survivor benefits due and paid under this section are in a total amount less than the member's accumulated account that was transferred from the public employees' savings fund to the survivors' benefit fund, then the difference between the total amount of the benefits paid shall be paid to the beneficiary under section 145.43 of the Revised Code.

~~Sec. 145.452. Upon the death of a member prior to receipt of service retirement, the surviving spouse or dependents of the deceased member shall have the right to purchase any service credit the member, had the member not died, would have been eligible to purchase under this chapter upon the same terms and conditions that the deceased member could have purchased such service credit had the member not died. The surviving spouse of a member who dies on or after the effective date of this amendment may continue any service credit purchase the member initiated before death. A purchase shall be considered to have been initiated before the member's death if the member made one or more payments for the purchase before death. Any~~

Any service credit purchased under this section shall be applied under the provisions of this chapter in the same manner as it would have been applied had it been purchased by the deceased member during the deceased member's lifetime.

Sec. 145.46. (A) A retirement allowance calculated under section 145.33, 145.331, or ~~145.34~~ 145.332 of the Revised Code shall be paid as provided in this section. ~~If the member is eligible to elect a plan of payment under this section, the election shall be made on a form provided by the public employees retirement board. A plan of payment elected under this section shall be effective only if approved by the board, which shall approve it only if it is certified by an actuary engaged by the board to be the actuarial equivalent of the retirement allowance calculated under section 145.33,~~

~~145.331, or 145.34 of the Revised Code.~~

~~(B)(1)(a) Except as provided in divisions (B)(1)(b) and (c) of this section, a member who retires under section 145.32, 145.331, or 145.34 of the Revised Code shall receive a retirement allowance under "plan A," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for life and one-half of such allowance continuing after death to the member's surviving spouse for the life of the spouse.~~

~~(b) A member may receive a retirement allowance under a plan of payment other than "plan A" if either of the following is the case:~~

~~(i) The member is not married or either the member's spouse consents in writing to the member's election of a plan of payment other than "plan A" or the board waives the requirement that the spouse consent;~~

~~(ii) A plan of payment providing for payment in a specified portion of the allowance continuing after the member's death to a former spouse is required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property prior to the effective date of the member's retirement.~~

~~(c) If a member is subject to division (B)(1)(b)(ii) of this section and the board has received a copy of the order described in that division, Unless the member is required by division (C) of this section to select a specified plan of payment, a member may elect a plan of payment as provided in division (B)(1), (2), or (3) of this section. An election shall be made at the time the member makes application for retirement and on a form provided by the public employees retirement board. A plan of payment elected under this section shall be effective only if approved by the board, which shall approve it only if it is certified by an actuary engaged by the board to be the actuarial equivalent of the retirement allowance calculated under section 145.33, 145.331, or 145.332 of the Revised Code.~~

~~(B) The following plans of payment shall be offered by the public employees retirement system:~~

~~(1) "Joint-life plan," an allowance that consists of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.332 of the Revised Code in a lesser amount payable for life and one-half or some other portion equal to ten per cent or more of the allowance continuing after death to the member's designated beneficiary for the beneficiary's life. The beneficiary shall be nominated by written designation filed with the retirement board. The amount payable to the beneficiary shall not exceed the amount payable to the member.~~

(2) "Single-life plan," the member's retirement allowance determined under section 145.33, 145.331, or 145.332 of the Revised Code;

(3) "Multiple-life plan," an allowance that consists of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.332 of the Revised Code in a lesser amount payable to the retirant for life and some portion of the lesser amount continuing after death to two, three, or four surviving beneficiaries designated at the time of the member's retirement. Unless required under division (C) of this section, no portion allocated under this plan of payment shall be less than ten per cent. The total of the portions allocated shall not exceed one hundred per cent of the member's lesser allowance.

(C) A member shall select a plan of payment as follows:

(1) Subject to division (C)(2) of this section, if the member is married at the time of retirement, the member shall select a joint-life plan and receive a plan of payment that consists of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.332 of the Revised Code in a lesser amount payable for life and one-half of such allowance continuing after death to the member's surviving spouse for the life of the spouse. A married member is not required to select this plan of payment if the member's spouse consents in writing to the member's election of a plan of payment other than described in this division or the board waives the requirement that the spouse consent;

(2) If prior to the effective date of the member's retirement, the public employees retirement board receives a copy of a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property the board shall accept the member's election of a plan of payment under this section only if the member complies with both of the following:

(i)(a) The member elects a plan of payment that is in accordance with the order described in division (B)(1)(b)(ii) of this section.

(i)(b) If the member is married, the member elects "a multiple-life plan F" and designates the member's current spouse as a beneficiary under that plan unless that spouse consents in writing to not being designated a beneficiary under any plan of payment or the board waives the requirement that the current spouse consent.

(2)(D) An application for retirement shall include an explanation of all of the following:

(a)(1) That, if the member is married, unless the spouse consents to another plan of payment or there is a court order dividing marital property issued under section 3105.171 or 3105.65 of the Revised Code or the laws

of another state regarding the division of marital property that provides for payment in a specified amount, the member's retirement allowance will be paid under "a joint-life plan A," ~~which consists and consist~~ of the actuarial equivalent of the member's retirement allowance in a lesser amount payable for life and one-half of the allowance continuing after death to the surviving spouse for the life of the spouse;

~~(b)(2)~~ A description of the alternative plans of payment, including all plans described in ~~divisions~~ division (B)(2) ~~and (3)~~ of this section, available with the consent of the spouse;

~~(e)(3)~~ That the spouse may consent to another plan of payment and the procedure for giving consent;

~~(d)(4)~~ That consent is irrevocable once notice of consent is filed with the board.

Consent shall be valid only if it is signed, in writing, and witnessed by a notary public. The board may waive the requirement of consent if the spouse is incapacitated or cannot be located or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

~~(3)~~ A member eligible to elect to receive the member's retirement allowance under a plan of payment other than "plan A" shall receive the member's retirement allowance under the plan described in ~~division (B)(4)~~ of this section or one of the following plans:

~~(a)~~ "Plan B," which shall consist of an allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code;

~~(b)~~ "Plan C," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for life and one-half or some other portion of the allowance continuing after death to the member's sole surviving beneficiary designated at the time of the member's retirement, provided that the amount payable to the beneficiary does not exceed the amount payable to the member;

~~(c)~~ "Plan D," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for life and continuing after death to a surviving beneficiary designated at the time of the member's retirement;

~~(d)~~ "Plan E," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable for a certain period from the member's retirement date as elected by the member and

~~approved by the retirement board, and on the member's death before the expiration of that certain period the member's lesser retirement allowance payable for the remainder of that period to the member's surviving designated beneficiary nominated by written designation filed with the retirement board.~~

~~Should the nominated beneficiary designated in writing die prior to the expiration of the guarantee period, then for the purpose of completing payment for the remainder of the guarantee period, the present value of such payments shall be paid to the estate of the beneficiary last receiving.~~

~~(e) "Plan F," which shall consist of the actuarial equivalent of the member's retirement allowance determined under section 145.33, 145.331, or 145.34 of the Revised Code in a lesser amount payable to the retirant for life and some portion of the lesser amount continuing after death to two, three, or four surviving beneficiaries designated at the time of the member's retirement. The portion of the lesser allowance that continues after the member's death shall be allocated among the beneficiaries at the time of the member's retirement. If the member elects this plan as required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property and compliance with the court order requires the allocation of a portion less than ten per cent to any beneficiary, the member shall allocate a portion less than ten per cent to that beneficiary in accordance with that order. In all other circumstances, no portion allocated under this plan of payment shall be less than ten per cent. The total of the portions allocated shall not exceed one hundred per cent of the member's lesser allowance.~~

~~(4)(a)(E)(1)~~ Beginning on a date selected by the retirement board, which shall be not later than July 1, 2004, a member may elect to receive a retirement allowance under a plan of payment consisting of both a lump sum in an amount the member designates that constitutes a portion of the member's retirement allowance under a plan described in division (B) of this section and the remainder as a monthly allowance under that plan.

The total amount paid as a lump sum and a monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected.

~~(b)(2)~~ The lump sum designated by a member shall be not less than six times and not more than thirty-six times the monthly amount that would be payable to the member under the plan of payment elected under division (B)~~(4)(a)~~ of this section had the lump sum not been elected and shall not result in a monthly allowance that is less than fifty per cent of that monthly amount.

~~(5) An election under division (B)(3) or (4) of this section shall be made at the time the member makes application for retirement.~~

~~(6) A member eligible to elect to receive the member's retirement allowance under a plan of payment other than "plan A" because the member is unmarried who fails to make an election on retirement shall receive the member's retirement allowance under "plan B."~~

~~(E)(F)~~ If the retirement allowances, as a single life annuity or payment plan as provided in this section, due and paid are in a total amount less than (1) the accumulated contributions, and (2) other deposits made by the member as provided by this chapter, standing to the credit of the member at the time of retirement, then the difference between the total amount of the allowances paid and the accumulated contributions and other deposits shall be paid to the beneficiary provided under division (D) of section 145.43 of the Revised Code.

~~(D)(G)~~(1) The death of a spouse or any designated beneficiary following retirement shall cancel the portion of the plan of payment providing continuing lifetime benefits to the deceased spouse or deceased designated beneficiary. The retirant shall receive the actuarial equivalent of the retirant's single lifetime benefit, as determined by the board, based on the number of remaining beneficiaries, with no change in the amount payable to any remaining beneficiary. The change shall be effective the month following receipt by the board of notice of the date of death.

(2) On divorce, annulment, or marriage dissolution, a retirant receiving a retirement allowance under a plan that provides for continuation of all or part of the allowance after death for the lifetime of the retirant's surviving spouse may, with the written consent of the spouse or pursuant to an order of the court with jurisdiction over the termination of the marriage, elect to cancel the portion of the plan providing continuing lifetime benefits to that spouse. The retirant shall receive the actuarial equivalent of the retirant's single lifetime benefit as determined by the retirement board based on the number of remaining beneficiaries, with no change in amount payable to any remaining beneficiary. The election shall be made on a form provided by the board and shall be effective the month following its receipt by the board.

~~(E)(H)~~(1) Following a marriage or remarriage, both of the following apply:

(a) A retirant who is receiving the retirant's retirement allowance under "a single-life plan B" may elect a new plan of payment under division (B)(1), ~~(3)(b)~~, or ~~(3)(e)~~ of this section based on the actuarial equivalent of the retirant's single lifetime benefit as determined by the board.

(b) A retirant who is receiving a retirement allowance pursuant to a plan of payment providing for payment to a former spouse pursuant to a court order described in division ~~(B)(1)(b)(ii)(C)(2)~~ of this section may elect a new plan of payment ~~under~~ "in the form of a multiple-life plan F" based on the actuarial equivalent of the retirant's single lifetime retirement allowance as determined by the board if the new plan of payment elected does not reduce the payment to the former spouse.

(2) If the marriage or remarriage occurs on or after ~~the effective date of this amendment~~ June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage.

The plan elected under this division shall become effective on the date of receipt by the board of an application on a form approved by the board, but any change in the amount of the retirement allowance shall commence on the first day of the month following the effective date of the plan.

~~(F)(I)~~ Any person who, prior to July 24, 1990, selected an optional plan of payment at retirement that provided for a return to the single life benefit after the designated beneficiary's death shall have the retirant's benefit adjusted to the optional plan equivalent without such provision.

~~(G)(J)~~ A retirant's receipt of the first month's retirement allowance constitutes the retirant's final acceptance of the plan of payment and may be changed only as provided in this chapter.

Sec. 145.47. (A) Each public employee who is a contributor to the public employees retirement system shall contribute eight per cent of the contributor's earnable salary to the employees' savings fund, except that the public employees retirement board may raise the contribution rate to a rate not greater than ten per cent of the employee's earnable salary.

(B) The head of each state department, institution, board, and commission, and the fiscal officer of each local authority subject to this chapter, shall ~~deduct from the earnable salary of~~ transmit to the system for each contributor ~~on every payroll of such contributor for each payroll period~~ subsequent to the date of coverage, an amount equal to the applicable per cent of ~~the~~ each contributor's earnable salary at such intervals and in such form as the system shall require. The head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the system a report of contributions at such intervals and in such form as the system shall require, showing thereon all ~~deductions for the system made from the~~ contributions and earnable salary of each contributor employed, together with warrants, checks, or electronic payments covering the total of such deductions. A penalty shall be added when such report, together with warrants, checks, or electronic payments to cover the total

amount due from the earnable salary of all amenable employees of such employer, is filed thirty or more days after the last day of such reporting period. The system, after making a record of all receipts under this division, shall deposit the receipts with the treasurer of state for use as provided by this chapter.

(C) Unless the board adopts a rule under division (D) of this section, the penalty described in division (B) of this section for failing to timely transmit a report, pay the total amount due, or both is as follows:

(1) At least one but not more than ten days past due, an amount equal to one per cent of the total amount due;

(2) At least eleven but not more than thirty days past due, an amount equal to two and one-half per cent of the total amount due;

(3) Thirty-one or more days past due, an amount equal to five per cent of the total amount due.

The penalty described in this division shall be added to and collected on the next succeeding regular employer billing. Interest at a rate set by the retirement board shall be charged on the amount of the penalty in case such penalty is not paid within thirty days after it is added to the regular employer billing.

(D) The board may adopt rules to establish penalties in amounts that do not exceed the amounts specified in divisions (C)(1) to (3) of this section.

(E) In addition to the periodical reports of deduction required by this section, the fiscal officer of each local authority subject to this chapter shall submit to the system at least once each year a complete listing of all noncontributing appointive employees. Where an employer fails to transmit contributions to the system, the system may make a determination of the employees' liability for contributions and certify to the employer the amounts due for collection in the same manner as payments due the employers' accumulation fund. Any amounts so collected shall be held in trust pending receipt of a report of contributions for such public employees for the period involved as provided by law and, thereafter, the amount in trust shall be transferred to the employees' savings fund to the credit of the employees. Any amount remaining after the transfer to the employees' savings fund shall be transferred to the employers' accumulation fund as a credit of such employer.

(F) The fiscal officer of each local authority subject to this chapter shall require each new contributor to submit to the system a detailed report of all the contributor's previous service as a public employee along with such other facts as the board requires for the proper operation of the system.

(G) Any member who, because of the member's own illness, injury, or



other reason which may be approved by the member's employer is prevented from making the member's contribution to the system for any payroll period, ~~may pay such deductions as a back payment~~ purchase service credit for the period of absence within one year. Credit shall be purchased under this division in accordance with section 145.29 of the Revised Code.

Sec. 145.473. (A) ~~Except as provided in division (C) of this section, the~~ The rate of interest credited to individual accounts of contributors under sections 145.471 and 145.472 of the Revised Code shall be as follows:

(1) Four per cent per annum, compounded annually, to and including December 31, 1955;

(2) Three per cent per annum, compounded annually, from January 1, 1956, to and including December 31, 1963;

(3) Three and one-quarter per cent per annum, compounded annually, from January 1, 1964, to and including December 31, 1969;

(4) Four per cent per annum, compounded annually, from January 1, 1970, to and including the day before December 13, 2000;

(5) An amount determined by the public employees retirement board that is not greater than six per cent per annum, compounded annually, on and after December 13, 2000.

(B) ~~Except as provided in division (C) of this section, for~~ For the purpose of determining the reserve value of a contributor's annuity, the rate of interest shall be as follows:

(1) Four per cent per annum, compounded annually, for contributors retiring before October 1, 1956;

(2) Three per cent per annum, compounded annually, for contributors retiring on or after October 1, 1956, but before January 1, 1964;

(3) Three and one-quarter per cent per annum, compounded annually, for contributors retiring on or after January 1, 1964, but before January 1, 1970;

(4) Four per cent per annum, compounded annually, for contributors retiring on or after January 1, 1970, but before December 13, 2000;

(5) An amount determined by the board based on the recommendation of the board's actuary, compounded annually, for contributors retiring on or after December 13, 2000.

~~(C) For a PERS retirant who is not subject to division (C) of section 145.38 of the Revised Code or an other system retirant, as those terms are defined in section 145.38 of the Revised Code, or a member of the public employees retirement system who retires in accordance with section 145.383 of the Revised Code, the rate of interest shall be the current actuarial assumption rate of interest, as determined by the board's actuary,~~