

(B) No inmate of a correctional institution operated by the department of rehabilitation and correction, no patient in a hospital for the mentally ill or criminally insane operated by the department of mental health, no resident in an institution for the mentally retarded operated by the department of developmental disabilities, no resident admitted as a patient of a veterans' home operated under Chapter 5907. of the Revised Code, and no resident of a county home shall be considered as a public employee for the purpose of establishing membership or calculating service credit or benefits under this chapter. Nothing in this division shall be construed to affect any service credit attained by any person who was a public employee before becoming an inmate, patient, or resident at any institution listed in this division, or the payment of any benefit for which such a person or such a person's beneficiaries otherwise would be eligible.

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.

The contributions required under this section shall not be paid by an employer on an employee's behalf, but may be treated as employer contributions for purposes of state and federal income tax deferred income provisions.

(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 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 contributor's earnable salary. 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 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 within one year.

Sec. 306.04. (A) Except as otherwise provided in division (B) of this section, employees of a county transit board or a board of county commissioners operating a transit system are employees of the county. If the