

Sec. 3307.51. Each teacher who is a member of the state teachers retirement system shall contribute eight per cent of his earned compensation to the teachers' savings fund except that the state teachers retirement board may raise the contribution rate to the fund to a rate not greater than ten per cent of the teacher's earned compensation. Such contribution shall be deducted by the employer on each payroll in an amount equal to the applicable per cent of such contributors' paid compensation for such payroll period or other period as the state teachers retirement board may approve, provided all contributions ON EARNED COMPENSATION are deducted by the end of the REMITTED TO THE STATE TEACHERS' RETIREMENT SYSTEM BY THE THIRTIETH DAY OF JUNE OF EACH year. Each school district shall establish a salary escrow account and pay into such salary escrow ENCUMBER SUFFICIENT MONEYS BY THE THIRTIETH DAY OF JUNE OF EACH YEAR TO account FOR the difference, if any, which may exist between compensation CONTRIBUTIONS THAT WOULD BE WITHHELD BASED UPON COMPENSATION earned by a teacher during a payroll period THE YEAR ENDING THE THIRTIETH DAY OF JUNE and the compensation CONTRIBUTIONS WITHHELD BASED UPON COMPENSATION paid to the teacher for the payroll period YEAR. Teachers' contributions on

compensation earned in one year, but paid in a subsequent year, shall be paid to the teachers savings fund from the salary escrow account established pursuant to this section, and shall not be withheld from payment during the year in which the compensation was earned but not paid. Deductions from payroll for contributions under this section during any one payroll period, ON AN ANNUAL BASIS, shall not exceed eight per cent of the compensation paid for such payroll period OR OTHER PERCENTAGE ESTABLISHED BY THE STATE TEACHER'S RETIREMENT BOARD AUTHORIZED BY THIS SECTION. Contributions shall not be withheld on pay for (1) unused or converted sick leave, (2) vacation pay covering concurrent periods for which other salary, compensation, or benefits under Chapter 3307. of the Revised Code are paid, or (3) any other extra compensation or terminal pay which may be paid for services not actually rendered.

At retirement, or upon the member's death prior to retirement, if contributions have been made after September 1, 1959, in excess of the contributions normally required to provide the retirement or survivor benefit, such excess contributions may be refunded to the member, to his beneficiary, or to his estate, in a lump sum, or may be used to provide additional income.

Any teacher under contract, who, because of his own illness, injury, leave granted pursuant to section 3319.13 or 3319.131 of the Revised Code, or other reason approved by the board, is prevented from making his contribution to the system for any payroll period may have such deductions made from other payrolls during the year, or may pay such amount to the employer and the employer shall transmit such amount to the system. The deductions shall be made even though the minimum compensation provided by law for any member shall be reduced thereby. Every member shall be deemed to consent to the deductions made and shall receipt in full for his salary or compensation, and payment less said deductions shall be a complete discharge and acquittance of all claims and demands for the services rendered by the person during the period covered by the payment.

Additional deposits may be made to a member's account subject to rules of the board. At retirement, the amount deposited with interest may be used to provide additional annuity income. The additional deposits may be refunded to the member before retirement, and shall be refunded if the member withdraws his refundable account. The deposits may be refunded to the beneficiary or estate if the member dies before retirement.

SECTION 3. Moneys placed in an escrow account to comply with section 3307.51 of the Revised Code, effective August 20, 1976, shall be returned to the fund or funds and appropriation account or accounts of origin.

136 O.L.  
Am. H.B. 1543

N.B. Also amended  
by Am. Sub. HB  
268, 136 O.L.

effective 10/12/76  
(Emergency Clause)