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Sec. 3307.35. An employer may establish a retirement incentive plan for its employees who are members of the state teachers retirement system. The plan shall provide for purchase by the employer of service credit for eligible employees who choose to participate in the plan and for payment by the employer of the entire cost of such service credit. A plan established under this section shall remain in effect until terminated by the employer, except that, once established, the plan must remain in effect for at least one year.

An employee who is a member of the state teachers retirement system shall be eligible to participate in a retirement incentive plan if the employee has attained age fifty and the employee agrees to retire and retires under section 3307.38 of the Revised Code effective within ninety days after receiving notice from the state teachers retirement system that service credit has been purchased for the member under this section.

Participation in the plan shall be available to all eligible employees except that the employer may limit the number of persons for whom it purchases credit in any calendar year to a specified percentage of its employees who are members of the state teachers retirement system on the first day of January of that year. The percentage shall not be less than five per cent of such employees. If participation is limited, employees with a greater length of service with the employer have the right to elect to have credit purchased before employees with a lesser length of service with the employer.

The amount of service credit purchased for any participant shall be uniformly determined but shall not exceed the lesser of the following:

(A) Five years of service credit;

(B) An amount of service credit equal to one-fifth of the total service credited to the participant under sections 3307.02, 3307.021, 3307.022, 3307.22, 3307.28, 3307.31, 3307.311, 3307.32, 3307.41, 3307.411, 3307.412, 3307.512, 3307.513, 3307.514, 3307.52, and 3307.73 of the Revised Code.

For each year of service credit purchased under this section, the employer shall pay an amount specified by the state teachers retirement board equal to the additional liability resulting from the purchase of that year of service credit as determined by an actuary employed by the board. Payments shall be made in accordance with rules adopted by the board, and the board shall notify each member when the member is credited with service purchased under this section.

No payment made to the state teachers retirement system under this section shall affect any payment required by section 3307.53 of the Revised Code.

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