Sub. S. B. No. 342

129th G.A.

(1) A beneficiary who is convicted of, pleads guilty to, or is found not guilty by reason of insanity of a violation of or complicity in the violation of either of the following:

(a) Section 2903.01, 2903.02, or 2903.03 of the Revised Code;

(b) An existing or former law of any other state, the United States, or a foreign nation that is substantially equivalent to section 2903.01, 2903.02, or 2903.03 of the Revised Code;

(2) A beneficiary who is indicted for a violation of or complicity in the violation of the sections or laws described in division (F)(1)(a) or (b) of this section and is adjudicated incompetent to stand trial;

(3) A beneficiary who is a juvenile found to be a delinquent child by reason of committing an act that, if committed by an adult, would be a violation of or complicity in the violation of the sections or laws described in division (F)(1)(a) or (b) of this section.

Sec. 3307.563. For the purposes of this section, "service credit" includes only service credit obtained pursuant to sections 3307.53, 3307.71, <u>3307.712</u>, 3307.72, and 3307.77 of the Revised Code.

(A) The state teachers retirement system shall add to a member's accumulated contributions to be paid under section 3307.56 or 3307.562 of the Revised Code an amount paid from the employers' trust fund equal to one of the following:

(1) If the member has less than three full years of service credit, an amount equal to interest on the member's accumulated contributions, compounded annually, at a rate not greater than four per cent established by the board;

(2) If the member has three or more full years of service credit, but less than five full years, an amount equal to interest on the member's accumulated contributions, compounded annually, at a rate not greater than six per cent established by the board;

(3) If the member has five or more full years of service credit, the sum of the following amounts:

(a) An amount equal to interest on the member's accumulated contributions, compounded annually, at a rate not greater than six per cent established by the board;

(b) An amount equal to fifty per cent of the sum of the member's contributions under section 3307.26, any contributions restored under section 3307.71 of the Revised Code to the extent that the amount paid to restore the credit included amounts received by the member under division (A)(3)(b) of this section, and contributions deducted under division (C) of section 3307.77 of the Revised Code plus interest on that amount at a rate

not greater than six per cent established by the board.

Interest for each year included in the calculation under this section shall be calculated from the first day of the following year to the last day of the month preceding payment under section 3307.56 or 3307.562 of the Revised Code.

(B) Notwithstanding sections 3307.56 and 3307.562 of the Revised Code, neither <u>a member who returned to contributing service after receiving disability benefits nor</u> the beneficiaries, survivors, nor <u>or</u> estate of a deceased member who was granted disability benefits prior to death is eligible for the payment of any amount calculated under this section.

Sec. 3307.57. To coordinate and integrate membership in the state retirement systems, the following provisions apply:

(A) As used in this section:

(1) "Retirement systems" means the public employees retirement system, state teachers retirement system, and school employees retirement system.

(2) In addition to the meaning given in section 3307.50 of the Revised Code, "disability benefit" means "disability benefit" as defined in sections 145.01 and 3309.01 of the Revised Code:

(3) "Actuarial assumption rate" means the investment rate of return assumed for projecting assets in the STRS defined benefit plan.

(B) At the option of a member participating in the <u>STRS defined benefit</u> plan described in sections 3307.50 to 3307.79 of the Revised Code, total contributions and service credit in all 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 for benefits. If total contributions and service credit are combined, the following provisions apply:

(1) Service retirement or a disability benefit is effective on the first day of the month next following the later of:

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

(b) The attainment of minimum age or service credit for benefits provided under this section.

(2) "Total service credit" includes the total credit in all retirement systems except that such credit shall not exceed one year for any period of twelve months.

(3) In determining eligibility Eligibility for a disability benefit, the medical examiner's report to shall be determined by the board of any the state retirement system, showing that will calculate and pay the member's disability incapacitates the member for the performance of duty, may