

Definitions.

Sec. 3309.01. As used in sections 3309.01 to 3309.68, inclusive, of the Revised Code:

(A) "Employer" means the board of education, school district, or other agency within the state by which an employee is employed *** and paid.

(B) "Employee" means any person *** employed in the public schools of the state *** in a position for which he is not required to have a certificate issued pursuant to sections 3319.22 to 3319.31, inclusive, of the Revised Code; and any person, not a faculty member, *** employed in any school or college or other institution wholly controlled and managed, and wholly or partly supported by the state or any subdivision thereof, the board of trustees or other managing body of which shall accept the requirements and obligations of sections 3309.01 to 3309.68, inclusive, of the Revised Code. In all cases of doubt the school employees retirement board shall determine whether any person is an employee, as defined in this division, and its decision shall be final. No employee shall be excluded from membership in the school employees retirement system because of membership in any other state retirement system established under the laws of this state unless such employee is receiving a disability allowance from such other retirement system.

(C) "Present employee" means any person who was an employee before September 1, 1937, whose membership in the school employees retirement system has been continuous;

(1) Who became a member on said date, or on the date of his first service as an employee after said date and within one year after his last day of service previous to September 1, 1937;

(2) Who was an employee of a school or college or other institution on said date, or on a subsequent date within one year after his last day of service as such employee previous to September 1, 1937, and who continued thereafter to be an employee thereof until he, with the other employees of such school or college or other institution, became a member of the school employees retirement system as provided in sections 3309.01 to 3309.68, inclusive, of the Revised Code;

(3) Who was a member of a local district pension system on said date, or on the date of his first eligibility to such membership after said date and within one year after his last day of membership therein previous to September 1, 1937, and who continued thereafter to be a member until he, with the membership of such local district pension system, became a member of the school employees retirement system.

(D) "New entrant" means any employee who is a member except a present employee.

(E) "Prior service" means all service as an employee, as defined in division (B) of this section, and all service as an employee of any employer who comes under the public employees retirement system or of the state teachers retirement system, or any other state retirement system

established under the laws of Ohio, for service rendered before September 1, 1937, by a member and similar service in another state credit for which was procured by a member as provided by section 3309.31 of the Revised Code, provided prior service shall not be granted to any member or new entrant for service rendered in Ohio for which credit or benefits have been received or waived by exemption in any other state retirement system in Ohio or for credit that was forfeited by withdrawal of contributions. This division does not cancel any prior service granted by the school employees retirement board during the period of time beginning September 1, 1937, and ending June 29, 1939. If said employee served as an employee in any two, or all of said capacities, prior service means the total combined service rendered in said capacities prior to September 1, 1937. Prior service also includes service in the armed forces of the United States subject to section 3309.02 of the Revised Code.

If an employee, who has been granted prior service credit for service rendered prior to September 1, 1937 as an employee of an employer who comes within the public employees retirement system or the state teachers retirement system, should, subsequent to the effective date of this act and before retirement, establish three years of contributing service in the public employees retirement system, or one year in the state teachers retirement system, then such prior service credit granted shall become, at retirement, the liability of such other system, if the prior service or employment was in a capacity which is covered by that system.

(F) "Total service" or "total service credit" means all service of a member of the school employees retirement system, and in addition thereto, restored service credit as provided by division (B) of section 3309.26 of the Revised Code, and all his prior service, computed as provided in sections 3309.01 to 3309.68, inclusive, of the Revised Code. *In addition, "total service" shall include any period, not in excess of three years, during which a member was out of service and receiving benefits from the state insurance fund.*

(G) "Member" means any person included in the membership of the school employees retirement system.

(H) "Contributor" means any person who has an account in the employees' savings fund.

(I) "Beneficiary" means any person eligible to receive or in receipt of a retirement allowance or other benefit provided by sections 3309.01 to 3309.68, inclusive, of the Revised Code.

(J) "Regular interest" and "uniform interest" as specified in division (D) of section 3309.60 of the Revised Code means interest at such rate for the respective funds and accounts as the school employees retirement board may determine from time to time except as follows: (1) The rate of interest credited on employee contributions at retirement shall be four per cent per annum, compounded annually, to and including June 30, 1955 and, thereafter, shall be three per cent per annum, compounded annually.

(2) In determining the reserve value for purposes of computing the amount of the member's annuity, the rate of interest used in the annuity values shall be three per cent per annum, compounded annually, except that, for members retiring prior to October 1, 1956, the interest rate shall be four per cent per annum, compounded annually. In the purchase

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of out-of-state service credit as provided in section 3309.31 of the Revised Code, and in the purchase of additional annuity, as provided in section 3309.47 and division (C) of section 3309.60 of the Revised Code, or when an indefinite leave of absence has been granted as provided in sections 3309.26 and 3309.27 of the Revised Code, interest shall be computed and credited to reserves therefor at such rate as the school employees retirement board shall fix as regular interest thereon.

(K) "Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the employees' savings fund together with regular interest thereon.

(L) Effective June 30, 1955, "final average salary" means the highest average annual compensation of a member during any five years of contributions within the ten years immediately preceding termination of contributions and shall be determined by dividing the total earnings as an employee during such period by the service credited during such period. If contributions were not made during any five years within the last ten years preceding the termination of contributions the final average salary shall be determined by averaging the compensation for the total number of years or fractions thereof as a contributor within such ten-year period.

(M) "Annuity" means payments for life derived from contributions made by a contributor and paid from the annuity and pension reserve fund as provided in sections 3309.01 to 3309.68, inclusive, of the Revised Code. All annuities shall be paid in twelve equal monthly installments.

(N) "Pension" means annual payments for life derived from appropriations made by an employer and paid from the employers' *** trust fund or the annuity and pension reserve fund. All pensions shall be paid in twelve equal monthly installments.

(O) "Retirement allowance" means the pension plus the annuity.

(P) "Annuity reserve" means the present value computed upon the basis of such mortality tables as are adopted by the school employees retirement board of all payments to be made on account of any annuity, or benefit in lieu of any annuity, granted to a member.

(Q) "Pension reserve" means the present value, computed upon the basis of such mortality tables as are adopted by the school employees retirement board, of all payments to be made on account of any pension, or benefit in lieu of any pension, granted to a member or a beneficiary.

(R) "Year" for the administration of sections 3309.01 to 3309.68, inclusive, of the Revised Code, means the year beginning the first day of July and ending with the thirtieth day of June next following.

(S) "Local district pension system" means any school employees' pension fund created in any school district of the state prior to September 1, 1937.

(T) "Employer contribution" shall mean the amount paid by an employer, as determined by the employer rate including the normal and deficiency rates, contributions and funds wherever used in sections 3309.01 to 3309.68, inclusive, of the Revised Code, which shall be credited to the employers' trust fund.