

Am. Sub. S. B. No. 42

130th G.A.

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system or the state teachers retirement system shall purchase credit for any service for which the member exempted self under section 145.03 or 3309.23 of the Revised Code, or former section 3307.25 or 3309.25 of the Revised Code, or was exempt under section 3307.24 of the Revised Code, from the retirement system in which the member has the greatest number of years of service credit. If the member receives benefits under section 3309.35 of the Revised Code, the state retirement system that ~~determines and pays the retirement benefit~~ is the paying system under that section shall receive from the ~~other~~ system or systems that are the transferring systems the amounts paid by the member for purchase of credit for exempt service plus interest at the actuarial assumption rate of the transferring system ~~paying that amount~~. The interest shall be for the period beginning on the date of the member's last payment for purchase of the credit and ending on the date of the member's retirement.

~~(F)~~(G) If a member dies or withdraws from service, any payment made by the member under this section shall be considered as accumulated contributions of the member.

~~(G)~~(H) The retirement board shall adopt rules to implement this section.

Sec. 3309.35. (A) As used in this section:

(1) "State retirement system" means the public employees retirement system, state teachers retirement system, or school employees retirement system.

(2) "Total service credit" means all service credit earned in all state retirement systems, except credit for service subject to section 3309.341 of the Revised Code. Total service credit shall not exceed one year of credit for any twelve-month period.

(3) In addition to the meaning given in division (O) of section 3309.01 of the Revised Code, "disability benefit" means "disability benefit" as defined in sections 145.01 and 3307.01 of the Revised Code.

(4) "Paying system" means the state retirement system in which the member has the greatest service credit, without adjustment or, if a member who has equal service credit in two or more retirement systems, the retirement system in which the member has the greatest total contributions.

(5) "Transferring system" means the state retirement system transferring a member's contributions and service credit in that system to the paying system.

(6) "Retention percentage" means five per cent, or a percentage determined under division (E) of this section, of a member's earnable salary in the case of a member of the public employees retirement system or five per cent, or a percentage determined under division (E) of this section, of a

member's compensation in the case of a member of the state teachers retirement system or school employees retirement system.

(B) To coordinate and integrate membership in the state retirement systems, at the option of a member, total contributions and service credit in all state 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 and total retirement or disability benefit payable. When total contributions and service credit are so combined, the following provisions apply:

(1) Service and commuted service retirement or a disability benefit is effective no sooner than the first day of the month next following the last day of employment for which compensation was paid. If the application is filed after that date, the board may retire the member on the first day of the month next following the last day of employment for which compensation was paid.

(2) ~~Eligibility for a disability benefit shall be determined by the~~ The board of the state retirement paying system that will calculate shall do both of the following:

(a) Determine a member's eligibility for a retirement or disability benefit;

(b) Calculate and pay the member's retirement or disability benefit, as provided in division (B)(3) of this section. The state retirement

~~(3)(a) Each transferring system calculating and paying the disability benefit in which the member has service credit shall certify the determination to the board of each other state retirement paying system in which the member has service credit and shall be accepted by that board as sufficient for granting a disability benefit.~~

~~(3) The board of the state retirement system in which the member had the greatest service credit, without adjustment, shall calculate and pay the total retirement or disability benefit. Where the member's credit is equal in two or more state retirement systems, the system having the largest total contributions of the member shall calculate and pay the total benefit all of the following:~~

~~(i) The service credit earned by the member in the transferring system;~~

~~(ii) The beginning and ending dates of the service credit period covered by the transferring system;~~

~~(iii) Any breaks in service by the member, excluding school breaks;~~

~~(iv) If available, a statement listing the member's monthly contributions and service credit earned, obtained, or purchased in the transferring system.~~

(b) The certification under division (B)(3)(a) of this section may be

reviewed by both the transferring system and paying system.

(4) In determining the total credit to be used in calculating a retirement allowance or disability benefit, credit shall not be reduced below that certified by the system or systems transferring credit, except ~~that such total combined service credit shall not exceed~~ as follows:

(a) Not more than one year of credit may be certified by the transferring system for any one "year" as defined in the law of the transferring system making the calculation.

(b) The paying system may reduce any credit certified by the transferring system that is concurrent with any period of service credit the member earned from the paying system.

(c) The paying system may reduce any credit certified by the transferring system if the amount certified, when added to the paying system's service credit for any one "year" as defined in the law of the paying system, exceeds one year.

~~(5)(a) The state retirement paying system calculating and paying a retirement or disability benefit shall receive from the other transferring system or systems all of the following for each year of service:~~

~~(i) The amount contributed by the member, or, in the case of service credit purchased by the member, paid by the member, that is attributable to the year of service;~~

~~(ii) An amount equal to the lesser of the employer's contributions made on behalf of the member to the retirement transferring system for that year of service less the retention percentage or the amount that would have been contributed by the employer for the service had the member been a member of the school employees retirement system at the time the credit was earned less the retention percentage;~~

~~(iii) If applicable, an amount equal to the amount paid on behalf of the member by an employer under section 145.483 of the Revised Code;~~

~~(iv) Interest compounded annually on the amounts specified in divisions (B)(5)(a)(i), (ii), and (iii) of this section at the lesser of the actuarial assumption rate for that year of the school employees retirement paying system or the other retirement transferring system or systems transferring amounts under this section.~~

~~(b) The annuity rates and mortality tables of the state retirement paying system making the calculation and paying the benefit shall be exclusively applicable.~~

~~(c) Deposits made for the purchase of an additional annuity, and including guaranteed interest, upon the request of the member, shall be transferred to the state retirement paying system paying the retirement or~~

~~disability benefit.~~ The return upon such deposits shall be that offered by the ~~state retirement paying system making the calculation and paying the retirement or disability benefit.~~

(C) A former member receiving a retirement or disability benefit under this section, who accepts employment amenable to coverage in any state retirement system that participated in the member's combined benefit, shall be subject to the applicable provisions of law governing such re-employment. If a former member should be paid any amount in a retirement allowance, to which the former member is not entitled under the applicable provisions of law governing such re-employment, such amount shall be recovered by the ~~state retirement paying system paying such allowance~~ by utilizing any recovery procedure available under the ~~code provisions of the state retirement system covering such~~ paying system's re-employment provisions.

(D) An SERS retirant or other system retirant, as defined in section 3309.341 of the Revised Code, is not eligible to receive any benefit under this section for service subject to section 3309.341 of the Revised Code.

(E) The retention percentage used in the calculation under division (B)(5)(a)(ii) of this section shall be reviewed by the state retirement systems not less than once every five years beginning after the effective date of this amendment or on request of any of the systems. If the retirement systems agree, the retention percentage may be changed if any of the system's employer contribution rate increases or decreases or the systems agree that a change is in the interest of one or more of the systems.

Sec. 3309.381. (A) A recipient of a disability allowance under section 3309.401 of the Revised Code who is subject to division (C)(3) of that section may make application for retirement under this section. Retirement shall be effective on the first day of the first month following the last day for which the disability allowance is paid.

(B) The annual allowance payable under this section shall consist of the sum of the amounts determined under divisions (B)(1) and (2) of this section:

(1) The greater of the following:

(a) An allowance calculated as ~~provided in section 3309.36 of the Revised Code follows~~, excluding any period during which the applicant received a disability benefit under section 3309.401 of the Revised Code;

(i) For an applicant who would be eligible to retire under division (A)(1) of section 3309.34 of the Revised Code, the allowance shall be calculated under divisions (B)(1)(a) and (B)(2) of section 3309.36 of the Revised Code;