

Pg 1 of 1

Sec. 3309.374. (A) ~~Beginning April 1, 1971, and each year thereafter, the board of the The school employees retirement system shall determine the average percentage change in the consumer price index prepared by the United States bureau of labor statistics (U.S. City Average for Urban Wage Earners and Clerical Workers: "All Items 1982-84=100") for the twelve-calendar-month period prior to the first day of January over the next preceding twelve-calendar-month period, as reported by the bureau.~~

Upon a determination by the board in any year that the change in the consumer price index is an increase or that the change plus the accumulation described in division (B) of this section is an increase, the board shall annually increase each allowance, pension, or benefit payable under this chapter by a percentage equal to the percentage increase in the consumer price index or to that increase plus the accumulation, except that the increase shall not exceed three per cent and, except that no allowance, pension, or benefit shall exceed the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

The first increase is payable to all persons becoming eligible after June 30, 1971, upon such persons receiving an allowance, pension, or benefit for twelve months.

The increased amount is payable for the ensuing twelve-month period or until the next increase is granted under this section, whichever is later. Subsequent increases shall be determined from the date of the first increase paid to the former member in the case of an allowance being paid a beneficiary under an option, or from the date of the first increase to the survivor first receiving an allowance or benefit in the case of an allowance or benefit being paid to the subsequent survivors of the former member.

The date of the first increase under this section becomes the anniversary date for any future increases.

The allowance or benefit used in the first calculation of an increase under this section shall remain as the base for all future increases, unless a new base is established. Any increase resulting from payment of a recalculated benefit under Section 3 of Substitute Senate Bill No. 270 of the 123rd general assembly shall be included in the calculation of future increases under this section.

(B) ~~Any percentage of change in the consumer price index in any year that is in excess of three per cent shall be accumulated and used to determine increases under this section in subsequent years. Any percentage of change in the consumer price index accumulated by an eligible person prior to September 27, 1996, shall be used in determining any future increases under this section.~~

(C) The board shall make all rules necessary to carry out this section.

149 O.L.

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