

Sec. 3309.374. (A) The school employees retirement board shall annually increase each allowance, pension, or benefit payable under this chapter by three per cent, 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) If payment of a portion of a benefit is made to an alternate payee under section 3309.671 of the Revised Code, increases under this section granted while the order is in effect shall be apportioned between the alternate payee and the retirant or disability benefit recipient in the same proportion that the amount being paid to the alternate payee bears to the amount paid to the retirant or disability benefit recipient.

If payment of a portion of a benefit is made to one or more beneficiaries under "plan F" under division (B)(3)(e) of section 3309.46 of the Revised Code, each increase under this section granted while the plan of payment is in effect shall be divided among the designated beneficiaries in accordance with the portion each beneficiary has been allocated.

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

(eff. 10/27/06)