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Sec. 742.3711. At the time of application for retirement as provided in section 742.37 of the Revised Code, a member of the fund may elect to receive a retirement allowance payable throughout his life, or he may elect, on a form provided by the board, to receive the actuarial equivalent of his retirement allowance in a lesser amount payable for his life and continuing after his death to a surviving designated beneficiary under one of the following optional plans, provided the amount payable to such beneficiary shall not exceed the amount payable to the retiring member of the fund, and is certified by the actuary engaged by the board to be the actuarial equivalent of his retirement allowance and is approved by the board.

(A) Option 1. His lesser retirement allowance shall be paid for life to his sole beneficiary designated at the time of his retirement.

(B) Option 2. One-half or some other portion of his lesser retirement allowance shall be paid for life to his sole beneficiary designated at the time of his retirement.

(C) Option 3. Upon his death before the expiration of a certain period from the retirement date and elected by him and approved by the retirement board, his lesser retirement allowance shall be continued for the remainder of such period to the beneficiary he has nominated by written designation and filed with the retirement board.

Should the nominated beneficiary designated in writing become deceased prior to the expiration of the guarantee period, then for the purpose of completing payment for the remainder of the guarantee period, the present value of such payments shall be paid to the estate of the beneficiary last receiving.

(D) On or after the effective date of this section, a divorce, annulment, marriage dissolution, or death of a spouse nominated as beneficiary or the death of any other nominated beneficiary following retirement shall, at the election of the member of the fund, cancel any optional plan selected at retirement to provide continuing lifetime benefits to such nominated beneficiary and return the member of the fund to his single lifetime benefit equivalent, as determined by the board, to be effective the month following receipt of his election.

(E) Following marriage or remarriage, a member of the fund may elect a new optional plan of payment based on the actuarial equivalent of his single lifetime benefit as determined by the board. Such plan shall become effective the first day of the month following an application of a form approved by the board.

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(E) A MEMBER OF THE FUND WHO HAS ELECTED AN OPTIONAL PLAN UNDER THIS SECTION OR SECTION 742.3715 OF THE REVISED CODE MAY, WITH THE CONSENT OF THE DESIGNATED BENEFICIARY, CANCEL THE OPTIONAL PLAN AND RECEIVE THE RETIREMENT ALLOWANCE PAYABLE THROUGHOUT HIS LIFE HE WOULD HAVE RECEIVED HAD HE NOT ELECTED THE OPTIONAL PLAN, IF HE MAKES A REQUEST TO CANCEL THE OPTIONAL PLAN NOT LATER THAN ONE YEAR AFTER THE LATER OF THE EFFECTIVE DATE OF THIS AMENDMENT OR THE DATE ON WHICH THE MEMBER FIRST RECEIVES A PAYMENT UNDER THIS SECTION OR SECTION 742.3715 OF THE REVISED CODE. CANCELLATION OF THE OPTIONAL PLAN SHALL BE EFFECTIVE THE MONTH AFTER ACCEPTANCE OF THE REQUEST BY THE TRUSTEES OF THE FUND. NO PAYMENT OR ADJUSTMENT SHALL BE MADE IN THE RETIREMENT ALLOWANCE PAYABLE THROUGHOUT THE MEMBER'S LIFE TO COMPENSATE FOR THE LESSER ALLOWANCE HE RECEIVED UNDER THE OPTIONAL PLAN.

THE REQUEST TO CANCEL THE OPTIONAL PLAN SHALL BE MADE ON A FORM PROVIDED BY THE FUND AND SHALL BE VALID ONLY IF THE COMPLETED FORM INCLUDES A SIGNED

STATEMENT OF THE DESIGNATED BENEFICIARY'S UNDERSTANDING OF AND CONSENT TO THE CANCELLATION. THE SIGNATURE SHALL BE VERIFIED BY THE TRUSTEES OF THE FUND PRIOR TO THEIR ACCEPTANCE OF THE CANCELLATION.

(F) Any option elected and payments made under this section shall be in addition to any benefit payable under divisions (D), (E), and (F) of section 742.37 of the Revised Code.

(G)(1) EXCEPT AS OTHERWISE PROVIDED IN THIS DIVISION, A PERSON IS ELIGIBLE TO RECEIVE AN ADDITIONAL BENEFIT UNDER THIS DIVISION IF HE IS RECEIVING A RETIREMENT ALLOWANCE OR BENEFIT UNDER AN OPTIONAL PLAN ELECTED UNDER THIS SECTION OR SECTION 742.3715 OF THE REVISED CODE BASED ON AN AWARD MADE PRIOR TO JULY 24, 1986, AND IT IS THE CASE THAT, HAD THE MEMBER WHO ELECTED THE OPTIONAL PLAN ELECTED INSTEAD TO RECEIVE A RETIREMENT ALLOWANCE PAYABLE THROUGHOUT HIS LIFE, THE AMOUNT OF THAT RETIREMENT ALLOWANCE WOULD BE LESS THAN THE AMOUNT SPECIFIED IN DIVISION (G)(2) OF THIS SECTION. A PERSON IS NOT ELIGIBLE TO RECEIVE AN ADDITIONAL BENEFIT UNDER THIS SECTION IF HE IS RECEIVING A PENSION OR BENEFIT IN ACCORDANCE WITH RULES IN FORCE ON APRIL 1, 1947, THAT GOVERN THE GRANTING OF PENSIONS AND BENEFITS AND THAT PROVIDE AN INCREASE IN THE ORIGINAL PENSION OR BENEFIT FROM TIME TO TIME PURSUANT TO CHANGES IN THE SALARIES OF ACTIVE MEMBERS.

Effective
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(2) IN 1988. THE AMOUNT USED TO DETERMINE ELIGIBILITY UNDER DIVISION (G)(1) OF THIS SECTION SHALL BE EIGHTEEN THOUSAND DOLLARS. EACH YEAR THEREAFTER, THE AMOUNT SHALL BE THE PRIOR YEAR'S AMOUNT PLUS FIVE HUNDRED DOLLARS.

(3) ON OR BEFORE THE FIFTEENTH DAY OF APRIL OF EACH YEAR, THE BOARD OF TRUSTEES OF THE POLICE AND FIREMEN'S DISABILITY AND PENSION FUND 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 1967) FOR THE TWELVE-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 THAT THIS CHANGE EQUALS OR EXCEEDS AN INCREASE OF THREE PER CENT, THE BOARD SHALL INCREASE ALL BENEFITS PAYABLE UNDER THIS SECTION OR SECTION 742.3715 OF THE REVISED CODE TO ELIGIBLE PERSONS BY THE ACTUARIAL EQUIVALENT OF THREE HUNDRED SIXTY DOLLARS ANNUALLY.

ANY PERCENTAGE ABOVE THE PERCENTAGE AUTHORIZED FOR THE FIRST INCREASED PAYMENT SHALL BE ACCUMULATED AND COMBINED WITH THE PERCENTAGE OF CHANGE IN THE SUCCEEDING YEARS. WHENEVER THE BALANCE OF THIS ACCUMULATION IS EQUAL TO OR IN EXCESS OF THREE PER CENT, THE ADDITIONAL BENEFIT PROVIDED IN THIS SECTION SHALL BE PAID. WHEN THE BALANCE OF THE ACCUMULATION IS LESS THAN THREE PER CENT, NO ADDITIONAL BENEFIT SHALL BE PAID.

THE FIRST ADDITIONAL BENEFIT IS PAYABLE TO ALL ELIGIBLE PERSONS ON JULY 1, 1988. THE ADDITIONAL BENEFIT IS PAYABLE FOR THE ENSUING TWELVE-MONTH PERIOD OR UNTIL THE NEXT INCREASE IS GRANTED UNDER THIS SECTION, WHICHEVER IS LATER.

THE DATE OF THE FIRST ADDITIONAL BENEFIT PAYABLE UNDER THIS SECTION SHALL BE THE ANNIVERSARY DATE FOR FUTURE ADDITIONAL BENEFITS.

SECTION 5. Notwithstanding division (G)(3) of section 742.3711 and division (C) of section 742.3717 of the Revised Code as amended by this act, the calculations required by those sections to be made annually by April 15 shall in 1988 be made as soon as possible after the effective date of this act.

SECTION 6. If the calculations made under Section 5 of this act result in persons being eligible for additional payments under division (G)(3) of section 742.3711 and division (C) of section 742.3717 of the Revised Code as amended by this act, each person eligible for an additional payment shall receive a payment in an amount equal to the additional amount he would have received if this act had been in effect July 1, 1988. The payment shall

be included in the first monthly payment made to such persons following the effective date of this act.