

AN ACT

To amend sections 3305.06, 3307.01, 3307.031, 3307.04, 3307.044, 3307.061, 3307.14, 3307.142, 3307.20, 3307.214, 3307.25, 3307.251, 3307.252, 3307.26, 3307.28, 3307.33, 3307.35, 3307.351, 3307.352, 3307.371, 3307.39, 3307.391, 3307.42, 3307.46, 3307.47, 3307.50, 3307.501, 3307.51, 3307.512, 3307.52, 3307.53, 3307.56, 3307.561, 3307.562, 3307.563, 3307.57, 3307.58, 3307.59, 3307.60, 3307.62, 3307.63, 3307.631, 3307.64, 3307.66, 3307.661, 3307.67, 3307.671, 3307.694, 3307.71, 3307.711, 3307.712, 3307.72, 3307.73, 3307.74, 3307.75, 3307.751, 3307.752, 3307.76, 3307.761, 3307.763, 3307.764, 3307.77, 3307.771, 3307.78, 3307.79, 3307.80, 3307.81, 3307.811, 3307.812, 3307.83, 3307.84, 3307.86, 3307.87, 3307.89, 3307.98, and 3313.975; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 3307.64 (3307.48) and 3307.70 (3307.701); to enact new section 3307.70 and section 3307.143; and to repeal sections 3307.54, 3307.61, 3307.741, 3307.88, 3307.881, and 3307.882 of the Revised Code to revise the law governing the State Teachers Retirement System.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 3305.06, 3307.01, 3307.031, 3307.04, 3307.044, 3307.061, 3307.14, 3307.142, 3307.20, 3307.214, 3307.25, 3307.251, 3307.252, 3307.26, 3307.28, 3307.33, 3307.35, 3307.351, 3307.352, 3307.371, 3307.39, 3307.391, 3307.42, 3307.46, 3307.47, 3307.50, 3307.501, 3307.51, 3307.512, 3307.52, 3307.53, 3307.56,

3307.561, 3307.562, 3307.563, 3307.57, 3307.58, 3307.59, 3307.60, 3307.62, 3307.63, 3307.631, 3307.64, 3307.66, 3307.661, 3307.67, 3307.671, 3307.694, 3307.71, 3307.711, 3307.712, 3307.72, 3307.73, 3307.74, 3307.75, 3307.751, 3307.752, 3307.76, 3307.761, 3307.763, 3307.764, 3307.77, 3307.771, 3307.78, 3307.79, 3307.80, 3307.81, 3307.811, 3307.812, 3307.83, 3307.84, 3307.86, 3307.87, 3307.89, 3307.98, and 3313.975 be amended; sections 3307.64 (3307.48) and 3307.70 (3307.701) be amended for the purpose of adopting new section numbers as indicated in parentheses; and new section 3307.70 and section 3307.143 of the Revised Code be enacted to read as follows:

Sec. 3305.06. (A) Each electing employee shall contribute an amount, which shall be a certain percentage of the employee's compensation, to the provider of the investment option the employee has selected. This percentage shall be the percentage the electing employee would have otherwise been required to contribute to the state retirement system that applies to the employee's position, except that the percentage shall not be less than three per cent. Employee contributions under this division may be treated as employer contributions in accordance with Internal Revenue Code 414(h).

(B) Each public institution of higher education employing an electing employee shall contribute a percentage of the employee's compensation to the provider of the investment option the employee has selected. This percentage shall be equal to the percentage that the public institution of higher education would otherwise contribute on behalf of that employee to the state retirement system that would otherwise cover that employee's position, less the percentage contributed by the public institution of higher education under division (D) of this section.

(C)(1) In no event shall the amount contributed by the electing employee pursuant to division (A) of this section and on the electing employee's behalf pursuant to division (B) of this section be less than the amount necessary to qualify the plan as a state retirement system pursuant to Internal Revenue Code 3121(b)(7) and the regulations adopted thereunder.

(2) The full amount of the electing employee's contribution under division (A) of this section and the full amount of the employer's contribution made on behalf of that employee under division (B) of this section shall be paid to the appropriate provider for application to the electing employee's investment option.

(D) Each public institution of higher education employing an electing employee shall contribute on behalf of that employee to the state retirement

system that otherwise applies to the electing employee's position a percentage of the electing employee's compensation to mitigate any negative financial impact of the alternative retirement program on the state retirement system. The percentage shall be six per cent, except that the percentage may be adjusted by the Ohio retirement study council to reflect the determinations made by actuarial studies conducted under section 171.07 of the Revised Code. Any adjustment shall become effective on the first day of the second month following submission of the actuarial study to the Ohio board of regents under section 171.07 of the Revised Code.

Contributions on behalf of an electing employee shall continue in accordance with this division until the occurrence of the following:

(1) If the electing employee would be subject to Chapter 145. of the Revised Code had the employee not made an election pursuant to section 3305.05 or 3305.051 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 145.325 or 145.58 of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 145.22 of the Revised Code;

(2) If the electing employee would be subject to Chapter 3307. of the Revised Code had the employee not made an election pursuant to section 3305.05 or 3305.051 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 3307.39 ~~or 3307.61~~ of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 3307.51 of the Revised Code;

(3) If the electing employee would be subject to Chapter 3309. of the Revised Code had the employee not made an election pursuant to section 3305.05 or 3305.051 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 3309.375 or 3309.69 of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 3309.21 of the Revised Code.

Sec. 3307.01. As used in this chapter:

(A) "Employer" means the board of education, school district, governing authority of any community school established under Chapter 3314. of the Revised Code, a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code,

college, university, institution, or other agency within the state by which a teacher is employed and paid.

(B) "Teacher" means all of the following:

(1) Any person paid from public funds and employed in the public schools of the state under any type of contract described in section 3311.77 or 3319.08 of the Revised Code in a position for which the person is required to have a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code;

(2) Any person employed as a teacher by a community school or a science, technology, engineering, and mathematics school pursuant to Chapter 3314. or 3326. of the Revised Code;

(3) Any person having a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code and employed in a public school in this state in an educational position, as determined by the state board of education, under programs provided for by federal acts or regulations and financed in whole or in part from federal funds, but for which no licensure requirements for the position can be made under the provisions of such federal acts or regulations;

(4) Any person having a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code and performing services that are funded under section 3317.06 of the Revised Code and provided to students attending nonpublic schools, without regard to whether the services are performed in a public school and whether the person is employed under a contract with a third party;

(5) Any other teacher or faculty member employed in any school, college, university, institution, or other agency wholly controlled and managed, and supported in whole or in part, by the state or any political subdivision thereof, including Central state university, Cleveland state university, and the university of Toledo;

~~(5)~~(6) The educational employees of the department of education, as determined by the state superintendent of public instruction.

In all cases of doubt, the state teachers retirement board shall determine whether any person is a teacher, and its decision shall be final.

"Teacher" does not include any eligible employee of a public institution of higher education, as defined in section 3305.01 of the Revised Code, who elects to participate in an alternative retirement plan established under Chapter 3305. of the Revised Code.

(C) "Member" means any person included in the membership of the state teachers retirement system, which shall consist of all teachers and contributors as defined in divisions (B) and (D) of this section and all

disability benefit recipients, as defined in section 3307.50 of the Revised Code. However, for purposes of this chapter, the following persons shall not be considered members:

(1) A student, intern, or resident who is not a member while employed part-time by a school, college, or university at which the student, intern, or resident is regularly attending classes;

(2) A person denied membership pursuant to section 3307.24 of the Revised Code;

(3) An other system retirant, as defined in section 3307.35 of the Revised Code, or a superannuate;

(4) An individual employed in a program established pursuant to the "Job Training Partnership Act," 96 Stat. 1322 (1982), 29 U.S.C.A. 1501;

(5) The surviving spouse of a member or retirant if the surviving spouse's only connection to the retirement system is an account in an STRS defined contribution plan.

(D) "Contributor" means any person who has an account in the teachers' savings fund or defined contribution fund, except that "contributor" does not mean a member or retirant's surviving spouse with an account in an STRS defined contribution plan.

(E) "Beneficiary" means any person eligible to receive, or in receipt of, a retirement allowance or other benefit provided by this chapter.

(F) "Year" means the year beginning the first day of July and ending with the thirtieth day of June next following, except that for the purpose of determining final average salary under the plan described in sections 3307.50 to 3307.79 of the Revised Code, "year" may mean the contract year.

(G) "Local district pension system" means any school teachers pension fund created in any school district of the state in accordance with the laws of the state prior to September 1, 1920.

(H) "Employer contribution" means the amount paid by an employer, as determined by the employer rate, including the normal and deficiency rates, contributions, and funds wherever used in this chapter.

(I) "Five years of service credit" means employment covered under this chapter and employment covered under a former retirement plan operated, recognized, or endorsed by a college, institute, university, or political subdivision of this state prior to coverage under this chapter.

(J) "Actuary" means the an actuarial consultant to professional contracted with or employed by the state teachers retirement board, who shall be either of the following:

(1) A member of the American academy of actuaries;

(2) A firm, partnership, or corporation of which at least one person is a member of the American academy of actuaries.

(K) "Fiduciary" means a person who does any of the following:

(1) Exercises any discretionary authority or control with respect to the management of the system, or with respect to the management or disposition of its assets;

(2) Renders investment advice for a fee, direct or indirect, with respect to money or property of the system;

(3) Has any discretionary authority or responsibility in the administration of the system.

(L)(1) Except as provided in this division, "compensation" means all salary, wages, and other earnings paid to a teacher by reason of the teacher's employment, including compensation paid pursuant to a supplemental contract. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the teachers' savings fund or defined contribution fund under section 3307.26 of the Revised Code and without regard to whether any of the salary, wages, or other earnings are treated as deferred income for federal income tax purposes.

(2) Compensation does not include any of the following:

(a) Payments for accrued but unused sick leave or personal leave, including payments made under a plan established pursuant to section 124.39 of the Revised Code or any other plan established by the employer;

(b) Payments made for accrued but unused vacation leave, including payments made pursuant to section 124.13 of the Revised Code or a plan established by the employer;

(c) Payments made for vacation pay covering concurrent periods for which other salary, compensation, or benefits under this chapter or Chapter 145. or 3309. of the Revised Code are paid;

(d) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the teacher or the teacher's family, or amounts paid by the employer to the teacher in lieu of providing the insurance;

(e) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, use of the employer's property or equipment, and reimbursement for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development;

(f) Payments made by the employer in exchange for a member's waiver of a right to receive any payment, amount, or benefit described in division

(L)(2) of this section;

(g) Payments by the employer for services not actually rendered;

(h) Any amount paid by the employer as a retroactive increase in salary, wages, or other earnings, unless the increase is one of the following:

(i) A retroactive increase paid to a member employed by a school district board of education in a position that requires a license designated for teaching and not designated for being an administrator issued under section 3319.22 of the Revised Code that is paid in accordance with uniform criteria applicable to all members employed by the board in positions requiring the licenses;

(ii) A retroactive increase paid to a member employed by a school district board of education in a position that requires a license designated for being an administrator issued under section 3319.22 of the Revised Code that is paid in accordance with uniform criteria applicable to all members employed by the board in positions requiring the licenses;

(iii) A retroactive increase paid to a member employed by a school district board of education as a superintendent that is also paid as described in division (L)(2)(h)(i) of this section;

(iv) A retroactive increase paid to a member employed by an employer other than a school district board of education in accordance with uniform criteria applicable to all members employed by the employer.

(i) Payments made to or on behalf of a teacher that are in excess of the annual compensation that may be taken into account by the retirement system under division (a)(17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a)(17), as amended. For a teacher who first establishes membership before July 1, 1996, the annual compensation that may be taken into account by the retirement system shall be determined under division (d)(3) of section 13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472.

(j) Payments made under division (B), (C), or (E) of section 5923.05 of the Revised Code, Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly, Section 3 of Amended Substitute Senate Bill No. 164 of the 124th general assembly, or Amended Substitute House Bill No. 405 of the 124th general assembly;

(k) Anything of value received by the teacher that is based on or attributable to retirement or an agreement to retire;

(l) Any amount paid by the employer as a retroactive payment of earnings, damages, or back pay pursuant to a court order, court-adopted settlement agreement, or other settlement agreement, unless the retirement system receives both of the following:

(i) Teacher and employer contributions under sections 3307.26 and 3307.28 of the Revised Code, plus interest compounded annually at a rate determined by the board, for each year or portion of a year for which amounts are paid under the order or agreement;

(ii) Teacher and employer contributions under sections 3307.26 and 3307.28 of the Revised Code, plus interest compounded annually at a rate determined by the board, for each year or portion of a year not subject to division (L)(2)(l)(i) of this section for which the board determines the teacher was improperly paid, regardless of the teacher's ability to recover on such amounts improperly paid.

(3) The retirement board shall determine ~~by rule~~ both of the following:

(a) Whether particular forms of earnings are included in any of the categories enumerated in this division;

(b) Whether any form of earnings not enumerated in this division is to be included in compensation.

Decisions of the board made under this division shall be final.

(M) "Superannuate" means both of the following:

(1) A former teacher receiving from the system a retirement allowance under section 3307.58 or 3307.59 of the Revised Code;

(2) A former teacher receiving a benefit from the system under a plan established under section 3307.81 of the Revised Code, except that "superannuate" does not include a former teacher who is receiving a benefit based on disability under a plan established under section 3307.81 of the Revised Code.

For purposes of sections 3307.35 and 3307.353 of the Revised Code, "superannuate" also means a former teacher receiving from the system a combined service retirement benefit paid in accordance with section 3307.57 of the Revised Code, regardless of which retirement system is paying the benefit.

(N) "STRS defined benefit plan" means the plan described in sections 3307.50 to 3307.79 of the Revised Code.

(O) "STRS defined contribution plan" means the plans established under section 3307.81 of the Revised Code and includes the STRS combined plan under that section.

Sec. 3307.031. The state teachers retirement system shall consist of the ~~STRS defined benefit plan described in sections 3307.50 to 3307.79 and the one or more plans established under section 3307.81 of the Revised Code~~ STRS defined contribution plan.

Sec. 3307.04. The general administration and the management of the state teachers retirement system is hereby vested in the state teachers

retirement board, which shall adopt rules necessary for the fulfillment of its duties and responsibilities under Chapter 3307. of the Revised Code. The board shall adopt policies for the operation of the system, and the investment of funds as provided by section 3307.15 of the Revised Code, and may authorize its administrative officers, or committees composed of board members, to act for the board in accord with such policies and subject to subsequent approval by the board.

The board may take all appropriate action to avoid payment by the system or its members of federal or state income taxes on contributions to the system or amounts earned on such contributions and to comply with any plan qualification requirements, including those on distributions, established under Title 26 of the United States Code.

The attorney general shall prescribe procedures for the adoption of rules authorized under this chapter, consistent with the provision of section 111.15 of the Revised Code under which all rules shall be filed in order to be effective. Such procedures shall establish methods by which notice of proposed rules is given to interested parties and rules adopted by the board published and otherwise made available. When it files a rule with the joint committee on agency rule review pursuant to section 111.15 of the Revised Code, the board shall submit to the Ohio retirement study council a copy of the full text of the rule, and if applicable, a copy of the rule summary and fiscal analysis required by division (B) of section 127.18 of the Revised Code.

All rules adopted pursuant to this chapter, prior to August 20, 1976, shall be published and made available to interested parties by January 1, 1977.

Sec. 3307.044. The state teachers retirement board shall appoint a committee to oversee the selection of an internal auditor. The committee shall select one or more persons for employment as an internal auditor. The board shall employ the person or persons selected by the committee.

The committee shall consist of the following board members: one retirant member, one contributing member, ~~and~~ one ex officio member, and any additional board members appointed to the committee by the board. The committee shall annually prepare and submit to the Ohio retirement study council a report of its actions during the preceding year.

Sec. 3307.061. (A) The office of a ~~contributing member or retired teacher~~ member of the state teachers retirement board who is convicted of or pleads guilty to a felony, a theft offense as defined in section 2913.01 of the Revised Code, or a violation of section 102.02, 102.03, 102.04, 2921.02, 2921.11, 2921.13, 2921.31, 2921.41, 2921.42, 2921.43, or 2921.44 of the

Revised Code shall be deemed vacant. A person who has pleaded guilty to or been convicted of an offense of that nature is ineligible for election or appointment to ~~the office of contributing or retired teacher member~~ of the state teachers retirement board.

(B) A member of the state teachers retirement board who willfully and flagrantly exercises authority or power not authorized by law, refuses or willfully neglects to enforce the law or to perform any official duty imposed by law, or is guilty of gross neglect of duty, gross immorality, drunkenness, misfeasance, malfeasance, or nonfeasance is guilty of misconduct in office. On complaint and hearing in the manner provided for in this section, the board member shall have judgment of forfeiture of the office with all its emoluments entered against the board member, creating in the office a vacancy to be filled as provided by law.

(C) Proceedings for removal of a board member on any of the grounds enumerated in division (B) of this section shall be commenced by filing with the court of common pleas of the county in which the board member resides a written complaint specifically setting forth the charge. The complaint shall be accepted if signed by the governor or signed as follows:

(1) If the complaint is against a contributing member of the board, the complaint must be signed by a number of contributing members of the retirement system that equals at least the following and must include signatures of at least twenty contributing members residing in at least five different counties:

(a) If the contributing member was most recently elected in accordance with division (A) of section 3307.06 of the Revised Code, ten per cent of the number of contributing members of the system who voted in that election;

(b) If the contributing member was most recently elected under division (D) of section 3307.06 of the Revised Code or took office in accordance with section 3307.071 of the Revised Code, ten per cent of the number of contributing members of the system who voted in the most recent election held in accordance with division (A) of section 3307.06 of the Revised Code for that contributing member position on the board.

(2) If the complaint is against a retired teacher member of the board, the complaint must be signed by a number of former members of the system who are superannuates, as defined in section 3307.01 of the Revised Code, that equals at least the following and must include signatures of at least twenty retired teacher members residing in at least five different counties:

(a) If the retired teacher member was most recently elected in accordance with division (C) of section 3307.06 of the Revised Code, ten per cent of the number of former members of the system who voted in that

election;

(b) If the retired teacher member was most recently elected under division (D) of section 3307.06 of the Revised Code or took office in accordance with section 3307.071 of the Revised Code, ten per cent of the number of former members of the system who voted in the most recent election held in accordance with division (B) of section 3307.06 of the Revised Code for that retired teacher member position on the board.

(D) The clerk of the court of common pleas in which a complaint against a member of the state teachers retirement board is filed under division (C) of this section shall do both of the following with respect to the complaint:

(1) Submit the signatures obtained pursuant to division (C) of this section to the board for purposes of verifying the validity of the signatures. The board shall verify the validity of the signatures and report its findings to the court.

(2) Cause a copy of the complaint to be served on the board member at least ten days before the hearing on the complaint. The court shall hold a public hearing not later than thirty days after the filing of the complaint. The court may subpoena witnesses and compel their attendance in the same manner as in civil cases. Process shall be served by the sheriff of the county in which the witness resides. Witness fees and other fees in connection with the proceedings shall be the same as in civil cases. The court may suspend the board member pending the hearing.

If the court finds that one or more of the charges in the complaint are true, it shall make a finding for removal of the board member. The court's finding shall include a full, detailed statement of the reasons for the removal. The finding shall be filed with the clerk of the court and be made a matter of public record.

The board member has the right to appeal to the court of appeals.

(E) No individual who has been removed from the board pursuant to this section shall be eligible to fill an elective or appointed position as a member of the board.

Sec. 3307.14. The state teachers retirement board shall be the trustee of certain funds hereby created as follows:

(A) The "teachers' savings fund" is the fund in which shall be accumulated the contributions deducted from the compensation of teachers participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~, as provided by section 3307.26 of the Revised Code, together with the interest credited thereon. Such accumulated contributions refunded upon withdrawal, or payable to an estate or

beneficiary as provided in this chapter, shall be paid from this fund. Any accumulated contributions forfeited by the failure of a contributor, an estate, or a beneficiary to claim the same shall be transferred from this fund to the guarantee fund. The accumulated contributions of a member or of a teacher who qualifies for a benefit under section 3307.35 of the Revised Code shall be transferred at the member's or teacher's retirement from the teachers' savings fund to the annuity and pension reserve fund. The accumulated contributions of a member who dies prior to superannuation retirement that are forfeited by the qualified beneficiary in exchange for monthly survivor benefits, as provided by section 3307.66 of the Revised Code, shall be transferred to the survivors' benefit fund. The accumulated contributions of a superannuate or other system retirant as defined in section 3307.35 of the Revised Code shall be transferred to the survivors' benefit fund for payment of a lump-sum benefit to a beneficiary as provided in that section. As used in this division, "accumulated contributions" has the same meaning as in section 3307.50 of the Revised Code.

(B) The "employers' trust fund" is the fund to which the employer contribution made on behalf of a teacher participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code shall be credited and in which shall be accumulated the reserves held in trust for the payment of all pensions or other benefits provided by sections 3307.35, 3307.58, 3307.59, 3307.60, 3307.63, 3307.631, 3307.66, 3307.6912, and 3307.98 of the Revised Code, to teachers retiring or receiving disability benefits in the future or to their qualified beneficiaries, and from which the reserves for such pensions and other benefits shall be transferred to the annuity and pension reserve fund and to the survivors' benefit fund. The balances as of August 31, 1957, in the employers accumulation fund shall be transferred to this fund. As of September 1, 1957, an additional amount shall be transferred from the employers' trust fund to the annuity and pension reserve fund in the amount required to complete the funding of the prior service, as defined in section 3307.50 of the Revised Code, and military service pensions then payable.

(C) The "annuity and pension reserve fund" is the fund from which shall be paid all annuities, pensions, and disability benefits under the STRS defined benefit plan described in section 3307.50 to 3307.79 and annuities payable under section 3307.352 of the Revised Code for which reserves have been transferred from the teachers' savings fund and the employers' trust fund.

(D) The "survivors' benefit fund" is the fund from which shall be paid the survivors' benefits provided by section 3307.66 of the Revised Code and

the lump sum payment to beneficiaries as provided in section 3307.35 of the Revised Code, and to which shall be transferred from the employers' trust fund the amount required to fund all liabilities as of the end of each year.

(E) The "guarantee fund" is the fund from which interest is transferred and credited on the amounts in the funds described in divisions (A), (B), (C), and (D) of this section, and is a contingent fund from which the special requirements of said funds may be paid by transfer from this fund. All income derived from the investment of funds by the state teachers retirement board as trustee under section 3307.15 of the Revised Code, together with all gifts and bequests, or the income therefrom, shall be paid into this fund.

Any deficit occurring in any other fund that will not be covered by payments to that fund, as otherwise provided in this chapter, shall be paid by transfers of amounts from the guarantee fund to such fund or funds. Should the amount in the guarantee fund be insufficient at any time to meet the amounts payable therefrom, the amount of such deficiency, with regular interest, shall be paid by an additional employer rate of contribution as determined by the actuary and shall be approved by the board, and the amount of such additional employer contribution shall be credited to the guarantee fund.

The board may accept gifts and bequests. Any funds that may come into the possession of the board in this manner or that may be transferred from the teachers' savings fund by reason of lack of a claimant, or any surplus in any fund created in divisions (A) to (F) of this section, or any other funds whose disposition is not otherwise provided for, shall be credited to the guarantee fund.

(F) The expense fund is the fund from which shall be paid the expenses for the administration and management of the state teachers retirement system as provided by this chapter.

(G) The "defined contribution fund" is the fund in which shall be accumulated the contributions deducted from the compensation of teachers participating in a an STRS defined contribution plan established under section 3307.81 of the Revised Code, as provided in section 3307.26 of the Revised Code, together with any earnings and employer contributions credited thereon.

(H) The "health care fund" is the fund in which shall be accumulated any amounts allocated by the board for health care coverage described in section 3307.39 of the Revised Code, together with any earnings credited thereon. The fund shall be established under 26 U.S.C. 401(h) as a separate account. It is the fund from which shall be paid health care coverage made available under section 3307.39 of the Revised Code, except that payments

from the fund shall be limited as provided by 26 U.S.C. 401(h).

Sec. 3307.142. (A) Interest compounded annually shall be credited to the accounts of members participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ and to the various funds listed in divisions (A) to (F) of section 3307.14 of the Revised Code, and shall be assumed in determining actuarial factors, at rates recommended by the actuary and approved by the state teachers retirement board, but not less than three and twenty-five hundredths per cent effective September 1, 1965, except as follows:

(1) For the years stated the rates shall be as follows:

| Years | Rates |
|--------------------|-------|
| 9-1-1920/8-31-1955 | 4.00% |
| 9-1-1955/8-31-1963 | 3.00 |
| 9-1-1963/8-31-1965 | 2.25 |

(2) Subsequent to August 31, 1959, interest shall be credited to accounts only at retirement.

(3) If the amount of the account at retirement is not a factor in determining the allowance, interest shall not be credited to such account after September 1, 1964.

(4) The actuary shall estimate the amount of interest reserve required in the teachers savings fund for credit to accounts when interest is to be a factor in determining the allowance, and the balance of the interest reserve in such fund shall be transferred to the employers trust fund as of September 1, 1965.

(B) Interest shall be credited to the accounts of members participating in an STRS defined contribution plan ~~established under section 3307.81 of the Revised Code~~ and to the defined contribution fund in accordance with that plan.

Sec. 3307.143. If the state teachers retirement board discontinues health care coverage authorized under section 3307.39 of the Revised Code, on satisfaction of all liabilities for health care coverage at the time of the discontinuance of coverage, the board shall transfer any surplus in the health care fund established under division (H) of section 3307.14 of the Revised Code in a fair and appropriate manner to the employers that have contributed to the fund.

Sec. 3307.20. (A) As used in this section:

(1) "Personal history record" means information maintained by the state teachers retirement board on an individual who is a member, former member, contributor, former contributor, retirant, or beneficiary that includes the address, electronic mail address, telephone number, social

security number, record of contributions, correspondence with the state teachers retirement system, or other information the board determines to be confidential.

(2) "Retirant" has the same meaning as in section 3307.50 of the Revised Code and includes any former member receiving a benefit under an STRS defined contribution plan.

(B) The records of the board shall be open to public inspection, except for the following, which shall be excluded, except with the written authorization of the individual concerned:

(1) The individual's personal records provided for in section 3307.23 of the Revised Code;

(2) The individual's personal history record;

(3) Any information identifying, by name and address, the amount of a monthly allowance or benefit paid to the individual.

(C)~~(1)~~ All medical reports and recommendations received by the board from a member, member's physician, board-assigned physician, or other entity providing medical reports and recommendations to the board under sections 3307.48, 3307.62, ~~3307.64,~~ and 3307.66 of the Revised Code are privileged, except as follows:

~~(a)~~(a) Copies of medical reports or recommendations shall be made available by the board to the personal physician, attorney, or authorized agent of the individual concerned upon written release received from the individual or the individual's agent, or, when necessary for the proper administration of the fund, to the board assigned physician.

~~(b)~~(b) Documentation required by section 2929.193 of the Revised Code shall be provided to a court holding a hearing under that section.

(2) No medical report or recommendation received by the board under section 3307.48, 3307.62, or 3307.66 of the Revised Code shall be released to the individual concerned or considered a medical record generated and maintained by a health care provider in the process of establishing a therapeutic relationship.

(D) Any person who is a member or contributor of the system shall be furnished, on written request, with a statement of the amount to the credit of the person's account. The board need not answer more than one request of a person in any one year.

(E) Notwithstanding the exceptions to public inspection in division (B) of this section, the board may furnish the following information:

(1) If a member, former member, retirant, contributor, or former contributor is subject to an order issued under section 2907.15 of the Revised Code or an order issued under division (A) or (B) of section

2929.192 of the Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Revised Code, on written request of a prosecutor as defined in section 2935.01 of the Revised Code, the board shall furnish to the prosecutor the information requested from the individual's personal history record.

(2) Pursuant to a court or administrative order issued under section 3119.80, 3119.81, 3121.02, 3121.03, or 3123.06 of the Revised Code, the board shall furnish to a court or child support enforcement agency the information required under that section.

(3) At the written request of any person, the board shall provide to the person a complete list of the names and addresses of members, ~~former members~~, retirants, contributors, ~~former contributors~~, or beneficiaries. The costs of compiling, copying, and mailing the list shall be paid by such person.

(4) Within fourteen days after receiving from the director of job and family services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Revised Code, the board shall inform the auditor of state of the name, current or most recent employer address, and social security number of each member whose name and social security number are the same as that of a person whose name or social security number was submitted by the director. The board and its employees shall, except for purposes of furnishing the auditor of state with information required by this section, preserve the confidentiality of recipients of public assistance in compliance with section 5101.181 of the Revised Code.

(5) The system shall comply with orders issued under section 3105.87 of the Revised Code.

On the written request of an alternate payee, as defined in section 3105.80 of the Revised Code, the system shall furnish to the alternate payee information on the amount and status of any amounts payable to the alternate payee under an order issued under section 3105.171 or 3105.65 of the Revised Code.

(6) At the request of any person, the board shall make available to the person copies of all documents, including resumes, in the board's possession regarding filling a vacancy of a contributing member or retired teacher member of the board. The person who made the request shall pay the cost of compiling, copying, and mailing the documents. The information described in this division is a public record.

(7) The system shall provide the notice required by section 3307.373 of the Revised Code to the prosecutor assigned to the case.

(F) A statement that contains information obtained from the system's records that is signed by an officer of the retirement system and to which the system's official seal is affixed, or copies of the system's records to which the signature and seal are attached, shall be received as true copies of the system's records in any court or before any officer of this state.

Sec. 3307.214. On receipt of notice under section 3307.212 of the Revised Code of the employment of a new teacher, the state teachers retirement system shall inform the teacher of the requirements of section 3307.25 of the Revised Code ~~and the provisions of sections 3307.88 and 3307.881 of the Revised Code.~~

Sec. 3307.25. (A) An individual who becomes a member of the state teachers retirement system on or after the date on which the state teachers retirement board establishes a an STRS defined contribution plan ~~under section 3307.81 of the Revised Code~~ shall make an election under this section. Not later than one hundred eighty days after the date on which employment begins, the individual shall elect to participate either in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code or one of the STRS defined contribution plans established under section 3307.81 of the Revised Code. If a form evidencing an election under this section is not on file with the system at the end of the one-hundred-eighty-day period, the individual is deemed to have elected to participate in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code.

(B) An election under this section shall be made in writing on a form provided by the system and filed with the system.

(C) An election under this section shall take effect on the date employment began and, except as provided in division (E) of this section 3307.88 of the Revised Code, is irrevocable at the end of the election period described in division (A) of this section.

(D) An individual is ineligible to make an election under this section if one of the following applies:

(1) At the time employment begins, the individual is already a member or contributor participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code, a former member who has previously made an election under division (E) of this section or section 3307.251 of the Revised Code, a superannuate of the system, or an other system retirant, as defined in section 3307.35 of the Revised Code;

(2) An election to participate in an alternative retirement plan under section 3305.05 or 3305.051 of the Revised Code is in effect for employment covered by the system.

(E) A member who elected under division (A) of this section to participate in an STRS defined contribution plan may make an election to cease participation in the plan elected and participate in the STRS defined benefit plan or in another STRS defined contribution plan. The election must be made, on a form provided by the system, not later than the first day of June preceding the first day of July following the fourth anniversary of the commencement of the member's participation in the original plan.

An election made under this division takes effect on the first day of July following the election.

(F)(1) When a member elects under division (E) of this section to change from an STRS defined contribution plan to the STRS defined benefit plan the system shall do all of the following:

(a) Transfer from the member's account in the defined contribution fund to an account in the teachers' savings fund the sum of the following:

(i) An amount equal to the contributions made pursuant to section 3307.26 of the Revised Code;

(ii) Any supplemental contributions made by the member;

(iii) Any earnings from supplemental contributions.

(b) Transfer from the defined contribution fund to the employers' trust fund the sum of the following:

(i) An amount equal to the contributions made pursuant to section 3307.28 of the Revised Code;

(ii) Any amount remaining in the member's account in the defined contribution fund after the transfers described in divisions (F)(1)(a) and (b)(i) of this section are made.

(c) Grant service credit in accordance with rules adopted under section 3307.53 of the Revised Code.

(2) If the amount in the member's account in the defined contribution fund is less than the amount the member would have had in an account in the teachers' savings fund had the member elected to participate in the STRS defined benefit plan, the system shall transfer from the guarantee fund established under section 3307.14 of the Revised Code to the teachers' savings fund the amount necessary to make the transfer required by division (F)(1)(a)(i) of this section.

(3) Except for service credit granted under division (F)(1)(c) of this section, a member who begins participation in the STRS defined benefit plan pursuant to division (E) of this section shall have the same rights and privileges under the plan as a member who never had made an election to participate in an STRS defined contribution plan.

Sec. 3307.251. As used in this section, "accumulated contributions" and

"total service credit" have the same meanings as in section 3307.50 of the Revised Code.

(A) A member of the state teachers retirement system who, as of the thirtieth day of June immediately preceding the date on which the system establishes a an STRS defined contribution plan ~~under section 3307.81 of the Revised Code~~, has less than five years of total service credit is eligible to make an election under this section.

Not later than one hundred eighty days after the day the state teachers retirement board first establishes ~~one or more plans under section 3307.81 of the Revised Code~~ an STRS defined contribution plan, an eligible member may elect to participate in such a plan ~~established under that section~~. If an election is not made, a member to whom this section applies is deemed to have elected to continue participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~.

(B) An election under this section shall be made in writing on a form provided by the system and filed with the system.

(C) On receipt of an election under this section, the system shall do both of the following:

(1) Credit to the account of the member in the defined contribution fund the accumulated contributions standing to the member's credit in the teachers' savings fund, plus interest at a rate determined by the board;

(2) Cancel all service credit and eligibility for any payment, benefit, or right under the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~.

(D) An election under this section shall be irrevocable at the end of the election period described in division (A) of this section.

Sec. 3307.252. A member of the state teachers retirement system who elects to participate in a an STRS defined contribution plan ~~established under section 3307.81 of the Revised Code~~ shall be ineligible for any benefit or payment under ~~sections 3307.50 to 3307.79 of the Revised Code~~ the STRS defined benefit plan and, except as provided in section ~~3307.88~~ 3307.25 of the Revised Code, shall be forever barred from claiming or purchasing service credit with the system or any other Ohio state retirement system, ~~as defined in section 3307.741 of the Revised Code~~, for service covered by the election.

Sec. 3307.26. (A) Each teacher shall contribute ~~eight~~ a certain per cent of the teacher's earned compensation, except that ~~the state teachers retirement board may raise the contribution rate to a rate not greater than ten per cent of the teacher's earned compensation. For~~ the per cent shall be not greater than fourteen per cent of the teacher's compensation. The per cent

shall be as follows:

(1) For compensation earned not later than June 30, 2013, ten per cent;

(2) For compensation earned on or after July 1, 2013, but not later than June 30, 2014, eleven per cent;

(3) For compensation earned on or after July 1, 2014, but not later than June 30, 2015, twelve per cent;

(4) For compensation earned on or after July 1, 2015, but not later than June 30, 2016, thirteen per cent;

(5) For compensation earned on or after July 1, 2016, fourteen per cent;

(6) For compensation earned on or after July 1, 2017, the state teachers retirement board may reduce the rate to less than fourteen per cent if the board's actuary determines in its annual actuarial valuation required by section 3307.51 of the Revised Code or in other evaluations conducted under that section that a reduction in the rate does not materially impair the fiscal integrity of the retirement system.

(B) For teachers participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code, contributions shall be deposited in the teachers' savings fund. For teachers participating in an STRS defined contribution plan established under section 3307.81 of the Revised Code, contributions shall be deposited in the defined contribution fund. Contributions made pursuant to this section shall not exceed the limits established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

(C) The contribution for all teachers shall be deducted by the employer on each payroll in an amount equal to the applicable per cent of the teachers' paid compensation for such payroll period or other period as the board may approve. All contributions on paid compensation for teachers participating in plans established under section 3307.81 of the Revised Code an STRS defined contribution plan shall be remitted at intervals required by the state teachers retirement system under section 3307.86 of the Revised Code. All contributions on earned compensation for teachers participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code shall be remitted to the state teachers retirement system by the thirtieth day of June of each year. Each school district shall encumber sufficient moneys by the thirtieth day of June of each year to account for the difference, if any, that may exist between contributions that would be withheld based upon compensation earned by a teacher during the year ending the thirtieth day of June and the contributions withheld based upon compensation paid to the teacher for the year. Deductions from payroll for contributions under this section, on an annual basis, shall not exceed eight

per cent or other percentage established by the board authorized by this section.

(D) At retirement under the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~, or upon a member's death prior to retirement under that plan, if contributions have been made after September 1, 1959, in excess of the contributions normally required to provide the retirement or survivor benefit, the excess contributions may be refunded to the member, to the member's beneficiary, or to the member's estate in a lump sum, or may be used to provide additional income.

(E) The board may determine with regard to any member participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ whether the limits established by division ~~(C)~~(D) of section 3307.58 of the Revised Code have resulted in exclusion from use in the calculation of benefits under section 3307.58, 3307.59, or 3307.60 of the Revised Code of any compensation on which contributions have been made under this section. The board may adopt rules in accordance with section 111.15 of the Revised Code providing for the disposition of contributions attributable to such compensation and may dispose of the contributions in accordance with those rules. Any disposition of contributions made by the board in accordance with the rules shall be final.

(F) The deductions under this section shall be made even though the minimum compensation provided by law for any teacher shall be reduced thereby. Every teacher shall be deemed to consent to the deductions made. Payment less the deductions shall be a complete discharge and acquittance of all claims and demands for the services rendered by the person during the period covered by the payment.

(G) Additional deposits may be made to a member's account in the teachers' savings fund or defined contribution fund, subject to rules of the board. At retirement, the amount deposited with interest may be used to provide additional annuity income. The additional deposits may be refunded to the member before retirement, and shall be refunded if the member withdraws the member's refundable account. The deposits may be refunded to the beneficiary or estate if the member dies before retirement.

Sec. 3307.28. Each employer shall pay annually to the state teachers retirement system an amount certified by the secretary which shall be a certain per cent of the earnable compensation of all members, and which shall be known as the "employer contribution." For members participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~, the employer contribution shall be deposited into the employers' trust fund. For members participating in a an STRS defined

~~contribution plan established under section 3307.81 of the Revised Code,~~ the employer contribution shall be deposited into the defined contribution fund in accordance with the plan selected by the member, less the amount transferred under section 3307.84 of the Revised Code.

The rate per cent of the contribution shall be fixed by the actuary on the basis of the actuary's evaluation of the liabilities of the system, not to exceed fourteen per cent, and shall be approved by the state teachers retirement board. The board may raise the rate per cent of the contribution to fourteen per cent of the earnable compensation of all members. In making such evaluation, the actuary shall use, as the actuarial assumptions, such interest rates and mortality and other tables as are adopted by the board. The actuary shall compute the percentage of such earnable compensation, to be known as the "employer rate," required annually to fund the liability for all benefits under ~~sections 3307.50 to 3307.79 of the Revised Code~~ the STRS defined benefit plan, after deducting therefrom the benefits provided by the member's accumulated contributions, as defined in section 3307.50 of the Revised Code, deposits, and other appropriations, and to fund any deficiencies in the funds described in divisions (A) to (F) of section 3307.14 of the Revised Code.

Sec. 3307.33. Membership in the state teachers retirement system shall cease on occurrence of any of the following: receipt of payment pursuant to section 3307.56 of the Revised Code or under a an STRS defined contribution plan established under section 3307.81 of the Revised Code; retirement as provided in sections 3307.58 and 3307.59 of the Revised Code or under a an STRS defined contribution plan established under section 3307.81 of the Revised Code; death; or denial of membership pursuant to section 3307.24 of the Revised Code.

Sec. 3307.35. (A) As used in this section and section 3307.352 of the Revised Code, "other system retirant" means a both of the following:

(1) A member or former member of the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, state highway patrol retirement system, or Cincinnati retirement system who is receiving from a system of which the retirant is a member or former member age and service or commuted age and service retirement, a benefit, allowance, or distribution under a plan established under section 145.81 or 3309.81 of the Revised Code, or a disability benefit from a system of which the retirant is a member or former member;

(2) A person who is participating or has participated in an alternative retirement plan established under Chapter 3305. of the Revised Code and is receiving a benefit, allowance, or distribution under the plan.

(B) Subject to this section and section 3307.353 of the Revised Code, a superannuate or other system retirant may be employed as a teacher.

(C) A superannuate or other system retirant employed in accordance with this section shall contribute to the state teachers retirement system in accordance with section 3307.26 of the Revised Code and the employer shall contribute in accordance with sections 3307.28 and 3307.31 of the Revised Code. Such contributions shall be received as specified in section 3307.14 of the Revised Code. A superannuate or other system retirant employed as a teacher is not a member of the state teachers retirement system, does not have any of the rights, privileges, or obligations of membership, except as provided in this section, and is not eligible to receive health, medical, hospital, or surgical benefits under section 3307.39 of the Revised Code for employment subject to this section.

(D) The employer that employs a superannuate or other system retirant shall notify the state teachers retirement board of the employment not later than the end of the month in which the employment commences. Any overpayment of benefits to a superannuate by the retirement system resulting from an employer's failure to give timely notice may be charged to the employer and may be certified and deducted as provided in section 3307.31 of the Revised Code.

(E) On receipt of notice from an employer that a person who is an other system retirant has been employed, the state teachers retirement system shall notify the state retirement system of which the other system retirant was a member of such employment.

(F) A superannuate or other system retirant who has received an allowance or benefit for less than two months when employment subject to this section or section 3305.05 of the Revised Code commences shall forfeit the allowance or benefit for any month the superannuate or retirant is employed prior to the expiration of such period. The allowance or benefit forfeited each month shall be equal to the monthly amount the superannuate or other system retirant is eligible to receive under a single lifetime benefit plan of payment described in section 3307.60 of the Revised Code. Contributions shall be made to the retirement system from the first day of such employment, but service and contributions for that period shall not be used in the calculation of any benefit payable to the superannuate or other system retirant, and those contributions shall be refunded on the superannuate's or retirant's death or termination of the employment. Contributions made on compensation earned after the expiration of such period shall be used in calculation of the benefit or payment due under section 3307.352 of the Revised Code.

(G) On receipt of notice from the Ohio police and fire pension fund, public employees retirement system, or school employees retirement system of the re-employment of a superannuate, the state teachers retirement system shall not pay, or if paid shall recover, the amount to be forfeited by the superannuate in accordance with section 145.38, 742.26, or 3309.341 of the Revised Code.

(H) If the disability benefit of an other system retirant employed under this section is terminated, the retirant shall become a member of the state teachers retirement system, effective on the first day of the month next following the termination, with all the rights, privileges, and obligations of membership. If ~~such person~~ the retirant, after the termination of the retirant's disability benefit, earns two years of service credit under this retirement system or under the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, or state highway patrol retirement system, the retirant's prior contributions as an other system retirant under this section shall be included in the retirant's total service credit, as defined in section 3307.50 of the Revised Code, as a state teachers retirement system member, and the retirant shall forfeit all rights and benefits of this section. Not more than one year of credit may be given for any period of twelve months.

(I) This section does not affect the receipt of benefits by or eligibility for benefits of any person who on August 20, 1976, was receiving a disability benefit or service retirement pension or allowance from a state or municipal retirement system in Ohio and was a member of any other state or municipal retirement system of this state.

(J) The state teachers retirement board may make the necessary rules to carry into effect this section and to prevent the abuse of the rights and privileges thereunder.

Sec. 3307.351. (A) As used in this section:

(1) In addition to the meaning in section 3307.01 of the Revised Code, when appropriate "compensation" has the same meaning as in section 3309.01 of the Revised Code.

(2) "Earnable salary" has the same meaning as in section 145.01 of the Revised Code.

(3) "STRS position" means a position for which a member of the state teachers retirement system is making contributions to the system.

(4) "Other state retirement system" means the public employees retirement system or the school employees retirement system.

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

system.

(B)(1) A Subject to division (E) of this section, a member of the state teachers retirement system who holds two or more STRS positions may retire under section 3307.57, 3307.58, or 3307.60 of the Revised Code or under an STRS defined contribution plan from the position for which the annual compensation at the time of retirement is highest and continue to contribute to the retirement system for the other STRS position or positions.

(2) A Subject to division (E) of this section, a member of the state teachers retirement system who also holds one or more other positions covered by the other state retirement systems may retire under section 3307.57, 3307.58, or 3307.60 of the Revised Code or under an STRS defined contribution plan from the STRS position and continue contributing to the other state retirement systems if the annual compensation for the STRS position at the time of retirement is greater than annual compensation or earnable salary for the position, or any of the positions, covered by the other state retirement systems.

(3) A Subject to division (E) of this section, a member of the state teachers retirement system who holds two or more STRS positions and at least one other position covered by one of the other state retirement systems may retire under section 3307.57, 3307.58, or 3307.60 of the Revised Code or under an STRS defined contribution plan from one of the STRS positions and continue contributing to the state teachers retirement system and the other state retirement system if the annual compensation for the STRS position from which the member is retiring is, at the time of retirement, greater than the annual compensation or earnable salary for any of the positions for which the member is continuing to make contributions.

(4) Subject to division (E) of this section, a member of the state teachers retirement system who also holds one or more other positions covered by the other state retirement systems may retire under section 3307.57, 3307.58, or 3307.60 of the Revised Code or under an STRS defined contribution plan from one of the other state retirement system positions and continue contributing to the state teachers retirement system if the annual compensation for the other state retirement system position from which the member is retiring is, at the time of retirement, greater than the annual compensation for any of the positions for which the member is continuing to make contributions.

(5) A member of the state teachers retirement system who has retired as provided in division (B)(2) or (3) of section 145.383 or division (B)(2) or (3) of section 3309.343 of the Revised Code may continue to contribute to the state teachers retirement system for an STRS position if the member

held the position at the time of retirement from the other state retirement system.

~~(5)~~(6) A member who contributes to the state teachers retirement system in accordance with division (B)(1), (3), ~~or (4), or (5)~~ of this section shall contribute in accordance with section 3307.26 of the Revised Code. The member's employer shall contribute as provided in section 3307.28 of the Revised Code. Neither the member nor the member's survivors are eligible for any benefits based on those contributions other than those provided under section 145.384, 3307.352, or 3309.344 of the Revised Code.

(C)(1) In determining retirement eligibility and the annual retirement allowance of a member who retires as provided in division (B)(1), (2), ~~or (3), or (4)~~ of this section, the following shall be used to the date of retirement:

(a) The member's earnable salary and compensation for all positions covered by a state retirement system;

(b) Total service credit in any state retirement system, except that the credit shall not exceed one year of credit for any period of twelve months;

(c) The member's accumulated contributions.

(2) A member who retires as provided in division (B)(1), (2), ~~or (3), or (4)~~ of this section is a retirant for all purposes of this chapter, except that the member is not subject to section 3307.35 of the Revised Code for a position or positions for which contributions continue under those divisions or division (B)~~(4)~~(5) of this section.

(D) A retired member receiving a benefit under section 3307.352 of the Revised Code based on employment subject to this section is not a member of the state teachers retirement system and does not have any rights, privileges, or obligations of membership. The retired member is a superannuate for purposes of section 3307.35 of the Revised Code.

(E) Effective July 1, 2014, a member may continue to contribute to the retirement system for another STRS position or other state retirement system position under division (B)(1), (2), (3), or (4) of this section only for those positions the member continuously held for at least twelve consecutive months immediately prior to retirement under section 3307.57, 3307.58, or 3307.60 of the Revised Code or an STRS defined contribution plan.

(F) The state teachers retirement board may adopt rules to carry out this section.

Sec. 3307.352. For purposes of this section, "superannuate" includes a member who retired under section 3307.351 of the Revised Code.

(A) Except as provided in division (B)(3) of this section, a superannuate or other system retirant who has made contributions under section 3307.35

or 3307.351 of the Revised Code may file an application with the state teachers retirement system for a benefit consisting of a single life annuity. The annuity shall have a reserve equal to the amount of the superannuate's or retirant's accumulated contributions, as defined in section 3307.50 of the Revised Code, for the period of employment, other than the contributions excluded pursuant to division (F) of section 3307.35 of the Revised Code, and an amount determined by the state teachers retirement board from the employers' trust created by section 3307.14 of the Revised Code, plus interest credited to the date of retirement at a rate of interest determined by the board. The superannuate or other system retirant shall elect either to receive the benefit as a monthly annuity for life or a lump sum payment discounted to the present value using a rate of interest determined by the board, except that if the monthly annuity would be less than twenty-five dollars per month the superannuate or retirant shall receive a lump sum payment.

A benefit payable under this division shall commence on the first day of the month immediately following the latest of the following:

(1) The last day for which compensation for ~~all~~ employment ~~as a teacher~~ subject to this section was paid;

(2) Attainment by the superannuate or other system retirant of age sixty-five;

(3) If the superannuate or other system retirant was previously employed under section 3307.35 or 3307.351 of the Revised Code and previously received or is receiving a benefit under this division, completion of a period of twelve months since the effective date of the last benefit under this division.

(B)(1) A superannuate or other system retirant under age sixty-five who has made contributions under section 3307.35 or 3307.351 of the Revised Code may file an application with the state teachers retirement system for a return of those contributions if both of the following conditions are met:

(a) The superannuate or retirant has terminated, for any reason other than death, the employment for which the contributions were made.

(b) If the superannuate or retirant received a return of contributions under this division for a previous period of employment under section 3307.35 or 3307.351 of the Revised Code, twelve months have passed since the date the retirement system returned the contributions.

(2) A return of contributions under this division shall consist of the sum of the following:

(a) The contributions the superannuate or other system retirant made under section 3307.35 or 3307.351 of the Revised Code other than the

contributions excluded under division (F) of section 3307.35 of the Revised Code;

(b) Interest at a rate determined by the state teachers retirement board credited ~~to~~ through the ~~date that~~ later of the month the superannuate or retirant terminated the employment for which the contributions are made or the date required by division (B)(1)(b) of this section.

(3) Payment of a return of contributions under this division shall be made on a date determined by the state teachers retirement board but shall be not earlier than the later of the first day of the first month following termination of employment or the date required by division (B)(1)(b) of this section. The payment cancels the superannuate or retirant's right to a benefit under division (A) of this section for the service for which the contributions were made.

(C)(1) If a superannuate or other system retirant who made contributions under section 3307.35 or 3307.351 of the Revised Code dies before receiving a benefit under division (A) of this section or a return of contributions under division (B) of this section, a lump sum payment shall be paid to the beneficiary designated under division (D)(1) of section 3307.562 of the Revised Code. The lump sum shall be calculated in accordance with division (A) of this section, except that the interest shall be credited as follows:

(a) If the superannuate or retirant was under age sixty-five at the time of death, the interest shall be credited through the month of death.

(b) If the superannuate or retirant was age sixty-five or older at the time of death, the interest shall be credited through the later of the month in which the superannuate or retirant terminated the employment for which the contributions are made or the month the superannuate or retirant attained age sixty-five.

(2) If at the time of death a superannuate or other system retirant receiving a monthly annuity under division (A) of this section has received less than the superannuate or retirant would have received as a lump sum payment, the difference between the amount received and the amount that would have been received as a lump sum payment shall be paid to the superannuate's or retirant's beneficiary designated under division (D)(1) of section 3307.562 of the Revised Code.

(D) No amount received under this section shall be included in determining an additional benefit under section 3307.67 of the Revised Code or any other post-retirement benefit increase.

Sec. 3307.371. (A) As used in this section, "alternate payee," "benefit," "lump sum payment," "participant," and "public retirement program" have

the same meanings as in section 3105.80 of the Revised Code.

(B) On receipt of an order issued under section 3105.171 or 3105.65 of the Revised Code, the state teachers retirement system shall determine whether the order meets the requirements of sections 3105.80 to 3105.90 of the Revised Code. The system shall retain in the participant's record an order the board determines meets the requirements. Not later than sixty days after receipt, the system shall return to the court that issued the order any order the system determines does not meet the requirements.

(C) The system shall comply with an order retained under division (B) of this section at the following times as appropriate:

(1) If the participant has applied for or is receiving a benefit or has applied for but not yet received a lump sum payment, as soon as practicable;

(2) If the participant has not applied for a benefit or lump sum payment, on application by the participant for a benefit or lump sum payment.

(D) If the system transfers a participant's service credit or contributions made by or on behalf of a participant to a public retirement program that is not named in the order, the system shall do both of the following:

(1) Notify the court that issued the order by sending to the court a copy of the order and the name and address of the public retirement program to which the transfer was made.

(2) Send a copy of the order to the public retirement program to which the transfer was made.

(E) If it receives a participant's service credit or contributions and a copy of an order as provided in division (D) of this section, the system shall administer the order as if it were the public retirement program named in the order.

(F) If a participant's benefit or lump sum payment is or will be subject to more than one order described in section 3105.81 of the Revised Code or to an order described in ~~that~~ section 3105.81 of the Revised Code and a withholding an order under section 3111.23 or 3113.24 issued in accordance with Chapter 3119., 3121., 3123., or 3125. of the Revised Code, the system shall, after determining that the amounts that are or will be withheld will cause the benefit or lump sum payment to fall below the limits described in section 3105.85 of the Revised Code, do all of the following:

(1) Establish, in accordance with division (G) of this section and subject to the limits described in section 3105.85 of the Revised Code, the priority in which the orders are or will be paid by the system in accordance with division (G) of this section;

(2) Reduce the amount paid to an alternate payee based on the priority established under division (F)(1) of this section;

(3) Notify, by regular mail, a participant and alternate payee of any action taken under this division.

(G) A withholding or deduction notice issued ~~under section 3111.23 or 3113.21~~ in accordance with Chapter 3119., 3121., 3123., or 3125. of the Revised Code or an order described in section 3115.32 of the Revised Code has priority over all other orders and shall be complied with in accordance with child support enforcement laws. All other orders are entitled to priority in order of earliest retention by the system. The system is not to retain an order that provides for the division of property unless the order is filed in a court with jurisdiction in this state.

(H) The system is not liable in civil damages for loss resulting from any action or failure to act in compliance with this section.

Sec. 3307.39. (A) The state teachers retirement board may enter into an agreement with insurance companies, health insuring corporations, or government agencies authorized to do business in the state for issuance of a policy or contract of health, medical, hospital, or surgical benefits, or any combination thereof, for those individuals receiving, under the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code, service retirement or a disability or survivor benefit who subscribe to the plan. Notwithstanding any other provision of this chapter, the policy or contract may also include coverage for any eligible individual's spouse and dependent children and for any of the individual's sponsored dependents as the board considers appropriate. If all or any portion of the policy or contract premium is to be paid by any individual receiving service retirement or a disability or survivor benefit, the individual shall, by written authorization, instruct the board to deduct the premium agreed to be paid by the individual to the companies, corporations, or agencies.

The board may contract for coverage on the basis of part or all of the cost of the coverage to be paid from appropriate funds of the state teachers retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate provided by section 3307.28 of the Revised Code.

The board may enter into an agreement under this division for coverage of recipients of benefits under ~~a~~ an STRS defined contribution plan established under section 3307.81 of the Revised Code if the plan selected includes health, medical, hospital, or surgical benefits, or any combination thereof. The board may contract for coverage on the basis that the cost of the coverage will be paid by the recipient or by the plan to which the recipient contributed under this chapter. The board may offer to recipients plans that provide for different levels of coverage or for prepayment of the cost of

coverage.

The board may provide for self-insurance of risk or level of risk as set forth in the contract with the companies, corporations, or agencies, and may provide through the self-insurance method specific benefits as authorized by the rules of the board.

(B) The board ~~shall~~ may make a monthly payment to each recipient of service retirement, or a disability or survivor benefit under the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who is eligible for insurance enrolled in coverage under part B of the medicare program established under Title XVIII of "The Social Security Amendments of 1965," 79 Stat. 301 (1965), 42 U.S.C.A. 1395j, as amended, and may make a monthly payment to a recipient of benefits under a an STRS defined contribution plan established under section 3307.81 of the Revised Code who is eligible for that insurance coverage if the monthly payments are funded through the plan selected by the recipient. The payment shall be the greater of the following:

(1) Twenty-nine dollars and ninety cents;

(2) An amount determined by ~~multiplying the board, which shall not exceed ninety per cent of the basic premium for the coverage by a percentage, not exceeding ninety per cent, determined by multiplying the years of service used in calculating the service retirement or benefit or, in the case of a recipient of benefits under a plan established under section 3307.81 of the Revised Code, the participant's years of service by a percentage determined by the board not exceeding three per cent, except that the amount shall not exceed the amount paid by the recipient.~~

At the request of the board, the recipient shall certify the amount paid by the recipient for coverage described in this division.

The board shall make all payments under this division beginning the month following receipt of satisfactory evidence of the payment for the coverage.

(C) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section ~~or section 3307.61 of the Revised Code~~ with any similar coverage, payment, or benefit made available to the same individual by the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, or state highway patrol retirement system.

(D) The board shall make all other necessary rules pursuant to the purpose and intent of this section.

Sec. 3307.391. The state teachers retirement board ~~shall~~ may establish a program under which members of the state teachers retirement system,

employers on behalf of members, and persons receiving benefits under this chapter are permitted to participate in contracts for long-term health care insurance. Participation may include dependents and family members. If a participant in a contract for long-term care insurance leaves employment, the participant and the participant's dependents and family members may, at their election, continue to participate in a program established under this section in the same manner as if the participant had not left employment, except that no part of the cost of the insurance shall be paid by the participant's former employer.

Such program may be established independently or jointly with one or more of the other retirement systems. For purposes of this section, "retirement systems" has the same meaning as in division (A) of section 145.581 of the Revised Code.

The board may enter into an agreement with insurance companies, health insuring corporations, or government agencies authorized to do business in the state for issuance of a long-term care insurance policy or contract. However, prior to entering into such an agreement with an insurance company or health insuring corporation, the board shall request the superintendent of insurance to certify the financial condition of the company or corporation. The board shall not enter into the agreement if, according to that certification, the company or corporation is insolvent, is determined by the superintendent to be potentially unable to fulfill its contractual obligations, or is placed under an order of rehabilitation or conservation by a court of competent jurisdiction or under an order of supervision by the superintendent.

The board ~~shall~~ may adopt rules in accordance with section 111.15 of the Revised Code governing the program. ~~The~~ Any rules adopted by the board shall establish methods of payment for participation under this section, which may include establishment of a payroll deduction plan under section ~~3307.70~~ 3307.701 of the Revised Code, deduction of the full premium charged from a person's benefit, or any other method of payment considered appropriate by the board. If the program is established jointly with one or more of the other retirement systems, the rules also shall establish the terms and conditions of such joint participation.

Sec. 3307.42. (A) Except as provided in section 3307.373 of the Revised Code, the granting to any person of an allowance, annuity, pension, or other benefit under the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~, or the granting of a benefit under a an STRS defined contribution plan established under section 3307.81 of the Revised Code, pursuant to an action of the state teachers' retirement board

vests a right in such person, so long as the person remains the beneficiary of any of the funds established by section 3307.14 of the Revised Code, to receive the allowance, annuity, pension, or benefit at the rate fixed at the time of granting the allowance, annuity, pension, or benefit. Such right shall also be vested with equal effect in the beneficiary of a grant heretofore made from any of the funds named in section 3307.14 of the Revised Code.

(B)(1) The state teachers retirement system may suspend the benefit of a person receiving a benefit under section 3307.58 or 3307.59 of the Revised Code, a disability benefit under section 3307.63 or 3307.631 of the Revised Code, a survivor benefit under section 3307.66 of the Revised Code, any payment under section 3307.352 of the Revised Code, a benefit under section 3307.60 of the Revised Code as a beneficiary, or a benefit under an STRS defined contribution plan under either of the following circumstances:

(a) The retirement system has good cause to believe that the person receiving benefits is incapacitated and no other person has authority to act or receive benefits on the person's behalf.

(b) The retirement system learns that the person receiving benefits is missing, and no person provides evidence satisfactory to the system that the person is alive and is entitled to receive benefits.

(2) Benefits shall resume on presentation of evidence satisfactory to the board that the person is no longer incapacitated or is alive and entitled to receive benefits. Any missed payments shall be paid in a single lump sum payment.

(3) A benefit suspended under division (B)(1)(b) of this section shall be terminated on presentation to the board of a decree of presumed death. Notwithstanding section 2121.04 of the Revised Code, the termination shall be retroactive to the date the benefit was suspended.

Sec. 3307.46. Whenever the limits established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, are raised, the state teachers retirement board may increase the amount of the pension, benefit, or allowance of any person whose pension, benefit, or allowance payable under section 3307.58, 3307.59, 3307.63, 3307.631, or 3307.67 of the Revised Code or ~~a an STRS defined contribution plan established under section 3307.81 of the Revised Code~~ was limited by the application of section 415. The amount of the increased pension, benefit, or allowance shall not exceed the lesser of the amount the person would have received if the limits established by section 415 had not been applied or the amount the person is eligible to receive subject to the new limits established by section 415.

Sec. 3307.47. (A) If a person is paid any benefit or payment by the state

teachers retirement system under the plans described in section 3307.031 of the Revised Code or under section 3307.371 of the Revised Code to which the person is not entitled, the benefit shall be repaid to the system by the person. If the person fails to make the repayment, the system shall withhold the amount due from any benefit due the person or the person's beneficiary under this chapter, ~~or may collect the amount in any other manner provided by law.~~

(B) If an alternate payee under section 3307.371 of the Revised Code fails to make a repayment required by division (A) of this section, the system may withhold the amount due from any benefit due the retirant who was subject to the order under which the alternate payee was paid or due a survivor or beneficiary of the retirant.

(C) If a survivor or beneficiary of a retirant fails to make a repayment required by division (A) of this section, the system may withhold the amount due from any benefit or payment due any other survivor or beneficiary of the retirant receiving benefits or payments under this chapter.

(D) If a child support enforcement agency fails to repay an overpayment of child support, the system may withhold the amount due from any benefit due a survivor or beneficiary of the retirant who was subject to the child support order.

(E) If a person receives any payment pursuant to section 3307.39 of the Revised Code to which the person is not entitled, including any payment to a third party on the person's behalf, the payment to which the person is not entitled shall be repaid to the retirement system. If the person or third party fails to make the repayment, the retirement system shall withhold the amount due, or portion of the amount due, from any payment or benefit due the person or person's beneficiary under this chapter.

(F) The retirement system may collect amounts due under this chapter in any other manner the system considers appropriate, as provided by law.

Sec. ~~3307.64~~ 3307.48. (A) As used in this section, "disability benefit recipient" means a recipient of a disability benefit under any of the following:

- (1) Section 3307.63 of the Revised Code;
- (2) Section 3307.631 of the Revised Code;
- (3) The STRS combined plan.

(B) A disability benefit recipient, notwithstanding section 3319.13 of the Revised Code, shall retain membership in the state teachers retirement system and shall be considered on leave of absence during the first five years following the effective date of a disability benefit.

The state teachers retirement board shall require any disability benefit

recipient to submit to an annual medical examination by a physician selected by the board, except that the board may ~~waive~~ forgo the medical examination if the board's physician ~~certifies~~ determines that the recipient's disability is ongoing or may require additional examinations if the board's physician determines that additional information should be obtained. If a disability benefit recipient refuses to submit to a medical examination, the recipient's disability benefit shall be suspended until the recipient withdraws the refusal. If the refusal continues for one year, all the recipient's rights under and to the disability benefit shall be terminated as of the effective date of the original suspension.

After the examination, the examiner shall report and certify to the board whether the disability benefit recipient is no longer physically and mentally incapable of resuming the service from which the recipient was found disabled. If the board concurs in a report by the examining physician that the disability benefit recipient is no longer incapable, the board shall order termination of payment of a disability benefit shall be terminated not later than the following thirty-first day of August or upon employment as a teacher prior thereto. The board shall provide notice to the recipient of the board's order. At the request of the recipient, a hearing on the order shall be conducted in accordance with procedures established by the board. If the leave of absence has not expired, the board shall so certify to the disability benefit recipient's last employer before being found disabled that the recipient is no longer physically and mentally incapable of resuming service that is the same or similar to that from which the recipient was found disabled. If the recipient was under contract at the time the recipient was found disabled, the employer by the first day of the next succeeding year shall restore the recipient to the recipient's previous position and salary or to a position and salary similar thereto, unless the recipient was dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance, or conviction of a felony.

~~A disability benefit shall terminate if the disability benefit recipient becomes employed as a teacher in any public or private school or institution in this state or elsewhere.~~ An individual receiving a disability benefit from the system shall be ineligible for to perform any employment as a teacher and it shall be unlawful for any employer to employ the individual as a teacher teaching service, as defined by the board. A disability benefit shall immediately terminate if the disability benefit recipient performs any teaching service in this state or elsewhere. The board shall notify the recipient that the benefit is terminated. The recipient may submit, not later than thirty days after the date the notice is sent, to the board information

specifying that the disability recipient did not perform teaching services while receiving disability benefits along with any supporting evidence available to the recipient. The board shall review the information and any accompanying evidence to determine whether the individual performed teaching services. The board may designate an individual to review the information and submit a recommendation to the board. The board shall determine whether the benefit was correctly terminated. If not, the benefit shall be reinstated and any missed payments paid to the recipient. The board's decision is final. ¶

If any employer should employ or reemploy ~~the individual~~ a disability benefit recipient prior to the termination of a disability benefit, the employer shall file notice of employment with the board designating the date of the employment. If the ~~individual should be paid both~~ disability benefit recipient received a disability benefit and ~~also compensation for performed teaching service~~ services for all or any part of the same month, the ~~secretary of the board shall certify to the employer or to the superintendent of public instruction~~ recipient shall repay to the annuity and pension reserve fund the amount of the disability benefit received by the ~~individual during the employment, which amount shall be deducted from any amount due the employing district under Chapter 3317. of the Revised Code or shall be paid by the employer to the annuity and pension reserve fund~~ recipient from the beginning of employment.

Each disability benefit recipient shall file with the board an annual statement of earnings, current medical information on the recipient's condition, and any other information required in rules adopted by the board. The board may waive the requirement that a disability benefit recipient file an annual statement of earnings or current medical information if the board's physician certifies that the recipient's disability is ongoing.

The board shall annually examine the information submitted by the recipient. If a disability benefit recipient refuses to file the statement or information, the disability benefit shall be suspended until the statement and information are filed. If the refusal continues for one year, the recipient's right to the disability benefit shall be terminated as of the effective date of the original suspension.

A disability benefit also may be terminated by the board at the request of the disability benefit recipient.

If disability retirement under section 3307.63 of the Revised Code is terminated for any reason, the annuity and pension reserves at that time in the annuity and pension reserve fund shall be transferred to the teachers' savings fund and the employers' trust fund, respectively. If the total

disability benefit paid was less than the amount of the accumulated contributions of the member transferred to the annuity and pension reserve fund at the time of the member's disability retirement, then the difference shall be transferred from the annuity and pension reserve fund to another fund as required. In determining the amount of a member's account following the termination of disability retirement for any reason, the total amount paid shall be charged against the member's refundable account.

If a disability allowance paid under section 3307.631 of the Revised Code is terminated for any reason, the reserve on the allowance at that time in the annuity and pension reserve fund shall be transferred from that fund to the employers' trust fund.

If a former disability benefit recipient again becomes a contributor, other than as an other system retirant under section 3307.35 of the Revised Code, to this retirement system, the school employees retirement system, or the public employees retirement system, and completes at least two additional years of service credit, the former disability benefit recipient shall receive credit for the period as a disability benefit recipient. Credit may be received for more than one period of leave as a disability benefit recipient, except that for credit received on or after July 1, 2013, the total number of years received shall not exceed the lesser of the years of contributing service following the termination of disability benefits or five years of total service credit.

Sec. 3307.50. As used in sections 3307.50 to 3307.79 of the Revised Code:

(A) "Prior service" means all service as a teacher before September 1, 1920, military service credit, all service prior to September 1, 1920, as an employee of any employer who comes within the public employees retirement system, the school employees retirement system, or any other state retirement system established under the laws of Ohio, and similar service in another state, credit for which was procured by a member under former section 3307.33 of the Revised Code, prior to June 25, 1945. Prior service credit shall not be granted to any member for service for which credit or benefits have been received in any other state retirement system in Ohio or for credit that was forfeited by withdrawal of contributions, unless the credit has been restored. If the teacher served as an employee in any two or all of the capacities, "prior service" means the total combined service in the capacities prior to September 1, 1920.

If a teacher who has been granted prior service credit for service rendered prior to September 1, 1920, as an employee of an employer who comes within the public employees retirement system or the school

employees retirement system, establishes, subsequent to September 16, 1957, and before retirement, three years of contributing service in the public employees retirement system, or one year in the school employees retirement system, the prior service credit granted shall become, at retirement, the liability of the other system if the prior service or employment was in a capacity covered by that system.

(B) "Total service," "total service credit," except as provided in section 3307.57 of the Revised Code, or "Ohio service credit" means all service of a member of the state teachers retirement system since last becoming a member and, in addition thereto, restored service credit under section 3307.71 of the Revised Code, all prior service credit, all military service credit computed as provided in this chapter, and all other service credit established under sections 3307.26, 3307.53, ~~3307.54~~, 3307.72, 3307.73, 3307.74, 3307.76, 3307.761, 3307.763, 3307.77, 3307.771, and 3307.78 and former sections 3307.513, 3307.514, and 3307.52 of the Revised Code, and Section 3 of Amended Substitute Senate Bill No. 530 of the 114th general assembly. ~~All service credit purchased under section 3307.741 of the Revised Code shall be used exclusively for the purpose of qualifying for service retirement.~~

(C)(1) "Service retirement" means retirement as provided in section 3307.58 or 3307.59 of the Revised Code.

(2) "Disability retirement" means retirement as provided in section 3307.63 of the Revised Code.

(D) "Accumulated contributions" means the sum of all amounts credited to a contributor's individual account in the teachers' savings fund, together with interest credited thereon at the rates approved by the state teachers retirement board prior to retirement.

(E) "Annuity" means payments for life derived from contributions made by a contributor and paid from the annuity and pension reserve fund. All annuities shall be paid in twelve equal monthly installments.

(F) "Pensions" means annual payments for life derived from appropriations made by an employer and paid from the annuity and pension reserve fund. All pensions shall be paid in twelve equal monthly installments.

(G)(1) "Allowance" means the pension plus the annuity, or any other payment under ~~sections 3307.50 to 3307.79 of the Revised Code~~ the STRS defined benefit plan, and includes a disability allowance or disability benefit.

(2) "Disability allowance" means an allowance paid on account of disability under section 3307.631 of the Revised Code.

(3) "Disability benefit" means a benefit paid as disability retirement under section 3307.63 of the Revised Code, as a disability allowance under section 3307.631 of the Revised Code, or as a disability benefit under section 3307.57 of the Revised Code.

(H) "Annuity reserve" means the present value, computed upon the basis of mortality tables adopted by the state teachers retirement board with interest, of all payments to be made on account of any annuity, or benefit in lieu of any annuity, granted to a member.

(I) "Pension reserve" means the present value, computed upon the basis of mortality tables adopted by the state teachers retirement board with interest, of all payments to be made on account of any pension, or benefit in lieu of any pension, granted to a member or to a beneficiary.

(J) "Retirant" means any former member who is granted age and service retirement as provided in sections 3307.57, 3307.58, 3307.59, and 3307.60 of the Revised Code.

(K) "Disability benefit recipient" means a member who is receiving a disability benefit.

Sec. 3307.501. (A) As used in this section, "percentage increase" means the percentage that an increase in compensation is of the compensation paid prior to the increase.

(B) Notwithstanding division (L) of section 3307.01 of the Revised Code, for the purpose of determining final average salary under this section, "compensation" has the same meaning as in that division, except that it does not include any amount resulting from a percentage increase paid to a member during the member's two highest years of compensation that exceeds the greater of the following:

(1) The highest percentage increase in compensation paid to the member during any of the three years immediately preceding the earlier of the member's two highest years of compensation and any subsequent partial year of compensation used in calculating the member's final average salary;

(2) A percentage increase paid to the member as part of an increase generally applicable to members employed by the employer. An increase shall be considered generally applicable if it is paid to members employed by a school district board of education in positions requiring a license issued under section 3319.22 of the Revised Code in accordance with uniform criteria applicable to all such members or if paid to members employed by an employer other than a school district board of education in accordance with uniform criteria applicable to all such members.

(C) The state teachers retirement board shall determine the final average salary of a member as follows:

(1) For benefits beginning before August 1, 2015, by dividing the sum of the member's annual compensation for the three highest years of compensation for which the member made contributions plus any amount determined under division (E) of this section by three, except that if the member has a partial year of contributing service in the year the member's employment terminates and the compensation for the partial year is at a rate higher than the rate of compensation for any one of the member's highest three years of compensation, the board shall substitute the compensation for the partial year for the compensation for the same portion of the lowest of the member's three highest years of compensation;

(2) For benefits beginning on or after August 1, 2015, by dividing the sum of the member's annual compensation for the five highest years of compensation for which the member made contributions plus any amount determined under division (E) of this section by five, except that if the member has a partial year of contributing service in the year the member's employment terminates and the compensation for the partial year is at a rate higher than the rate of compensation for any one of the member's highest five years of compensation, the board shall substitute the compensation for the partial year for the compensation for the same portion of the lowest of the member's five highest years of compensation. If

If a member has less than ~~three~~ the requisite years of contributing membership, the member's final average salary shall be the member's total compensation for the period of contributing membership plus any amount determined under division (E) of this section divided by the total years, including any portion of a year, of contributing service.

For the purpose of calculating benefits payable to a member qualifying for service credit under division (I) of section 3307.01 of the Revised Code, the board shall calculate the member's final average salary by dividing the member's total compensation as a teacher covered under this chapter plus any amount determined under division (E) of this section by the total number of years, including any portion of a year, of contributing membership during that period. If contributions were made for less than twelve months, the member's final average salary is the total amount of compensation paid to the member during all periods of contributions under this chapter.

(D) Contributions made by a member and an employer on amounts that, pursuant to division (B) of this section, are not compensation or are not included, pursuant to division (E) of this section, for the purpose of determining final average salary shall be treated as additional deposits to the member's account under section 3307.26 of the Revised Code and used to

provide additional annuity income.

(E) The state teachers retirement board shall adopt rules establishing criteria and procedures for administering this division.

The board shall notify each applicant for retirement of any amount excluded from the applicant's compensation in accordance with division (B) of this section and of the procedures established by the board for requesting a hearing on this exclusion.

Any applicant for retirement who has had any amount excluded from the applicant's compensation in accordance with division (B) of this section may request a hearing on this exclusion. Upon receiving such a request, the board shall determine in accordance with its criteria and procedures whether, for good cause as determined by the board, all or any portion of any amount excluded from the applicant's compensation in accordance with division (B) of this section, up to a maximum of seventy-five hundred dollars, is to be included in the determination of final average salary under division (C) of this section. Any determination of the board under this division shall be final.

Sec. 3307.51. (A) The state teachers retirement board shall have prepared annually by or under the supervision of an actuary an actuarial valuation of the pension assets, liabilities, and funding requirements of the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code. The actuary shall complete the valuation in accordance with actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries and prepare a report of the valuation. The report shall include all of the following:

- (1) A summary of the benefit provisions evaluated;
- (2) A summary of the census data and financial information used in the valuation;
- (3) A description of the actuarial assumptions, actuarial cost method, and asset valuation method used in the valuation, including a statement of the assumed rate of payroll growth and assumed rate of growth or decline in the number of members contributing to the retirement system;
- (4) A summary of findings that includes a statement of the actuarial accrued pension liabilities and unfunded actuarial accrued pension liabilities;
- (5) A schedule showing the effect of any changes in the benefit provisions, actuarial assumptions, or cost methods since the last annual actuarial valuation;
- (6) A statement of whether contributions to the retirement system are expected to be sufficient to satisfy the funding objectives established by the

board.

The board shall submit the report to the Ohio retirement study council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the first day of January following the year for which the valuation was made.

(B) At such times as the state teachers retirement board determines, and at least once in each quinquennial period, the board shall have prepared by or under the supervision of an actuary an actuarial investigation of the mortality, service, and other experience of the members, retirants, and beneficiaries of the system, and other system retirants as defined in section 3307.35 of the Revised Code to update the actuarial assumptions used in the actuarial valuation required by division (A) of this section. The actuary shall prepare a report of the actuarial investigation. The report shall be prepared and any recommended changes in actuarial assumptions shall be made in accordance with the actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The report shall include all of the following:

- (1) A summary of relevant decrement and economic assumption experience observed over the period of the investigation;
- (2) Recommended changes in actuarial assumptions to be used in subsequent actuarial valuations required by division (A) of this section;
- (3) A measurement of the financial effect of the recommended changes in actuarial assumptions.

The board shall submit the report to the Ohio retirement study council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the first day of May following the last fiscal year of the period the report covers.

(C) The board may at any time request the actuary to make any other studies or actuarial valuations to determine the adequacy of the normal and deficiency rates of contribution provided by section 3307.28 of the Revised Code, and those rates may be adjusted by the board, as recommended by the actuary, effective as of the first of any year thereafter.

(D) The board shall have prepared by or under the supervision of an actuary an actuarial analysis of any introduced legislation expected to have a measurable financial impact on the retirement system. The actuarial analysis shall be completed in accordance with the actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The actuary shall prepare a report of the actuarial analysis, which shall include all of the following:

- (1) A summary of the statutory changes that are being evaluated;

(2) A description of or reference to the actuarial assumptions and actuarial cost method used in the report;

(3) A description of the participant group or groups included in the report;

(4) A statement of the financial impact of the legislation, including the resulting increase, if any, in the employer normal cost percentage; the increase, if any, in actuarial accrued liabilities; and the per cent of payroll that would be required to amortize the increase in actuarial accrued liabilities as a level per cent of covered payroll for all active members over a period not to exceed thirty years;

(5) A statement of whether the scheduled contributions to the system after the proposed change is enacted are expected to be sufficient to satisfy the funding objectives established by the board.

Not later than sixty days from the date of introduction of the legislation, the board shall submit a copy of the actuarial analysis to the legislative service commission, the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation, and the Ohio retirement study council.

(E) The board shall have prepared annually a report giving a full accounting of the revenues and costs relating to the provision of benefits under ~~sections~~ section 3307.39 and ~~3307.61~~ of the Revised Code. The report shall be made as of June 30, 1997, and the thirtieth day of June of each year thereafter. The report shall include the following:

(1) A description of the statutory authority for the benefits provided;

(2) A summary of the benefits;

(3) A summary of the eligibility requirements for the benefits;

(4) A statement of the number of participants eligible for the benefits;

(5) A description of the accounting, asset valuation, and funding method used to provide the benefits;

(6) A statement of the net assets available for the provisions of benefits as of the last day of the fiscal year;

(7) A statement of any changes in the net assets available for the provision of benefits, including participant and employer contributions, net investment income, administrative expenses, and benefits provided to participants, as of the last day of the fiscal year;

(8) For the last six consecutive fiscal years, a schedule of the net assets available for the benefits, the annual cost of benefits, administrative expenses incurred, and annual employer contributions allocated for the provision of benefits;

(9) A description of any significant changes that affect the

comparability of the report required under this division;

(10) A statement of the amount paid under division (B) of section 3307.39 of the Revised Code.

The board shall submit the report to the Ohio retirement study council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation not later than the thirty-first day of December following the year for which the report was made.

Sec. 3307.512. The state teachers retirement board shall establish a period of not more than thirty years to amortize the state teachers retirement system's unfunded actuarial accrued pension liabilities for benefits paid under ~~sections 3307.50 to 3307.79 of the Revised Code~~ the STRS defined benefit plan. If in any year the period necessary to amortize the unfunded actuarial accrued pension liability exceeds thirty years, as determined by the annual actuarial valuation required by section 3307.51 of the Revised Code, the board, not later than ninety days after receipt of the valuation, shall prepare and submit to the Ohio retirement study council and the standing committees of the house of representatives and the senate with primary responsibility for retirement legislation a report that includes the following information:

(A) The number of years needed to amortize the unfunded actuarial accrued pension liability as determined by the annual actuarial valuation;

(B) A plan approved by the board that indicates how the board will reduce the amortization period of unfunded actuarial accrued pension liability to not more than thirty years.

Sec. 3307.52. At the time of retirement under the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~, the total service credited a teacher shall consist of all the teacher's service as a teacher since the teacher last became a member and, if the teacher has a prior service certificate which is in full force and effect, all service certified on such prior service certificate, ~~together with purchased service credit as provided in section 3307.741 of the Revised Code~~.

Sec. 3307.53. The state teachers retirement board shall credit a year of service to any teacher participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ who is employed on a full-time basis in a school district for the number of months the regular day schools of such district are in session in said district within any year. The board shall adopt appropriate rules and regulations for the determination of credit for less than a complete year of service, and shall be the final authority in determining the number of years of service credit. The

board shall credit not more than one year for all service rendered in any year.

If concurrent contributions are made to two or more retirement systems, except in the case of retirement as provided in section 3307.351 of the Revised Code, service credit shall be on the basis of the ratio that contributions to this system bear to the total contributions in all such systems.

The board shall adopt rules for the purpose of determining the number of years or partial years of service credit to be granted to a member under section ~~3307.88~~ 3307.25 of the Revised Code. The amount of service credit shall be based on the member's length of participation in and contribution to ~~a an STRS defined contribution plan established under section 3307.81 of the Revised Code.~~ The board shall be the final authority in determining the amount of service credit.

Sec. 3307.56. (A)(1) Subject to sections 3307.37 and 3307.561 of the Revised Code and except as provided in division (B)(2) of this section, a member participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ who ceases to be a teacher for any cause other than death, retirement, receipt of a disability benefit, or current employment in a position in which the member has elected to participate in an alternative retirement plan under section 3305.05 or 3305.051 of the Revised Code, upon application, shall be paid the accumulated contributions standing to the credit of the member's individual account in the teachers' savings fund plus an amount calculated in accordance with section 3307.563 of the Revised Code. If the member or the member's legal representative cannot be found within ten years after the member ceased making contributions pursuant to section 3307.26 of the Revised Code, the accumulated contributions may be transferred to the guarantee fund and thereafter paid to the member, to the member's beneficiaries, or to the member's estate, upon proper application.

(2) A member described in division (A)(1) of this section who is married at the time of application for payment and is eligible for age and service retirement under section 3307.58 or 3307.59 of the Revised Code or would be eligible for age and service retirement under either of those sections but for a forfeiture ordered under division (A) or (B) of section 2929.192 of the Revised Code shall submit with the application a written statement by the member's spouse attesting that the spouse consents to the payment of the member's accumulated contributions. Consent shall be valid only if it is signed and witnessed by a notary public. If the statement is not submitted under this division, the application shall be considered an

application for service retirement and shall be subject to division (G)(1) of section 3307.60 of the Revised Code.

The state teachers retirement board may waive the requirement of consent if the spouse is incapacitated or cannot be located, or for any other reason specified by the board. Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

(B) This division applies to any member who is employed in a position in which the member has elected under section 3305.05 or 3305.051 of the Revised Code to participate in an alternative retirement plan and due to the election ceases to be a teacher for the purposes of that position.

Subject to sections 3307.37 and 3307.561 of the Revised Code, the state teachers retirement system shall do the following:

(1) On receipt of a certified copy of an election under section 3305.05 or 3305.051 of the Revised Code, pay, in accordance with section 3305.052 of the Revised Code, the amount described in that section to the appropriate provider;

(2) If a member has accumulated contributions, in addition to those subject to division (B)(1) of this section, standing to the credit of a member's individual account and is not otherwise in a position in which the member is considered a teacher for the purposes of that position, pay, to the provider the member selected pursuant to section 3305.05 or 3305.051 of the Revised Code, the accumulated contributions standing to the credit of the member's individual account in the teachers' saving fund plus an amount calculated in accordance with section ~~3307.80~~ 3307.563 of the Revised Code. The payment shall be made on the member's application.

(C) Payment of a member's accumulated contributions under division (B) of this section cancels the member's total service credit in the state teachers retirement system. A member whose accumulated contributions are paid to a provider pursuant to division (B) of this section is forever barred from claiming or purchasing service credit under the state teachers retirement system for the period of employment attributable to those contributions.

Sec. 3307.561. (A) Except as provided in division (B) of this section, a member of the state teachers retirement system participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ who has ceased to be a teacher, and who is also a member of either the public employees retirement system or school employees retirement system, or both, may not withdraw the member's accumulated contributions.

(B) On application, the state teachers retirement board shall pay a member described in division (A) of this section the member's accumulated

contributions if either of the following applies:

(1) The member also withdraws the member's contributions from the other systems.

(2) The member is a participant in a PERS defined contribution plan or a plan established under section 145.81 or 3309.81 of the Revised Code and has withdrawn the member's contributions under plans the PERS defined benefit plan or the plan described in sections 145.201 to 145.79 and 3309.18 to 3309.70 of the Revised Code.

Sec. 3307.562. (A) As used in this section and section 3307.66 of the Revised Code:

(1) "Child" means a biological or legally adopted child of a deceased member. If a court hearing for an interlocutory decree for adoption was held prior to the member's death, "child" includes the child who was the subject of the hearing if a final decree of adoption adjudging the member's spouse as the adoptive parent is made subsequent to the member's death.

(2) "Parent" is a parent or legally adoptive parent of a deceased member.

(3) "Dependent" means a beneficiary who receives one-half of the beneficiary's support from a member during the twelve months prior to the member's death.

(4) "Surviving spouse" means an individual who establishes a valid marriage to a member at the time of the member's death by marriage certificate or pursuant to division (E) of this section.

(5) "Survivor" means a spouse, child, or dependent parent.

(B) Except as provided in division (B) of section 3307.563 or division (G)(1) of section 3307.66 of the Revised Code, should a member who is participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code die before service retirement, the member's accumulated contributions, plus an amount calculated in accordance with section 3307.563 of the Revised Code, and any amounts owed and unpaid to a disability benefit recipient shall be paid to such beneficiaries as the member has nominated by written designation signed by the member and filed with received by the state teachers retirement board prior to death. A member may designate two or more persons as beneficiaries to be paid the amount determined under this division. On and after July 1, 2013, and subject to rules adopted by the board, a member who designates two or more persons as beneficiaries shall specify the percentage of the amount that each beneficiary is to be paid. If the member has not specified the percentages, the amount shall be divided equally among the beneficiaries. If a designated beneficiary is deceased, the amount allocated to the deceased beneficiary shall be allocated to the remaining beneficiaries based on each remaining

beneficiary's initial percentage. The nomination of beneficiary shall be on a form provided by the retirement board. The last nomination of any beneficiary revokes all previous nominations. The member's marriage, divorce, marriage dissolution, legal separation, or withdrawal of account, or the birth of the member's child, or the member's adoption of a child, shall constitute an automatic revocation of the member's previous designation. If a deceased member was also a member of the public employees retirement system or the school employees retirement system, the beneficiary last established among the systems shall be the sole beneficiary in all the systems.

Any beneficiary ineligible for monthly survivor benefits as provided by section 3307.66 of the Revised Code may waive in writing all claim to any benefits and such waiver shall thereby put in effect the succession of beneficiaries under division (C) of this section, provided the beneficiary thereunder is immediately eligible and agrees in writing to accept survivor benefits as provided by section 3307.66 of the Revised Code. If the accumulated contributions of a deceased member are not claimed by a beneficiary, or by the estate of the deceased member, within ten years, they shall be transferred to the guarantee fund and thereafter paid to such beneficiary or to the member's estate upon application to the board. The board shall formulate and adopt rules governing all designations of beneficiaries.

(C) Except as provided in division (G)(1) of section 3307.66 of the Revised Code, if a member dies before service retirement and is not survived by a designated beneficiary, any beneficiaries shall qualify, in the following order of precedence, with all attendant rights and privileges:

- (1) Surviving spouse;
- (2) Children, share and share alike;
- (3) A dependent parent, if that parent elects to take survivor benefits under division (C)(2) of section 3307.66 of the Revised Code;
- (4) Parents, share and share alike;
- (5) Estate.

If any survivor dies before payment is made under this section or is not located prior to the ninety-first day after the board receives notification of the member's death, the survivor next in order of precedence shall qualify as a beneficiary, provided that benefits under division (C)(2) of section 3307.66 of the Revised Code are elected. In the event that the beneficiary originally determined is subsequently located, the beneficiary may qualify for benefits under division (C)(2) of section 3307.66 of the Revised Code upon meeting the conditions of eligibility set forth in division (B) of that

section, but in no case earlier than the first day of the month following application by such beneficiary. Any payment made to a beneficiary as determined by the board shall be a full discharge and release to the board from any future claims.

(D)~~(1)~~ Any amount due any person, as an annuitant, receiving a monthly benefit, and unpaid to the annuitant at death, shall be paid to the beneficiary named by written designation signed by the annuitant and ~~filed with~~ received by the state teachers retirement board prior to death. If no such designation has been filed, or if the beneficiary designated is deceased or is not located prior to the ninety-first day after the board receives notification of the annuitant's death, such amount shall be paid, in the following order of precedence to the annuitant's:

- ~~(1)~~(a) Surviving spouse;
- ~~(2)~~(b) Children, share and share alike;
- ~~(3)~~(c) Parents, share and share alike;
- ~~(4)~~(d) Estate.

(2) If there is no beneficiary under division (D)(1) of this section, an amount not exceeding the cost of the annuitant's burial expenses may be paid to the person responsible for the burial expenses.

For purposes of this division an "annuitant" is the last person who received a monthly benefit pursuant to the plan of payment selected by the former member. Such payment shall be a full discharge and release to the board from any future claim for such payment.

(E) If the validity of marriage cannot be established to the satisfaction of the board for the purpose of disbursing any amount due under this section or section 3307.66 of the Revised Code, the board may accept a decision rendered by a court having jurisdiction in the state in which the member was domiciled at the time of death that the relationship constituted a valid marriage at the time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing the distribution of the member's intestate personal property.

(F) As used in this division, "recipient" means an individual who is receiving or may be eligible to receive an allowance or benefit under this chapter based on the individual's service to an employer.

If the death of a member, a recipient, or any individual who would be eligible to receive an allowance or benefit under this chapter by virtue of the death of a member or recipient is caused by one of the following beneficiaries, no amount due under this chapter to the beneficiary shall be paid to the beneficiary in the absence of a court order to the contrary filed with the board:

(1) A beneficiary who is convicted of, pleads guilty to, or is found not guilty by reason of insanity of a violation of or complicity in the violation of either of the following:

(a) Section 2903.01, 2903.02, or 2903.03 of the Revised Code;

(b) An existing or former law of any other state, the United States, or a foreign nation that is substantially equivalent to section 2903.01, 2903.02, or 2903.03 of the Revised Code;

(2) A beneficiary who is indicted for a violation of or complicity in the violation of the sections or laws described in division (F)(1)(a) or (b) of this section and is adjudicated incompetent to stand trial;

(3) A beneficiary who is a juvenile found to be a delinquent child by reason of committing an act that, if committed by an adult, would be a violation of or complicity in the violation of the sections or laws described in division (F)(1)(a) or (b) of this section.

Sec. 3307.563. For the purposes of this section, "service credit" includes only service credit obtained pursuant to sections 3307.53, 3307.71, 3307.712, 3307.72, and 3307.77 of the Revised Code.

(A) The state teachers retirement system shall add to a member's accumulated contributions to be paid under section 3307.56 or 3307.562 of the Revised Code an amount paid from the employers' trust fund equal to one of the following:

(1) If the member has less than three full years of service credit, an amount equal to interest on the member's accumulated contributions, compounded annually, at a rate not greater than four per cent established by the board;

(2) If the member has three or more full years of service credit, but less than five full years, an amount equal to interest on the member's accumulated contributions, compounded annually, at a rate not greater than six per cent established by the board;

(3) If the member has five or more full years of service credit, the sum of the following amounts:

(a) An amount equal to interest on the member's accumulated contributions, compounded annually, at a rate not greater than six per cent established by the board;

(b) An amount equal to fifty per cent of the sum of the member's contributions under section 3307.26, any contributions restored under section 3307.71 of the Revised Code to the extent that the amount paid to restore the credit included amounts received by the member under division (A)(3)(b) of this section, and contributions deducted under division (C) of section 3307.77 of the Revised Code plus interest on that amount at a rate

not greater than six per cent established by the board.

Interest for each year included in the calculation under this section shall be calculated from the first day of the following year to the last day of the month preceding payment under section 3307.56 or 3307.562 of the Revised Code.

(B) Notwithstanding sections 3307.56 and 3307.562 of the Revised Code, neither a member who returned to contributing service after receiving disability benefits nor the beneficiaries, survivors, ~~nor~~ or estate of a deceased member who was granted disability benefits prior to death is eligible for the payment of any amount calculated under this section.

Sec. 3307.57. To coordinate and integrate membership in the state retirement systems, the following provisions apply:

(A) As used in this section:

(1) "Retirement systems" means the public employees retirement system, state teachers retirement system, and school employees retirement system.

(2) In addition to the meaning given in section 3307.50 of the Revised Code, "disability benefit" means "disability benefit" as defined in sections 145.01 and 3309.01 of the Revised Code;

(3) "Actuarial assumption rate" means the investment rate of return assumed for projecting assets in the STRS defined benefit plan.

(B) At the option of a member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code, total contributions and service credit in all 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 for benefits. If total contributions and service credit are combined, the following provisions apply:

(1) Service retirement or a disability benefit is effective on the first day of the month next following the later of:

(a) The last day for which compensation was paid;

(b) The attainment of minimum age or service credit for benefits provided under this section.

(2) "Total service credit" includes the total credit in all retirement systems except that such credit shall not exceed one year for any period of twelve months.

(3) ~~In determining eligibility~~ Eligibility for a disability benefit, ~~the medical examiner's report to~~ shall be determined by the board of any the state retirement system, showing that will calculate and pay the member's disability incapacitates the member for the performance of duty, may

benefit, as provided in division (B)(4) of this section. The state retirement system calculating and paying the disability benefit shall certify the determination to the board of each other state retirement system in which the member has service credit and shall be accepted by that board as sufficient for granting a disability benefit.

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

(5) In determining the total credit to be used in calculating a 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 one year of credit for any one "year" as defined in the statute governing the system making the calculation.

(6)(a) The retirement system ~~determining~~ calculating and paying the benefit shall receive from the other system or systems ~~the member's refundable account at retirement or the effective date of a disability benefit plus an amount from the employers' trust fund equal to the member's refundable account less interest credited under section 145.471, 145.472, or 3307.563 of the Revised Code. If applicable, the retirement system determining and paying the benefit shall receive from the public employees retirement system a portion of the amount paid on behalf of the member by an employer under section 145.483 of the Revised Code. The portion shall equal the product obtained by multiplying by two the amount the member would have contributed during the period the employer failed to deduct contributions, as described in section 145.483 of the Revised Code~~ 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 system for that year of service or the amount that would have been contributed by the employer for the service had the member been a member of the state teachers retirement system at the time the credit was earned;

(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)(6)(a)(i), (ii), and (iii) of this section at the lesser of the actuarial

assumption rate for that year of the state teachers retirement system or the other retirement system or systems transferring amounts under this section.

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

~~(b)~~(c) Deposits made for the purchase of additional income, with guaranteed interest, upon the member's request, shall be transferred to the retirement system paying the regular benefit. The return upon such deposits shall be that offered by the retirement system making the calculation and paying the regular benefit.

(C) A person receiving a benefit under this section, who accepts employment amenable to coverage in any retirement system that participated in the person's combined benefit, shall be subject to the applicable provisions of law governing such re-employment.

If a retirant should be paid any amount to which the retirant is not entitled under the applicable provisions of law governing such re-employment, such amount shall be recouped by the retirement system paying such benefit by utilizing any recovery procedure available under the law of the retirement system covering such re-employment.

Sec. 3307.58. ~~Any~~ (A) As used in this section, "qualifying service credit" means credit earned under section 3307.53 or for which contributions were made under section 145.47 or 3309.47 of the Revised Code, credit restored under section 145.31, 3307.71, or 3309.26 of the Revised Code, and credit obtained under section 3307.761, 3307.763, or 3307.765 of the Revised Code.

~~(B) Any member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who has five years of service credit and has attained the applicable combination of age sixty, or who has twenty five years of and service credit and has attained age fifty five, or who has thirty years of service credit shall be granted service retirement after filing with the state teachers retirement board a completed application on a form approved by the board.~~

~~(A)~~(1) Except as provided in division (B)(3) of this section, a member is eligible to retire under this division if either of the following is the case:

(a) The member has five or more years of qualifying service credit and has attained age sixty-five;

(b) The member meets one of the following requirements:

(i) Before August 1, 2015, has thirty or more years of service credit at any age;

(ii) On or after August 1, 2015, but before August 1, 2017, has thirty-one or more years of service credit at any age;

(iii) On or after August 1, 2017, but before August 1, 2019, has thirty-two or more years of service credit at any age;

(iv) On or after August 1, 2019, but before August 1, 2021, has thirty-three or more years of service credit at any age;

(v) On or after August 1, 2021, but before August 1, 2023, has thirty-four or more years of service credit at any age;

(vi) On or after August 1, 2023, but before August 1, 2026, has thirty-five or more years of service credit at any age;

(vii) On or after August 1, 2026, has thirty-five or more years of service credit and has attained age sixty.

(2) Except as provided in division (B)(3) of this section, a member is eligible to retire under this division if either of the following is the case:

(a) The member has five or more years of qualifying service credit and has attained age sixty;

(b) The member meets one of the following requirements:

(i) Before August 1, 2015, has twenty-five or more years of service credit and has attained age fifty-five;

(ii) On or after August 1, 2015, but before August 1, 2017, has twenty-six or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;

(iii) On or after August 1, 2017, but before August 1, 2019, has twenty-seven or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;

(iv) On or after after August 1, 2019, but before August 1, 2021, has twenty-eight or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;

(v) On or after August 1, 2021, but before August 1, 2023, has twenty-nine or more years of service credit and has attained age fifty-five or has thirty or more years of service credit at any age;

(vi) On or after August 1, 2023, has thirty or more years of service credit at any age.

(3) The board may adjust the retirement eligibility requirements of this section if the board's actuary, in its annual actuarial valuation required by section 3307.51 of the Revised Code or in other evaluations conducted under that section, determines that an adjustment does not materially impair the fiscal integrity of the retirement system or is necessary to preserve the fiscal integrity of the system.

(C) Service retirement shall be effective on the first day of the month next following the later of:

(1) The last day for which compensation was paid; or

(2) The attainment of minimum age or service credit eligibility for benefits provided under this section.

~~Except as provided in division (E) of this section, the service retirement benefit shall be the greater of the benefits provided in divisions (B) and (D) of this section.~~

~~(B) Subject to any adjustment made under (D)(1)~~ Except as provided in division ~~(C)~~(E) of this section, the annual single lifetime benefit of a member whose retirement effective date is before August 1, 2013, shall be the greater of the amounts determined by the member's Ohio service credit multiplied by one of the following:

~~(1)~~(a) Eighty-six dollars;

~~(2)~~(a)(b) The sum of the following amounts:

(i) For each of the first thirty years of Ohio service credit, two and two-tenths per cent of the member's final average salary or, subject to the limitation described in division ~~(B)(2)(b)~~(D)(1)(c) of this section, two and five-tenths per cent of the member's final average salary if the member has thirty-five or more years of service credit under section 3307.48, 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.765, 3307.77, or 3307.771 of the Revised Code, division (A)(2) or (B) of former section 3307.513 of the Revised Code, former section 3307.514 of the Revised Code, section 3307.72 of the Revised Code earned after July 1, 1978, or any combination of service credit under those sections;

(ii) For each year or fraction of a year of Ohio service credit in excess of thirty years, two and two-tenths per cent of the member's final average salary or, subject to the limitation described in division ~~(B)(2)(b)~~(D)(1)(c) of this section, if the member has more than thirty years service credit under section 3307.48, 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.765, 3307.77, or 3307.771 of the Revised Code, division (A)(2) or (B) of former section 3307.513 of the Revised Code, former section 3307.514 of the Revised Code, section 3307.72 of the Revised Code earned after July 1, 1978, or any combination of service credit under those sections, the per cent of final average salary shown in the following schedule for each corresponding year or fraction of a year of service credit under those sections that is in excess of thirty years:

| Year of Service Credit | Per Cent for that Year | Year of Service Credit | Per Cent for that Year |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 30.01 - 31.00 | 2.5% | 35.01 - 36.00 | 3.0% |
| 31.01 - 32.00 | 2.6 | 36.01 - 37.00 | 3.1 |

| | | | |
|---------------|-----|---------------|-----|
| 32.01 - 33.00 | 2.7 | 37.01 - 38.00 | 3.2 |
| 33.01 - 34.00 | 2.8 | 38.01 - 39.00 | 3.3 |
| 34.01 - 35.00 | 2.9 | | |

For purposes of this schedule, years of service credit shall be rounded to the nearest one-hundredth of a year.

~~(b)~~(c) For purposes of division ~~(B)(2)(a)~~(D)(1) of this section, a percentage of final average salary in excess of two and two-tenths per cent shall be applied to service credit under section 3307.57 of the Revised Code only if the service credit was established under section 145.30, 145.301, 145.302, 145.47, 145.483, 3309.02, 3309.021, 3309.022, or 3309.47 of the Revised Code or restored under section 145.31 or 3309.26 of the Revised Code.

~~(C)~~(2)(a) Except as provided in division (E) of this section, the annual single lifetime benefit of a member whose retirement effective date is on or after August 1, 2013, but before August 1, 2015, shall be the amount determined by the member's Ohio service credit multiplied by the sum of the following amounts:

(i) For each of the first thirty years of Ohio service credit, two and two-tenths per cent of the member's final average salary or, subject to the limitation described in division (D)(2)(b) of this section, two and five-tenths per cent of the member's final average salary if the member has thirty-five or more years of service credit under section 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.77, or 3307.771 of the Revised Code, division (A)(2) or (B) of former section 3307.513 of the Revised Code, former section 3307.514 of the Revised Code, section 3307.72 of the Revised Code earned after July 1, 1978, or any combination of service credit under those sections;

(ii) For each year or fraction of a year of Ohio service credit in excess of thirty years, two and two-tenths per cent of the member's final average salary or, subject to the limitation described in division (D)(2)(b) of this section, if the member has more than thirty years service credit under section 3307.53, 3307.57, 3307.75, 3307.751, 3307.752, 3307.761, 3307.763, 3307.77, or 3307.771 of the Revised Code, division (A)(2) or (B) of former section 3307.513 of the Revised Code, former section 3307.514 of the Revised Code, section 3307.72 of the Revised Code earned after July 1, 1978, or any combination of service credit under those sections, the per cent of final average salary shown in the following schedule for each corresponding year or fraction of a year of service credit under those sections that is in excess of thirty years:

| | | | |
|-------------|------------|-------------|------------|
| <u>Year</u> | <u>Per</u> | <u>Year</u> | <u>Per</u> |
|-------------|------------|-------------|------------|

| <u>of</u> <u>Service</u> <u>Credit</u> | <u>Cent</u> <u>for that</u> <u>Year</u> | <u>of</u> <u>Service</u> <u>Credit</u> | <u>Cent</u> <u>for that</u> <u>Year</u> |
|--|---|--|---|
| 30.01 - 31.00 | 2.5% | 35.01 - 36.00 | 3.0% |
| 31.01 - 32.00 | 2.6 | 36.01 - 37.00 | 3.1 |
| 32.01 - 33.00 | 2.7 | 37.01 - 38.00 | 3.2 |
| 33.01 - 34.00 | 2.8 | 38.01 - 39.00 | 3.3 |
| 34.01 - 35.00 | 2.9 | | |

For purposes of this schedule, years of service credit shall be rounded to the nearest one-hundredth of a year.

(b) For purposes of division (D)(2)(a)(ii) of this section, a percentage of final average salary in excess of two and two-tenths per cent shall be applied to service credit under section 3307.57 of the Revised Code only if the service credit was established under section 145.30, 145.301, 145.302, 145.47, 145.483, 3309.02, 3309.021, 3309.022, or 3309.47 of the Revised Code or restored under section 145.31 or 3309.26 of the Revised Code.

(3) Except as provided in division (E) of this section, the annual single lifetime benefit of a member whose retirement effective date is on or after August 1, 2015, shall be the amount determined by the member's service credit multiplied by two and two-tenths of the member's final average salary.

(E)(1) The annual single lifetime benefit of a member ~~determined under~~ described in division (B)(2) of this section whose service retirement is effective before August 1, 2015, shall be adjusted by the greater per cent shown in the following schedule opposite the member's attained age or Ohio service credit.

| Attained Age | or | Years of Ohio Service Credit | Per Cent of Base Amount |
|--------------|----|------------------------------|-------------------------|
| 58 | | 25 | 75% |
| 59 | | 26 | 80 |
| 60 | | 27 | 85 |
| 61 | | | 88 |
| | | 28 | 90 |
| 62 | | | 91 |
| 63 | | | 94 |
| | | 29 | 95 |
| 64 | | | 97 |
| 65 | | 30 or more | 100 |

~~Members shall vest the right to a benefit in accordance with the~~

following schedule, based on the member's attained age by September 1, 1976:

| Attained Age | Per Cent of Base Amount |
|-----------------|-------------------------------|
| 66 | 102% |
| 67 | 104 |
| 68 | 106 |
| 69 | 108 |
| 70 or more | 110 |

The (2) The annual single lifetime benefit of a member described in division (B)(2) of this section whose service retirement is effective on or after August 1, 2015, shall be reduced by a percentage determined by the board's actuary for each year the member retires before attaining the applicable age and service credit specified in division (B)(1) of this section. The board's actuary may use an actuarially based average percentage reduction for this purpose.

(F) Notwithstanding any other provision of this section, on application, a member who, as of July 1, 2015, has five or more years of Ohio service credit and has attained age sixty, has twenty-five or more years of Ohio service credit and has attained age fifty-five, or has thirty or more years of Ohio service credit shall be granted service retirement according to former section 3307.58 of the Revised Code as in effect immediately prior to the effective date of this amendment. The member's benefit shall be the greater of the amount the member would have been eligible for had the member retired effective July 1, 2015, or the amount determined under division (D)(3) of this section.

(G) The annual single lifetime benefit determined under division ~~(B)~~(D) or (E) of this section shall not exceed the lesser of one hundred per cent of the final average salary or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

~~(D)~~(H) The annual single lifetime benefit of a member whose retirement effective date is before August 1, 2013, shall be the greater of the amounts determined under division (D)(1) or (E)(1) of this section as appropriate or under this division. The benefit shall not exceed the lesser of the sum of the following amounts or the limit established by section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended:

(1) An annuity with a reserve equal to the member's accumulated contributions;

(2) A pension equal to the amount in division ~~(D)~~(H)(1) of this section;

(3) An additional pension of forty dollars annually multiplied by the number of years of prior and military service credit, except years of credit purchased under section 3307.751 or 3307.752 of the Revised Code;

~~(4) An additional basic annual pension of one hundred eighty dollars, provided the member had ten or more years of Ohio service credit as of October 1, 1956, except that the additional basic annual pension shall not exceed the sum of the annual benefits provided by divisions ~~(D)~~(1), (2), and (3) of this section.~~

~~(E)~~(I) If a member's disability benefit was terminated under section 3307.48 of the Revised Code and the member's retirement under this section is effective on the first day of the month following the last day for which the disability benefit was paid, the member's annual single lifetime benefit determined under division (D) or (E) of this section shall be increased by a percentage equal to the total of any percentage increases the member received under section 3307.67 of the Revised Code, plus any additional amount the member received under this chapter while receiving the disability benefit. The increase shall be based on the plan of payment selected by the member under section 3307.60 of the Revised Code. However, the benefit used to calculate any future increases under section 3307.67 of the Revised Code shall be based on the plan of payment selected by the member, plus any additional amount added to the benefit determined under this division that established a new base benefit to the member.

(J) Benefits determined under this section shall be paid as provided in section 3307.60 of the Revised Code.

Sec. 3307.59. (A) A recipient of a disability allowance under section 3307.631 of the Revised Code ~~who is subject to division (C)(3) of whose allowance will terminate under~~ that section may make application for service retirement under this section. ~~Retirement~~ The 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 3307.58 of the Revised Code, excluding any period during which the applicant received a disability benefit under section 3307.631 of the Revised Code;

(b) An allowance calculated by multiplying the applicant's total service credit, including service credit for the last continuous period during which

the applicant received a disability benefit under section 3307.631 of the Revised Code, by two and two-tenths per cent of the applicant's final average salary, except that the allowance shall be determined without application of division (B) of section 3307.501 of the Revised Code and shall not exceed forty-five per cent of the applicant's final average salary.

(2) ~~At~~ Using the allowance calculated under division (B)(1) of this section adjusted for the plan of payment selected by the member under section 3307.60 of the Revised Code, an amount equal to the additional allowance the recipient would receive under section 3307.67 of the Revised Code, plus any other additional amount the recipient would receive under this chapter, had the recipient retired under section 3307.58 of the Revised Code effective on the effective date of for the recipient's most recent continuous period of receipt of a disability benefit under section 3307.631 of the Revised Code.

(C) The allowance calculated under division (B) of this section adjusted for the plan of payment selected by the member under section 3307.60 of the Revised Code, exclusive of any amount added under division (B)(2) of this section based on section 3307.67 of the Revised Code, shall be the base for all future additional allowances under section 3307.67 of the Revised Code.

The anniversary date for future additional allowances under section 3307.67 of the Revised Code shall be the effective date of the recipient's most recent continuous period of receipt of a disability benefit under section 3307.631 of the Revised Code.

(D) The retirement allowance determined under this section shall be paid as provided in section 3307.58 of the Revised Code.

Sec. 3307.60. (A) Upon application for retirement as provided in section 3307.58 or 3307.59 of the Revised Code, the retirant may elect a plan of payment under this division or, on and after the date specified in division (B) of this section, a plan of payment under that division. Under this division, the retirant may elect to receive a single lifetime benefit, or may elect to receive the actuarial equivalent of the retirant's benefit in a lesser amount, payable for life, and continuing after death to a beneficiary under one of the following optional plans:

(1) Option 1. The retirant's lesser benefit shall be paid for life to the sole beneficiary named at retirement.

(2) Option 2. Some other portion of the retirant's benefit shall be paid for life to the sole beneficiary named at retirement. The beneficiary's monthly amount shall not exceed the monthly amount payable to the retirant during the retirant's lifetime.

(3) Option 3. The retirant's lesser benefit established as provided under option 1 or option 2 shall be paid for life to the sole beneficiary named at retirement, except that in the event of the death of the sole beneficiary or termination of a marital relationship between the retirant and the sole beneficiary the retirant may elect to return to a single lifetime benefit equivalent as determined by the state teachers retirement board, if, in the case of termination of a marital relationship, the election is made with the written consent of the beneficiary or pursuant to an order of the court with jurisdiction over termination of the marital relationship.

(4) Option 4. The retirant's lesser benefit or a portion of the retirant's lesser benefit shall be paid for life to two, three, or four surviving beneficiaries named at retirement. The portion of the allowance that continues after the member's death shall be allocated among the beneficiaries at the time of the member's retirement. If the retirant elects this plan as required by a court order issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property and compliance with the court order requires the allocation of a portion less than ten per cent to any person, the retirant shall allocate a portion less than ten per cent to that beneficiary in accordance with that order. In all other circumstances, no portion allocated under this plan of payment shall be less than ten per cent. The total of the portions allocated shall not exceed one hundred per cent of the retirant's lesser allowance. In the event of the death of a beneficiary or termination of a marital relationship between the retirant and a beneficiary, the retirant may elect to cancel the portion of the plan of payment providing continuing lifetime benefits to that beneficiary except that, in the case of termination of a marital relationship, the election may be made only with the written consent of the beneficiary or pursuant to an order of the court with jurisdiction over termination of the marital relationship. The retirant shall receive the actuarial equivalent of the remainder of the retirant's single lifetime benefit based on the number of remaining beneficiaries, with no change in the amount payable to any remaining beneficiary.

(5) Option 5. Upon the retirant's death before the expiration of a certain period from the retirement date and elected by the retirant, and approved by the board, the retirant's benefit shall be continued for the remainder of such period to the beneficiary. Monthly benefits shall not be paid to joint beneficiaries, but they may receive the present value of any remaining payments in a lump sum settlement. If all beneficiaries die before the expiration of the certain period, the present value of all payments yet remaining in such period shall be paid to the estate of the beneficiary last

receiving.

(6) Option 6. A plan of payment established by the state teachers retirement board combining any of the features of options 1, 2, and 5.

(B) Beginning on a date selected by the state teachers retirement board, which shall be not later than July 1, 2004, a retirant may elect, in lieu of a plan of payment under division (A) of this section, a plan consisting of both of the following:

(1) A lump sum in an amount the member designates that constitutes a portion of the member's single lifetime benefit;

(2) Either of the following:

(a) The remainder of the retirant's single lifetime benefit;

(b) The actuarial equivalent of the remainder of the retirant's benefit in a lesser amount, payable for life, and continuing after death to a beneficiary under one of the options described in divisions (A)(1) to (6) of this section.

~~In the event of the death of a beneficiary or termination of a marital relationship between the retirant and a beneficiary, the retirant may elect to cancel the portion of the plan of payment providing continuing lifetime benefits to that beneficiary. The retirant shall receive the actuarial equivalent of the remainder of the retirant's single lifetime benefit based on the number of remaining beneficiaries, with no change in the amount payable to any remaining beneficiary. In the case of termination of a marital relationship, the election may be made only with the written consent of the beneficiary or pursuant to an order of the court with jurisdiction over termination of the marital relationship.~~

The amount designated by the member under division (B)(1) of this section shall be not less than six times and not more than thirty-six times the monthly amount that would be payable to the member as a single lifetime benefit and shall not result in a monthly allowance that is less than fifty per cent of that amount.

(C) Until the first payment is made to a former member under section 3307.58 or 3307.59 of the Revised Code, the former member may change the selection of a plan of payment.

(D)(1) If a deceased member was eligible for but had not yet been awarded a service retirement benefit under section 3307.58 or 3307.59 of the Revised Code at the time of death, option 1 as provided for in division (A)(1) of this section shall be paid to the spouse or other sole dependent beneficiary.

(2) Beginning on a date selected by the board, which shall be not later than July 1, 2004, the spouse or sole beneficiary may elect, in lieu of option 1, a plan of payment consisting of both of the following:

(a) A lump sum in an amount the spouse or other sole dependent beneficiary designates that constitutes a portion of the retirant's single life annuity;

(b) The actuarial equivalent of the remainder of the retirant's single life annuity paid ~~in a lesser amount~~ as a benefit under option 1 for life to the spouse or other sole dependent beneficiary.

The amount designated by the spouse or other sole dependent beneficiary under division (D)(2)(a) of this section shall be not less than six times and not more than thirty-six times the monthly amount that would be payable as the retirant's single life annuity and shall not result in a monthly allowance that is less than fifty per cent of that monthly amount.

(E) If the total benefit paid under this section is less than the balance in the teachers' savings fund, the difference shall be paid to the beneficiary provided under division (D)(1) of section 3307.562 of the Revised Code.

(F) In the case of a retirant who elected an optional plan prior to September 15, 1989:

(1) The death of the spouse or other designated beneficiary following retirement shall, at the election of the retirant, cancel any optional plan selected at retirement to provide continuing lifetime benefits to the spouse or other beneficiary and return the retirant to a single lifetime benefit equivalent as determined by the board.

(2) A divorce, annulment, or marriage dissolution shall, at the election of the retirant, cancel any optional plan selected at retirement to provide continuing lifetime benefits to the spouse as designated beneficiary and return the retirant to a single lifetime benefit equivalent as determined by the board if the election is made with the written consent of the beneficiary or pursuant to an order of a court of common pleas or the court of another state with jurisdiction over the termination of the marriage.

(G)(1) Following marriage or remarriage, both of the following apply:

(a) A retirant who elected to receive a single lifetime benefit or an optional plan of payment under division (A)(3) or (4) of this section may elect a new optional plan of payment based on the actuarial equivalent of the retirant's single lifetime benefit, as determined by the board, ~~except that if the~~. The new plan must be a plan described in division (A)(1), (2), (3), (4), or (6) of this section under which only the retirant's new spouse is added as a beneficiary and the application for the new plan must be received by the board prior to the retirant's death. A spouse may not be added if there are four beneficiaries under division (A)(4) of this section that must be retained pursuant to a court order described under division (H)(1)(b) of this section or if the amount payable to any beneficiary pursuant to such court order

would be reduced. A retirant who is receiving a retirement allowance under an optional plan that provides for continuation of benefits after death to a former spouse, ~~the retirant~~ may elect a new optional plan of payment only with the written consent of the former spouse or pursuant to an order of the court with jurisdiction over the termination of the marriage, except that consent of the former spouse is not required if the new optional plan of payment will not affect payments to the former spouse.

(b) A retirant who is receiving a benefit pursuant to a plan of payment providing for payment to a former spouse pursuant to a court order described in division (H)(1)(b) of this section may elect a new plan of payment under "option 4" with the retirant's spouse as a beneficiary based on the actuarial equivalent of the retirant's single lifetime retirement allowance as determined by the board if the new plan of payment elected does not reduce the payment to the former spouse.

(2) If the marriage or remarriage occurs on or after ~~the effective date of this amendment~~ June 6, 2005, the election must be made not later than one year after the date of the marriage or remarriage.

~~The plan elected~~ A valid election under division (G)(1) or (2) of this division section shall become effective on the date of receipt by the board of an application on a form approved by the board, ~~but any~~. The election must be signed by the retirant and received by the board prior to the retirant's death. Any change in the amount of the benefit shall commence on the first day of the month following the effective date of the plan.

(H)(1) Except as otherwise provided in this division and division (H)(2) of this section, an application for service retirement made pursuant to section 3307.58 or 3307.59 of the Revised Code by a married person shall be considered an election of a benefit under option ~~2~~ 3 as provided for in division (A)~~(2)~~(3) of this section under which one-half of the lesser benefit payable during the life of the retirant will be paid after death to the retirant's spouse for life as sole beneficiary. The exceptions are as follows:

(a) The retirant selects an optional plan under division (A) of this section providing for payment after death to the retirant's spouse for life as sole beneficiary of more than one-half of the lesser benefit payable during the life of the retirant.

(b) A plan of payment providing for payment in a specified amount continuing after the retirant's death to a former spouse is required by a court order issued prior to the effective date of retirement under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding division of marital property.

(c) The retirant submits to the retirement board a written statement

signed by the spouse attesting that the spouse consents to the retirant's election to receive a single lifetime annuity or a payment under an optional benefit plan under which after the death of the retirant the surviving spouse will receive less than one-half of the lesser benefit payable during the life of the retirant.

(d) Any other reason specified by the board.

(2) If a retirant is subject to division (H)(1)(b) of this section and the board has received a copy of the order described in that division, the board shall accept the retirant's election of a plan of payment under this section only if the retirant complies with both of the following:

~~(i)~~(a) The retirant elects a plan of payment that is in accordance with the order described in division (H)(1)(b) of this section.

~~(ii)~~(b) If the retirant is married, the retirant elects "option 4" and designates the retirant's current spouse as a beneficiary under that plan unless that spouse consents in writing to not being designated a beneficiary under any plan of payment or the board waives the requirement that the current spouse consent.

(3) An application for retirement shall include an explanation of all of the following:

(a) That, if the member is married, unless the spouse consents to another plan of payment or there is a court order dividing marital property issued under section 3105.171 or 3105.65 of the Revised Code or the laws of another state regarding the division of marital property that provides for payment in a specified amount, the member's retirement allowance will be paid under "option ~~2~~ 3" as provided for in division (A)~~(2)~~(3) of this section and consist of the actuarial equivalent of the member's retirement allowance in a lesser amount payable for life and one-half of the lesser allowance continuing after death to the surviving spouse for the life of the spouse;

(b) A description of the alternative plans of payment available with the consent of the spouse;

(c) That the spouse may consent to another plan of payment and the procedure for giving consent;

(d) That consent is irrevocable once notice of consent is filed with the board.

Consent shall be valid only if it is signed, in writing, and witnessed by a notary public.

(4) If the retirant does not select an optional plan of payment as described in division (H)(1)(a) of this section, no court has ordered a plan of payment described in division (H)(1)(b) of this section, and the board does not receive the written statement provided for in division (H)(1)(c) of this

section, the board shall determine and pay the retirement allowance in accordance with this division, except that the board may provide by rule for waiver by the board of the statement and payment of the benefits other than in accordance with this division or payment under section 3307.56 of the Revised Code if the retirant is unable to obtain the statement due to absence or incapacity of the spouse or other cause specified by the board.

(I) For the purpose of determining actuarial equivalence under this section, on the advice of an actuary employed by the board, the board shall adopt mortality tables that may take into consideration the membership experience of the state teachers retirement system and may also include the membership experience of the public employees retirement system and the school employees retirement system.

Sec. 3307.62. ~~(A)~~ As used in this section, "qualifying service credit" has the same meaning as in section 3307.58 of the Revised Code.

(A) The state teachers retirement system shall provide disability coverage to each member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who meets either of the following:

(1) If the member earned service credit before July 1, 2013, has at least five years of ~~total~~ qualifying service credit;

(2) If the member did not earn any service credit before July 1, 2013, has at least ten years of qualifying service credit.

Not later than October 16, 1992, the state teachers retirement board shall give each person who is a member on July 29, 1992, the opportunity to elect disability coverage either under former section 3307.43 of the Revised Code or under former section 3307.431 of the Revised Code. The board shall mail notice of the election, accompanied by an explanation of the coverage under each of the Revised Code sections and a form on which the election is to be made, to each member at the member's last known address. The board shall also provide the explanation and form to any member on the member's request.

Regardless of whether the member actually receives notice of the right to make an election, a member who fails to file a valid election under this section shall be considered to have elected disability coverage under section 3307.63 of the Revised Code. To be valid, an election must be made on the form provided by the board, signed by the member, and filed with the board not later than one hundred eighty days after the date the notice was mailed, or, in the case of a form provided at the request of a member, a date specified by rule of the board. Once made, an election is irrevocable, but if the member ceases to be a member of the system, the election is void. If a

person who makes an election under this section also makes an election under section 145.35 or 3309.39 of the Revised Code, the election made for the system that pays a disability benefit to that person shall govern the benefit.

Disability coverage shall be provided under section 3307.631 of the Revised Code for persons who become members after July 29, 1992, and for members who elect under this division to be covered under section 3307.631 of the Revised Code.

The board may adopt rules governing elections made under this division.

(B) Application for a disability benefit may be made by a member, by a person acting in the member's behalf, or by the member's employer, and if the member is ~~participating in the plan described in sections 3307.50 to 3307.79 of the Revised Code, has at least five years of total service credit, and~~ has disability coverage under ~~section 3307.63 or 3307.631 of the Revised Code~~ division (A) of this section. ~~The~~

The application for a disability benefit shall be made on a form approved by the board. The benefit payable to any member whose application is approved shall become effective on the first day of the month next following the later of the following:

- (1) The last day for which compensation was paid;
- (2) The attainment of eligibility for a disability benefit.

(C) Medical examination of the member shall be conducted by a competent, disinterested physician or physicians selected by the board to determine whether the member is mentally or physically incapacitated for the performance of duty by a disabling condition, either permanent or presumed to be permanent for twelve continuous months following the filing of an application. The disability must have occurred since last becoming a member, or it must have increased since last becoming a member to such an extent as to make the disability permanent or presumably permanent for twelve continuous months following the filing of an application.

(D) Application for a disability benefit must be made within ~~two years~~ a two-year period from the date the member's contributing service terminated, unless the board determines that the member's medical records demonstrate conclusively that at the time the ~~two-year~~ period expired, the member was physically or mentally incapacitated ~~for duty as a teacher~~ and unable to make application, except that if the member did not earn any service credit before July 1, 2013, application must be made within a one-year period from the date contributing service terminated. Application may not be made by

any person receiving service retirement benefits under section 3307.58 or 3307.59 of the Revised Code or any person whose accumulated contributions standing to the credit of the person's individual account in the teachers' savings fund have been paid under section 3307.56 of the Revised Code.

(E) If the physician or physicians determine that the member qualifies for a disability benefit, the board concurs with the determination, and the member agrees to medical treatment as specified in division (G) of this section, the member shall receive a disability benefit under section 3307.63 or 3307.631 of the Revised Code. If such physician or physicians determine that the member does not qualify for a disability benefit, the report of the examiner or examiners shall be evaluated by a board of medical review composed of at least three physicians appointed by the retirement board.

(F) The state teachers retirement board shall render an order determining whether or not the applicant shall be granted a disability benefit. Notification to the applicant shall be issued, and upon the request of an applicant who is denied a disability benefit, a hearing or appeal relative to such order shall be conducted in accordance with procedures established by the retirement board.

(G) The state teachers retirement board shall adopt rules requiring each disability benefit recipient, as a condition of continuing to receive a disability benefit, to agree in writing to obtain any medical treatment recommended by the board's physician and submit medical reports regarding the treatment. If the board determines that a disability benefit recipient is not obtaining the medical treatment or the board does not receive a required medical report, the disability benefit shall be suspended until the treatment is obtained, the report is received by the board, or the board's physician certifies that the treatment is no longer helpful or advisable. Should the recipient's failure to obtain treatment or submit a medical report continue for one year, the recipient's right to the disability benefit shall be terminated as of the effective date of the original suspension.

(H) If an employer files an application for a disability benefit as a result of a member having been separated from service because the member is considered to be incapacitated for the performance of duty, and the board denies the disability benefit, the board shall so certify to the employer and the employer shall restore the member to the member's previous position and salary or to a similar position and salary.

(I) The recipient of a disability allowance under section 3307.631 of the Revised Code whose allowance terminates under division (C)(3) of that section due to age is not eligible to do either of the following:

(1) Retire on disability under section 3307.63 of the Revised Code:

(2) Receive a disability allowance under section 3307.631 of the Revised Code.

Sec. 3307.63. A member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who has elected disability coverage under this section, has not attained age sixty, and is determined by the state teachers retirement board under section 3307.62 of the Revised Code to qualify for a disability benefit shall be retired on disability under this section.

Upon disability retirement, a member shall receive an annual amount that shall consist of:

(A) An annuity having a reserve equal to the amount of the member's accumulated contributions at that time;

(B) A pension that shall be the difference between the annuity and an annual amount determined by multiplying the number of years of Ohio service credit of such member, and in addition the number of years and fraction of a year between the effective date of the member's disability retirement and the date the member attained age sixty, assuming continuous service, by eighty-six dollars, or by two per cent of the member's final average salary, whichever is greater. Such disability retirement shall not be less than thirty per cent nor more than seventy-five per cent of the member's final average salary, except that it shall not exceed any limit to which the retirement system is subject under section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.

If the member is not receiving a disability benefit under section 3307.57 of the Revised Code, but is receiving a disability benefit from either the public employees retirement system or the school employees retirement system, then such member shall not be eligible for service credit based upon the number of years and fractions thereof between the date of disability and the date the member attained age sixty as otherwise provided in this section.

A disability retiree under this section whose disability retirement has been terminated, when eligible, may apply for service retirement provided by section 3307.58 of the Revised Code.

Sec. 3307.631. (A) A member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who has disability coverage under this section and is determined by the state teachers retirement board under section 3307.62 of the Revised Code to qualify for a disability benefit shall receive a disability allowance under this section. The allowance shall be an annual amount equal to the greater of the following:

(1) Forty-five per cent of the member's final average salary;

(2) The member's total service credit multiplied by two and two-tenths per cent of the member's final average salary, not exceeding sixty per cent of the member's final average salary.

(B) Sufficient reserves for payment of the disability allowance shall be transferred to the annuity and pension reserve fund from the employers' trust fund. The accumulated contributions of the member shall remain in the teachers' savings fund. No part of the allowance paid under this section shall be charged against the member's accumulated contributions.

(C) A disability allowance paid under this section shall terminate at the earliest of the following:

(1) The effective date of service retirement under section 3307.57 or 3307.58 of the Revised Code;

(2) The date the allowance is terminated under section ~~3307.64~~ 3307.48 of the Revised Code;

(3) The later of the last day of the month in which the recipient attains age sixty-five, or the last day of the month in which the benefit period ends as follows:

| Attained Age at Effective Date of Disability Allowance | Benefit Period |
|---|----------------|
| 60 or 61 | 60 months |
| 62 or 63 | 48 months |
| 64 or 65 | 36 months |
| 66, 67, or 68 | 24 months |
| 69 or older | 12 months |

Sec. 3307.66. (A) As used in this section, ~~"physically~~:

(1) "Physically or mentally incompetent" means incapable of earning a living because of a physically or mentally disabling condition. Physical or mental incompetency may be determined by a court or by a doctor of medicine or osteopathic medicine appointed by the state teachers retirement board.

(2) "Qualifying service credit" has the same meaning as in section 3307.58 of the Revised Code.

(B) For the purposes of this section:

(1) A qualified spouse is the surviving spouse of a deceased member of the state teachers retirement system participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ who is one of the following:

(a) ~~Age sixty-two~~ Sixty-two years of age or older or any age if the deceased member had ten or more years of Ohio service credit;

(b) Caring for a qualified child;

(c) Adjudged physically or mentally incompetent at the time of the member's death and has remained continuously incompetent;

(d) Any age if the deceased member was eligible for a service retirement allowance as provided in section 3307.58 of the Revised Code and the surviving spouse elects to receive a benefit under division (C)(1) of this section.

(2) A qualified child is a person who is the child of a deceased member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who is to whom both of the following apply:

(a) ~~Unmarried~~ Never married;

(b) ~~Under~~ Meets one of the following age-related requirements:

(i) Is under age eighteen, or under;

(ii) Is under age twenty-two if attending an institution of learning or training pursuant to a program designed to complete in each school year the equivalent of at least two-thirds of the full-time curriculum requirements of such institution and as further determined by board policy, or any;

(iii) Is any age if adjudged physically or mentally incompetent, if the person became incompetent prior to attainment of age eighteen or prior to age twenty-two if attending an institution of learning or training described in division (B)(2)(b)(ii) of this section, and has remained continuously incompetent.

(3) A qualified parent is a dependent parent of a deceased member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who is age sixty-five or older.

(4) A person is a "qualified survivor" if the person qualifies as a surviving spouse, child, or dependent parent.

(C) Except as provided in division (G)(1) of this section, in lieu of accepting the payment of the accumulated account of a member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who dies before service retirement, a beneficiary, as determined in section 3307.562 of the Revised Code, may elect to forfeit the accumulated account and to substitute benefits under this division.

(1) If a deceased member was eligible for a service retirement allowance as provided in section 3307.58 or 3307.59 of the Revised Code, a surviving spouse or an individual designated as the member's sole beneficiary pursuant to division (B) of section 3307.562 of the Revised Code who was a qualified child or dependent parent of the member or received one-half or more of support from the member during the twelve-month period preceding

the member's death may elect to receive a monthly benefit computed as the joint-survivor allowance designated as option 1 in section 3307.60 of the Revised Code, which the member would have received had the member retired on the last day of the month of death and had the member at that time selected such joint-survivor plan. ~~Payment shall begin with the month subsequent to the member's death.~~

(2) ~~If a~~ (a) A surviving spouse or other qualified survivor may elect to receive monthly benefits under division (C)(2) of this section if any of the following apply:

(i) The deceased member earned service credit before July 1, 2013, and had completed at least one and one-half years of ~~credit for Ohio~~ qualifying service credit, with at least one-quarter year of ~~Ohio contributing~~ qualifying service credit within the two and one-half years prior to the date of death, or, if the member had not earned service credit before July 1, 2013, had completed at least five years of qualifying service credit and died not later than one year after the date contributing service terminated.

(ii) The member was receiving at the time of death a disability benefit as provided in section 3307.63 or 3307.631 of the Revised Code, ~~a surviving spouse or other qualified survivor may elect to receive monthly benefits as provided in division (C)(2) of this section.~~

(iii) The member was receiving, within twelve months prior to the date of death, a disability benefit as provided in section 3307.63 or 3307.631 of the Revised Code and was contributing under this chapter or Chapter 145. or 3309. of the Revised Code at the time of death. ~~The~~

(b) The surviving spouse or other qualified survivor shall elect one of the following methods of calculating benefits elected under division (C)(2) of this section, which shall, except as provided in division (G)(1) of this section, remain in effect without regard to any change in the number of qualified survivors:

| (a) (i) Number of qualified survivors | Annual benefit as a per cent of member's final average salary | Or Monthly benefit shall not be less than |
|--|---|--|
| 1 | 25% | \$ 96 |
| 2 | 40 | 186 |
| 3 | 50 | 236 |
| 4 | 55 | 236 |
| 5 or more | 60 | 236 |
| | | Annual benefit as a per cent of member's |

| (b) (ii) Years of service | final average salary |
|--------------------------------------|----------------------|
| 20 | 29% |
| 21 | 33 |
| 22 | 37 |
| 23 | 41 |
| 24 | 45 |
| 25 | 48 |
| 26 | 51 |
| 27 | 54 |
| 28 | 57 |
| 29 or more | 60 |

(3)(a) If at the time of death the deceased member was receiving a disability benefit under section 3307.63 or 3307.631 of the Revised Code, the benefit elected under division (C)(1) or (2) of this section shall be increased by a percentage equal to the total of any percentage increases the member received under section 3307.67 of the Revised Code, plus any additional amount the member received under this chapter while receiving the disability benefit. The increase shall be based on the benefit determined under division (C)(1) or (2) of this section. However, the benefit used to calculate any future increases under section 3307.67 of the Revised Code shall be the benefit determined under division (C)(1) or (2) of this section.

(b) If eligibility for a benefit under division (C)(1) or (2) of this section is not established until more than one year after the member's death, the annual benefit shall be increased by a percentage equal to the total of the percentage increases that would have been made under section 3307.67 of the Revised Code, plus any additional amount that would have been paid under this chapter had the benefit begun in the year in which the member died. However, the benefit used to calculate any future increases under section 3307.67 of the Revised Code shall be the benefit determined under division (C)(1) or (2) of this section, plus any additional amounts added to the benefit determined under this division that established a new base benefit to the deceased member.

(D) If a benefit is calculated pursuant to division (C)(2)~~(a)~~(b)(i) of this section, benefits to a surviving spouse shall be paid in the amount determined for the first qualifying survivor in division (C)(2)~~(a)~~(b)(i) of this section, but shall not be less than one hundred six dollars per month if the deceased member had ten or more years of ~~Ohio~~ qualifying service credit. All other qualifying survivors shall share equally in the benefit or remaining portion thereof.

If a benefit is calculated pursuant to division (C)(2)(b)(ii) of this section

and is payable to more than one qualified survivor, the benefit shall be apportioned equally among the qualified survivors, except that if there is a surviving spouse, the portion of the benefit allocated to the surviving spouse shall be as follows:

| Number of survivors | Spouse's share of total benefit |
|---------------------|---------------------------------|
| 2 | 62.5% |
| 3 | 50.0% |
| 4 | 45.45% |
| 5 or more | 41.67% |

(E) ~~Benefits~~ A qualified survivor shall file with the board an application for benefits payable under division (C)(2) of this section. Payments shall begin or resume on whichever of the first day of the month following the day a person becomes a qualified survivor and terminate or be suspended on the first day of the month following the day the person ceases to be a qualified survivor applies:

(1) If application is received not later than one year after the date of the member's death, benefits shall begin on the first day of the month following the date of death.

(2) If application is received later than one year from the date of death, benefits shall begin on the first day of the month immediately following receipt of application by the board.

Benefits to a qualified survivor shall terminate upon a first marriage, abandonment, ~~or adoption, or during active military service.~~ The termination of benefits is effective on the first day of the month following the day the person ceases to be a qualified survivor. Benefits to a deceased member's surviving spouse that were terminated under a former version of this section that required termination due to remarriage and were not resumed prior to the effective date of this amendment shall resume on the first day of the month immediately following receipt by the board of an application on a form provided by the board.

Upon the death of any subsequent spouse who was a member of the public employees retirement system, state teachers retirement system, or school employees retirement system, the surviving spouse of such member may elect to continue receiving benefits under this division, or to receive survivor's benefits, based upon the subsequent spouse's membership in one or more of the systems, for which such surviving spouse is eligible under this section or section 145.45 or 3309.45 of the Revised Code. If the surviving spouse elects to continue receiving benefits under this division, such election shall not preclude the payment of benefits under this division

to any other qualified survivor.

(F) The beneficiary of a member who is also a member of the public employees retirement system, or the school employees retirement system, must forfeit the member's accumulated contributions in those systems, if the beneficiary elects to receive a benefit under division (C) of this section. Such benefit shall be exclusively governed by section 3307.57 of the Revised Code.

(G)(1) Regardless of whether the member is survived by a spouse or designated beneficiary, if the state teachers retirement system receives notice that a deceased member described in division (C)(1) or (2) of this section has one or more qualified children, all persons who are qualified survivors under division (C)(2) of this section shall receive monthly benefits as provided in division (C)(2) of this section.

If, after determining the monthly benefits to be paid under division (C)(2) of this section, the system receives notice that there is a qualified survivor who was not considered when the determination was made, the system shall, notwithstanding section 3307.42 of the Revised Code, recalculate the monthly benefits with that qualified survivor included, even if the benefits to qualified survivors already receiving benefits are reduced as a result. The benefits shall be calculated as if the qualified survivor who is the subject of the notice became eligible on the date the notice was received and shall be paid to qualified survivors effective on the first day of the first month following the system's receipt of the notice.

If the system did not receive notice that a deceased member has one or more qualified children prior to making payment under section 3307.562 of the Revised Code to a beneficiary as determined by the system, the payment is a full discharge and release of the system from any future claims under this section or section 3307.562 of the Revised Code.

(2) If benefits under division (C)(2) of this section to all persons, or to all persons other than a surviving spouse or sole beneficiary, terminate, there are no children under the age of twenty-two years, and the surviving spouse or beneficiary qualifies for benefits under division (C)(1) of this section, the surviving spouse or beneficiary may elect to receive benefits under division (C)(1) of this section. The benefit shall be calculated based on the age of the spouse or beneficiary at the time of the member's death and is effective on the first day of the month following receipt by the board of an application for benefits under division (C)(1) of this section.

(H) If the benefits due and paid under division (C) of this section are in a total amount less than the member's accumulated account that was transferred from the teachers' savings fund, school employees retirement

fund, and public employees retirement fund, to the survivors' benefit fund, then the difference between the total amount of the benefits paid shall be paid to the beneficiary under section 3307.562 of the Revised Code.

Sec. 3307.661. On the death of a retirant or disability benefit recipient who at the time of death is receiving, under the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code, a service retirement allowance or disability benefit, the state teachers retirement system shall make a lump-sum payment of one thousand dollars to any designated or qualified beneficiary under division (D)(1) of section 3307.562 of the Revised Code. If there is no beneficiary, the state teachers retirement board may approve payment to either the person responsible for the burial expenses or to the decedent's estate following the completion of an application on a form approved by the board.

A benefit paid under this section shall be treated as life insurance for purposes of this chapter and shall be funded solely from contributions made under section 3307.28 of the Revised Code on behalf of members participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code, and any earnings attributable to those contributions.

Sec. 3307.67. (A) The Except as provided in divisions (D) and (E) of this section, the state teachers retirement board shall annually increase each allowance or benefit payable under sections 3307.50 to 3307.79 of the Revised Code by three per cent, except that no the STRS defined benefit plan. Through July 31, 2013, the increase shall be three per cent. On and after August 1, 2013, the increase shall be two per cent. No allowance or benefit shall exceed the limit established by as annually determined pursuant to section 415 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended, and regulations adopted pursuant thereto but before August 1, 2013. The limit may be adjusted in accordance with rules adopted by the board.

(B) The first increase is payable to all persons becoming eligible for an allowance or benefit after June 30, 1971, upon such persons receiving an allowance or benefit for twelve months. The For an allowance or benefit beginning on or after August 1, 2013, except for an allowance or benefit that was immediately preceded by a disability benefit granted prior to that date that has been terminated, the first increase is payable upon such persons receiving an allowance or benefit for sixty 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.

~~(B)~~(C) If payment of a portion of a benefit is made to an alternate payee under section 3307.371 of the Revised Code, increases under this section granted while the order is in effect shall be apportioned between the alternate payee and the benefit recipient in the same proportion that the amount being paid to the alternate payee bears to the amount paid to the benefit recipient.

If payment of a portion of a benefit is made to one or more beneficiaries under "option 4" under division (A)(4) of section 3307.60 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.

The apportioned increases under this section shall begin with increases granted on or after October 27, 2006.

~~(C)~~(D) The board shall not make the increases it would otherwise make during the period July 1, 2013, through June 30, 2014, to persons granted an allowance or benefit prior to July 1, 2013. The board shall not increase any allowance or benefit granted on July 1, 2013, until July 1, 2015.

(E) The board may adjust the increase payable under this section if the board's actuary, in its annual actuarial valuation required by section 3307.51 of the Revised Code or in other evaluations conducted under that section, determines that an adjustment does not materially impair the fiscal integrity of the retirement system or is necessary to preserve the fiscal integrity of the system.

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

Sec. 3307.671. In December 1980, and in December of each year thereafter, the state teachers retirement board may allocate an amount from the guarantee fund created in division (E) of section 3307.14 of the Revised Code to establish a temporary supplemental benefit fund for the purpose of making a lump sum benefit payment to all persons receiving an allowance, pension, or benefit under ~~sections 3307.50 to 3307.79 of the Revised Code~~ the STRS defined benefit plan for each of the twelve months preceding the

first day of the following January.

On or after July 1, 1980, and on or after the first day of July of each year thereafter, the board may determine the amount to be placed in a temporary supplemental benefit fund. Such amount, if placed, shall be not more than twenty-five per cent of the income from investments for the twelve months preceding the first day of July not otherwise required to be credited to the several funds set forth in section 3307.14 of the Revised Code.

The board shall adopt rules to administer this supplemental benefit. The rules shall recognize the effective date of the allowance, pension, or benefit and the years of Ohio service credit for each recipient as an equitable basis for allocating the amount payable to each recipient.

If the board determines that a supplemental benefit shall be paid under this section, it shall pay such amount within sixty calendar days following its allocation to the supplemental benefit fund.

Amounts paid pursuant to this section shall not be included in the base for increasing an allowance, pension, or benefit provided in section 3307.67 of the Revised Code and shall not incur any obligation or liability for future payments under this section.

Sec. 3307.694. On and after July 1, 1968, all allowances, pensions, or other benefits which were payable before July 1, 1968, pursuant to the provisions of former sections 3307.26, 3307.38, 3307.41, 3307.43, 3307.49, and 3307.50 of the Revised Code, shall be increased by the percentages determined by the effective date of the allowance, pension, or benefit, as follows:

| Effective Date of Benefit Calendar Year | Percentage of Increase |
|--|------------------------|
| 1920 through 1955 | 24.3 |
| 1956 | 22.5 |
| 1957 | 18.4 |
| 1958 | 15.2 |
| 1959 | 14.3 |
| 1960 | 12.5 |
| 1961 | 11.3 |
| 1962 | 10.1 |
| 1963 | 8.7 |
| 1964 | 7.3 |
| 1965 | 5.6 |
| 1966 | 2.6 |
| 1967 | 2.0 |
| January 1, 1968, through | 2.0 |

June 30, 1968

All increases determined by applying the percentages in the preceding table shall be reduced by the dollar amount of the increases granted in 1965 pursuant to divisions (D), (E), and (F) of former section 3307.401 of the Revised Code, except that no allowance, pension, or benefit shall be reduced below the amount due on June 30, 1968, and no allowance granted under this section shall be less than a total annual sum of thirty-six dollars.

The allowances increased by this section shall exclude any monthly amount payable by reason of any voluntary deposits made under the provisions of ~~sections~~ section 3307.26 ~~and 3307.741~~ of the Revised Code, except for prior service purchased before June 25, 1945.

The increases provided by this section shall be granted notwithstanding the final average salary limitation in former sections 3307.38 and 3307.43 of the Revised Code.

The cost of the increases provided by this section shall be included in the employer's contribution rate provided by sections 3307.28, 3307.30, and 3307.31 of the Revised Code. Such employer's contribution rate shall not be increased until July 1, 1969, or later to reflect the increased costs created by this section.

Sec. 3307.70. (A) A member of the state teachers retirement system who elects to purchase service credit described in section 3307.73, 3307.74, 3307.751, 3307.76, 3307.771, or 3307.78 of the Revised Code shall do both of the following:

(1) Submit an application to the state teachers retirement board in a manner or form approved by the board;

(2)(a) If the purchase will be completed not later than December 31, 2013, for each year, or portion of a year, of credit purchased, pay to the employees' savings fund the amount specified by former section 3307.73, 3307.74, 3307.751, 3307.76, 3307.771, or 3307.78 of the Revised Code as the appropriate section existed immediately before the effective date of this section.

(b) If the purchase will not be completed until on or after January 1, 2014, for each year, or portion of a year, of credit purchased, pay to the employees' savings fund an amount specified by the board that is equal to one hundred per cent of the actuarial liability resulting from the purchase of that year or portion of a year of credit as determined by an actuary employed by the board.

(c) If, on the effective date of this amendment, the purchase is being made through a payroll deduction plan under section 3307.701 of the Revised Code and at least one deduction has been made, pay to the

employees' savings fund the amount specified by former section 3307.73, 3307.74, 3307.751, 3307.76, 3307.771, or 3307.78 of the Revised Code as the appropriate section existed immediately before the effective date of this section.

(B)(1) A purchase shall be considered completed for purposes of division (A)(2)(a) of this section only if the member's application is received by the retirement system as completed not later than December 31, 2013, and all payments are received by the retirement system not later than June 30, 2014.

(2) A member purchasing credit through a payroll deduction plan under division (A)(1)(c) of this section may pay in a single payment the balance of the cost of the credit.

(C) Subject to board rules, a member may choose to purchase only part of any eligible service credit in any one payment.

(D) The board shall adopt rules establishing criteria for determining eligibility for purchases of service credit and procedures for purchases of credit under this section.

Any determination of the board under this section shall be final.

(E) Service credit purchased under this section shall be included in the member's total service credit.

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.

Sec. ~~3307.70~~ 3307.701. (A) The state teachers retirement board may establish by rule payroll deduction plans for payment of the following:

(1) The cost of restoring service credit under section 3307.71 or 3307.711 of the Revised Code or purchasing any service credit members of the state teachers retirement system are eligible to purchase under this chapter;

(2) Charges for participation in programs established under section 3307.391 of the Revised Code;

(3) Deposits under section 3307.393 of the Revised Code and any charges for participating in the program established under that section.

(B) In addition to any other matter considered relevant by the board, the rules adopted under this section shall specify all of the following:

(1) The types of service credit that may be paid for through payroll deduction, including the section of the Revised Code that authorizes the purchase of each type of service credit for which payment may be made by payroll deduction;

(2) The procedure for informing the member's employer and the system

that the member wishes to use payroll deduction to purchase service credit or pay for participation in programs established under section 3307.391 of the Revised Code;

(3) The procedure to be followed by the system and employers to determine for each request the amount to be deducted, the number of deductions to be made, and the interval at which deductions will be made. The rules may provide for a minimum amount for each deduction. They may also provide for a maximum number of deductions for the purchase of any type of service credit.

(4) The procedure to be followed by employers in transmitting amounts deducted from the compensation of their employees to the system;

(5) The procedure to be followed by the system in crediting service credit to members who choose to purchase it through payroll deduction;

(6) The time period within which employers are required to transmit amounts deducted from payrolls to the system;

(7) Procedures to be followed by the system and the member's employer for the member to pay in a single payment the balance of the cost of the credit when a member separates from service from the employer administering the member's payroll deduction plan.

(C)(1) If the board establishes a payroll deduction plan under this section, it shall certify to the member's employer, for each member for whom deductions are to be made, the amount of each deduction and the payrolls from which deductions are to be made. The employer shall make the deductions as certified and transmit the amounts deducted in accordance with the rules established by the board under this section.

(2) If an employer does not transmit amounts deducted from the compensation of an employee to the system within the time period specified in rules adopted under division (B)(6) of this section, the employer shall pay interest on the deducted amount compounded annually at a rate to be determined by the board from the date the amount is deducted to the date it is transmitted to the system.

(D) Rules adopted under this section shall not affect any right to purchase service credit conferred by any other section of the Revised Code, including the right of a member under any such section to purchase only part of the service credit the member is eligible to purchase.

(E) No payroll deduction made pursuant to this section may exceed the amount of a member's net compensation after all other deductions and withholdings required by law.

(F) No payments made to the system under this section shall affect any contribution required by section 3307.26 or 3307.28 of the Revised Code.

Sec. 3307.71. Except as provided in this section, section 3305.05, or section 3305.051 of the Revised Code, a member or former member of the state teachers retirement system participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ who has at least one and one-half years of contributing service credit in this system, the public employees retirement system, the school employees retirement system, the Ohio police and fire pension fund, or the state highway patrol retirement system after the withdrawal and cancellation of service credit in this system may restore all or part of such service credit by repayment of the amount withdrawn. To this amount shall be added interest at a rate per annum, compounded annually, to be determined by the state teachers retirement board. Interest shall be payable from the first of the month of withdrawal through the month of repayment. A member may choose to purchase only part of such credit in any one payment. The cost for restoring partial service shall be calculated as the proportion that it bears to the total cost at the time of purchase and is subject to the rules established by the board. If a former member is eligible to buy the service credit as a member of the Ohio police and fire pension fund, the state highway patrol retirement system, or the city of Cincinnati Retirement System, the former member is ineligible to restore that service credit under this section.

The total payment to restore canceled service credit shall be credited as follows:

(A) The amount that equals contributions made pursuant to section 3307.26 of the Revised Code, plus any interest on the contributions paid by the member pursuant to this section, to the member's account in the teachers' savings fund;

(B) The amount that equals the amount paid under section 3307.563 of the Revised Code, to the employers trust fund;

(C) The remainder of the payment to restore canceled service credit, to the guarantee fund.

Sec. 3307.711. (A) A member of the state teachers retirement system who has at least eighteen months of contributing service credit in the system, the police and firemen's disability and pension fund, public employees retirement system, school employees retirement system, or state highway patrol retirement system, and is a former member of or no longer contributing to the public employees retirement system or school employees retirement system may restore service credit under section 145.31 or 3309.26 of the Revised Code by making payments pursuant to this section through a payroll deduction plan established under section ~~3307.70~~ 3307.701 of the Revised Code. A member seeking to restore this service

credit shall notify the state teachers retirement system on a form approved by the state teachers retirement board. After receiving the notice, the state teachers retirement system shall request that the former retirement system calculate under section 145.312 or 3309.262 of the Revised Code the cost to the member to restore service credit for each year or portion of a year of service for which the member seeks to restore the service credit. The amount the former retirement system certifies as the cost of restoring the service credit, plus interest described in division (B) of this section, is the cost to the member of restoring the service credit. On receiving the certification from the former retirement system, the state teachers retirement system shall notify the member of the cost.

(B) For each year or portion of a year of service credit restored under section 145.31 or 3309.26 of the Revised Code, a member shall pay to the state teachers retirement system the amount certified by the former retirement system plus interest at a rate specified by the former retirement system under section 145.312 or 3309.262 of the Revised Code for the period during which deductions are made under section ~~3307.70~~ 3307.701 of the Revised Code.

(C) The state teachers retirement board shall annually notify the former retirement system that a payment to restore service credit under section 145.31 or 3309.26 of the Revised Code has been made. At the time the payment is transferred under division (D) of this section, the former retirement system shall restore the service credit for the year or portion of a year for which the payment was made.

(D) On application for a payment of accumulated contributions or an age and service retirement, disability, or survivor benefit under Chapter 145., 3307., or 3309. of the Revised Code by a member who made payments under this section to restore service credit in a former retirement system, the state teachers retirement system shall pay to the former retirement system an amount equal to the total amount paid by the member under this section.

(E) The board shall adopt rules to implement this section.

Sec. 3307.712. After receiving a request from the public employees retirement system under division (A) of section 145.311 or the school employees retirement system under division (A) of section 3309.261 of the Revised Code, the state teachers retirement system shall do both of the following:

(A) Calculate and certify to the requesting retirement system the cost to a former member to restore service credit under section 3307.71 of the Revised Code for each year or portion of a year for which the former member seeks to restore service credit under that section.

(B) Inform the requesting retirement system of the rate of interest charged to a member under a payroll deduction plan authorized under section ~~3307.70~~ 3307.701 of the Revised Code.

Sec. 3307.72. The state teachers retirement board shall credit years of service to a member participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ who was employed for teaching service by an employer who failed to make retirement contributions to the state teachers retirement system during any year or years beginning on or after September 1, 1920, if the member deposits in the teachers' savings fund a per cent of the member's annual compensation for such service, at the rate of contribution then in effect, plus interest compounded annually at a rate established by the board. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

The employer shall, upon the request of such member, certify the amount of compensation by years of employment to the secretary of the board. For teaching service on or after July 1, 1978, the employer shall pay an amount equal to the employer contributions due at the time the service occurred, plus compound interest at a rate determined by the board from the date the service began to the date of payment.

Sec. 3307.73. (A)(1) Except as provided in division (A)(2) of this section, a member of the state teachers retirement system participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ who has at least eighteen months of contributing service in the system, the public employees retirement system, or school employees retirement system who chose to be exempted from membership in one or more of the systems pursuant to 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, may purchase credit under section 3307.70 of the Revised Code for each year or portion of a year of service for which the member was exempted.

(2) A member may not purchase credit ~~under this section~~ for service that was exempted from contribution under section 3307.24 of the Revised Code and subject to the tax on wages imposed by the "Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 U.S.C.A. 3101, as amended.

~~(B) For each year or portion of a year of credit purchased under this section, a member shall pay to the state teachers retirement system an amount determined by multiplying the member's compensation for the twelve months of contributing service preceding the month in which the member applies to purchase the credit by a percentage rate established by~~

~~rule of the state teachers retirement board adopted under division (F) of this section.~~

~~(C) Subject to board rules, a member may purchase all or part of the credit the member is eligible to purchase under this section in one or more payments. If the member purchases the credit in more than one payment, compound interest at a rate specified by rule of the board shall be charged on the balance remaining after the first payment is made.~~

~~(D) Credit purchasable under described in this section shall not exceed one year of service for any twelve-month period. If the period of service for which credit is purchasable ~~under this section~~ is concurrent with a period of service that will be used to calculate a retirement benefit from this system, the public employees retirement system, or school employees retirement system, the amount of the credit shall be adjusted in accordance with rules adopted by the board.~~

~~(C) A member who is also a member of the public employees retirement system or school employees retirement system shall purchase credit for any service for which the member exempted the member's 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 3307.57 of the Revised Code, the state retirement system that determines and pays the retirement benefit shall receive from the other system or systems the amounts paid by the member for purchase of credit for exempt service plus interest at the actuarial assumption rate of the 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.~~

~~(E) 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.~~

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

Sec. 3307.74. (A) Service credit ~~purchased under this section shall be included in the member's total service credit.~~ Credit may be purchased under section 3307.70 of the Revised Code by a member participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ for the following:

(1) Teaching service in a public or private school, college, or university of this or another state, and for teaching service in any school or entity operated ~~by or~~ primarily for the United States ~~government~~ citizens.

Teaching credit ~~purchased under this section~~ shall be limited to service rendered in schools, colleges, or universities chartered or accredited by the appropriate governmental agency.

(2) Public service with another state or the United States government, provided that such credit shall be limited to service that would have been covered by the state teachers retirement system, school employees retirement system, Ohio police and fire pension fund, state highway patrol retirement system, or public employees retirement system if served in a comparable public position in this state.

(3) Service for which contributions were made by the member or on the member's behalf to a municipal retirement system in this state, except that if the conditions specified in section 3307.762 of the Revised Code are met, service credit for this service may be purchased only in accordance with section 3307.763 of the Revised Code.

The number of years of service ~~purchased under~~ credit for service described in this section shall not exceed the lesser of five years or the member's total accumulated number of years of Ohio service.

~~(B)(1) Except as otherwise provided in division (B)(2) of this section, for each year of service purchased under this section, a member shall pay to the state teachers retirement system for credit to the member's accumulated account an amount equal to the member's retirement contribution for full-time employment for the first year of Ohio service following termination of the service to be purchased. To this amount shall be added an amount equal to compound interest at a rate established by the state teachers retirement board from the date of membership in the state teachers retirement system to the date of payment.~~

~~(2) For each year of service described in division (A) of this section that commenced on or after July 1, 1989, and, without regard to when the service commenced, for each year of service purchased under division (A) of this section by a member who first established membership in the retirement system on or after July 1, 1989, the member shall pay to the retirement system for credit to the member's individual account an amount specified by the state teachers retirement board that shall be not less than fifty per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board.~~

~~(3) A member may choose to purchase only part of the credit the member is eligible to purchase under this section in any one payment, subject to board rules Credit shall be purchased under this section in accordance with section 3307.70 of the Revised Code.~~

(C) A With the exception of social security, a member is ineligible to

purchase ~~under~~ credit for service described in this section ~~service~~ that is used in the calculation of any retirement benefit that has been paid, is currently being paid, or is payable in the future to such member under any other retirement program, except social security or service for five or more years for which contributions were made to a defined contribution plan if the member has been paid all contributions standing to the member's credit or is not entitled to be paid any such contributions. At the time the credit is purchased, the member shall certify on a form furnished by the board that the member does and will conform to this requirement.

(D) Credit ~~purchased under~~ for service described in this section may be combined pursuant to section 3307.57 of the Revised Code with credit purchased under sections 145.293 and 3309.31 of the Revised Code, except that not more than a total of five years' ~~service~~ credit ~~purchased under~~ for service described in this section and sections 145.293 and 3309.31 of the Revised Code shall be used in determining retirement eligibility or calculating benefits under section 3307.57 of the Revised Code.

~~(E) The retirement board shall establish a policy to determine eligibility to purchase credit under this section, and its decision shall be final.~~

Sec. 3307.75. (A) As used in this section, "armed forces" of the United States includes both:

(1) Army, navy, air force, marine corps, coast guard, auxiliary corps as established by congress, army nurse corps, navy nurse corps, red cross nurse serving with the army, navy, air force, or hospital service of the United States, full-time service with the American red cross in a combat zone, and such other service as is designated by the congress as included therein;

(2) Personnel of the Ohio national guard, the Ohio military reserve, the Ohio naval militia, and the reserve components of the armed forces enumerated in division (A)(1) of this section who are called to active duty pursuant to an executive order issued by the president of the United States or an act of congress.

(B) Upon presentation of an honorable discharge or certificate of service, and subject to rules adopted by the state teachers retirement board, any member of the state teachers retirement system participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who was or is out of active service as a teacher by reason of having become a member of the armed forces of the United States on active duty or service shall be considered as on indefinite leave of absence and shall have such service not in excess of ten years considered as the equivalent of prior service, provided the member returns to service as a teacher within two years after the effective date of discharge and establishes

one year of service credit, or becomes a member of either the public employees retirement system or the school employees retirement system within such two-year period and establishes at least one year of service credit. The retirement board shall extend such two-year period an additional year if failure to return is due to continuous professional training as determined by said board. If such member, otherwise qualified for such credit, canceled membership by the withdrawal of the member's accumulated account, such military service credit shall be granted following the restoration of the member's canceled service credit as provided by section 3307.71 of the Revised Code. Any member of the state teachers retirement system or anyone who becomes a new entrant who is assigned or called to take charge of special training for essential national defense work or veterans' training courses in any of the public schools or universities of the state may make regular contributions to the state teachers retirement system even though the member's or new entrant's salary is paid from federal funds, provided the member's or new entrant's salary is disbursed by an employer.

(C) A member of the state teachers retirement system is ineligible to receive service credit under this section for any year of military service credit used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except social security, or used to obtain service credit pursuant to section 3307.751 or 3307.752 of the Revised Code. At the time such credit is requested, the member shall certify on a form supplied by the board that the member does and will conform to this requirement. This division does not cancel any military service credit earned prior to March 15, 1979.

Sec. 3307.751. (A)(1) A member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code may purchase service credit ~~that shall be considered as the equivalent of Ohio service~~ under section 3307.70 of the Revised Code for each year or portion of a year of service incurred by reason of having been on active duty as a member of the armed forces of the United States, as defined in section 3307.75 of the Revised Code.

(2) As used in division (A)(2) of this section, "reserves" means a reserve component of any of the armed forces of the United States enumerated in division (A)(1) of section 3307.75 of the Revised Code.

On presentation of documentation of the service and subject to state teachers retirement board rules, a member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code may purchase service credit ~~that shall be considered as the equivalent of~~

~~Ohio service~~ under section 3307.70 of the Revised Code for each year or portion of a year of service incurred by reason of having been on active duty as a member of the Ohio national guard or reserves for which the member is not eligible to purchase credit under division (A)(1) of this section. For purposes of division (A)(2) of this section, active duty in the reserves or the Ohio national guard includes assembly for drill and instruction; training at encampments, maneuvers, outdoor target practice, or other exercises; and any training or duty in this state ordered by the governor.

(3) Credit shall not be granted for any period of duty during which the member was contributing to the retirement system.

The credit may be purchased at any time prior to the effective date of a benefit. The number of years purchased under this division shall not exceed five.

(B) For the purposes of this division, "prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States who was captured, separated, and incarcerated by an enemy of the United States.

A member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code may purchase service credit ~~that shall be considered as the equivalent of Ohio service~~ under section 3307.70 of the Revised Code for each year of service such member was a prisoner of war. The number of years purchased ~~under this division~~ shall not exceed five. Service credit may be purchased ~~under this division~~ for the same years of service used to purchase service credit ~~under~~ described in division (A) of this section.

(C) The total number of years described in this section that may be purchased ~~under this section~~ shall not exceed the member's total accumulated number of years of Ohio service.

~~(D)(1) Except as otherwise provided in division (D)(2) or (3) of this section, for each year or portion of a year of service purchased under division (A) or (B) of this section, the member shall pay to the state teachers retirement system for credit to the member's accumulated account an amount determined by the member rate of contribution in effect at the time the military service began multiplied by the member's annual compensation for full-time employment during the first year of service in Ohio following termination of military service. If, however, a limit on maximum salary or maximum contribution was in effect at the time the military service began, the limit shall be applied to the salary received during the first year of service in Ohio to calculate the amount of payment. To this amount shall be added an amount equal to compound interest at a rate established by the~~

~~state teachers retirement board from the date active military service terminated to date of payment.~~

~~(2) For each year of service purchased under division (A)(1) or (B) of this section for military service that commenced on or after July 1, 1989, and, without regard to when the military service commenced, for each year of service purchased under division (A) or (B) of this section by a member who first established membership in the retirement system on or after July 1, 1989, the member shall pay to the retirement system for credit to the member's individual account an amount specified by the state teachers retirement board that shall be not less than fifty per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board.~~

~~(3) For each year or portion of a year of service in the reserves or Ohio national guard purchased under division (A)(2) of this section, the member shall pay to the retirement system for credit to the member's individual account an amount equal to one hundred per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board. The retirement system shall calculate the number of years or portions of a year of credit the member is eligible to purchase under division (A)(2) of this section by dividing the number of days actually served by three hundred sixty-five.~~

~~(4) A member may choose to purchase only part of the credit the member is eligible to purchase under this section in any one payment, subject to board rules.~~

~~(E) A member of the state teachers retirement system is ineligible to purchase service credit under described in this section for any year of military service that was:~~

~~(1) Used in the calculation of any retirement benefit currently being paid to such member or payable in the future under any other retirement program, except for retired pay for non-regular service under Chapter 1223 of Section 1662 of Title XVI of the "National Defense Authorization Act for Fiscal Year 1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739, or social security;~~

~~(2) Used to obtain service credit pursuant to section 3307.75 or 3307.752 of the Revised Code.~~

~~At the time the credit is purchased, the member shall certify on a form furnished by the board that the member does and will conform to this requirement.~~

~~(F)(E) Credit purchased under described in this section may be combined pursuant to section 3307.57 of the Revised Code with credit for~~

military service purchased under sections 145.301 ~~and, 742.52,~~ 3309.021, ~~and 5505.25~~ of the Revised Code or military service credit purchased in the Cincinnati retirement system, except that not more than a total of five years of credit ~~purchased under described in~~ division (A) of this section, division (B) of section 145.301, ~~and division (A) of section 742.52,~~ division (A) of section 3309.021, ~~and division (A) of section 5505.25~~ of the Revised Code and not more than a total of five years of credit ~~purchased under described in~~ division (B) of this section, division (C) of section 145.301, ~~and division (B) of section 742.52,~~ division (B) of section 3309.021 ~~and division (B) of section 5505.25~~ of the Revised Code or military service credit purchased in the Cincinnati retirement system shall be used in determining retirement eligibility or calculating benefits under section 3307.57 of the Revised Code.

Sec. 3307.752. (A) As used in this section:

(1) "Service in the uniformed services" means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time national guard duty, and a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty.

(2) "Uniformed services" means the army, navy, air force, marine corps, coast guard, or any reserve components of such services; national guard; the commissioned corps of the United States public health service; service as a red cross nurse with the army, navy, air force, or hospital service of the United States, army nurse corps, navy nurse corps, or serving full-time with the American red cross in a combat zone; and any other category of persons designated by the president in time of war or emergency.

(B) On the re-employment of a member participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ as a teacher by the same public employer that employed the member prior to the member's service in the uniformed services, the member may apply to the state teachers retirement system on a form provided by the system to purchase service credit for service in the uniformed services that shall be considered the equivalent of Ohio service credit. On receipt of the application, the system shall request from the employer that employed the member as a teacher prior to the military service a certification that the member was employed by the employer prior to, and returned to employment with the employer within three months of honorable discharge or release from, service in the uniformed services. If the employer can so

certify, it shall do so and shall pay to the system the employer's contribution required by this section. The service credit shall be granted the member if all of the following requirements are met:

(1) The member was a member of and maintained membership in the state teachers retirement system throughout service in the uniformed services;

(2) The member was out of active service as a teacher by reason of service in the uniformed services;

(3) The member was honorably discharged or released from service in the uniformed services;

(4) The member pays contributions to the system in accordance with this section.

(C) Credit may be purchased pursuant to this section at any time prior to receipt of a benefit. The member may choose to purchase only part of the credit in any one payment, subject to board rules. The system shall grant service credit under this section, not to exceed five years, for ~~each period of~~ service in the uniformed services for which contributions have been received.

(D) For service purchased under this section, the member and the member's employer, subject to board rules, shall pay to the system for credit to the member's accumulated account an amount equal to the contributions that would have been paid pursuant to sections 3307.26 and 3307.28 of the Revised Code if the member had not been out of active service as a teacher by reason of service in the uniformed services.

If a member pays all or any portion of the contributions required by section 3307.26 of the Revised Code later than the lesser of five years or a period that is three times the member's period of service in the uniformed services beginning from the later of the member's date of re-employment as a teacher or October 29, 1996, an amount equal to compound interest at a rate established by the board from the later of the member's date of re-employment as a teacher or October 29, 1996, to the date of payment shall be added to the remaining amount to be paid by the member to purchase service credit under this section.

(E) This section does not cancel any military service credit or service in the uniformed services earned or granted under this chapter prior to October 29, 1996.

(F) If a member purchased service credit under section 3307.751 of the Revised Code prior to October 29, 1996, is not receiving a benefit, and would have been eligible to obtain service credit pursuant to this section had it been in effect at the time of purchase, the system shall refund the amounts

paid by the member for the purchase if both of the following requirements are met:

(1) The member makes a written request for a refund on a form provided by the system;

(2) The member pays to the system the contributions required by this section.

(G) If the member meets the requirements of division (F) of this section, the employer shall pay to the system the employer's contributions required by this section.

Sec. 3307.76. ~~(A)~~ A member of the state teachers retirement system participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code shall, in computing years of total service, be given full credit for time served in the public employees retirement system under Chapter 145. of the Revised Code or in the school employees retirement system under Chapter 3309. of the Revised Code, ~~provided that the member pays to the state teachers retirement system the amount specified in division (B) of this section.~~

~~(B) For each year of service described in division (A) of this section, a member shall pay an amount specified by the state teachers retirement board, which shall be not less than fifty per cent of the additional liability resulting from the purchase of that year of service as determined by an actuary employed by the board.~~

~~(C) A member may choose to purchase only part of the credit the member is eligible to purchase under this section in any one payment, subject to board rules if the member purchases the credit in accordance with section 3307.70 of the Revised Code.~~

A member is ineligible to purchase credit ~~under~~ described in this section if credit for the service may be obtained from the public employees retirement system or school employees retirement system or if the credit is for service that is used in the calculation of any retirement benefit that has been paid, is currently being paid, or is payable in the future to the member.

Sec. 3307.761. (A) As used in this section and section 3307.765 of the Revised Code:

(1) "Uniform retirement system" or "uniform system" means the Ohio police and fire pension fund or state highway patrol retirement system.

(2) "Military service credit" means credit purchased or obtained under this chapter or Chapter 742. or 5505. of the Revised Code for service in the armed forces of the United States.

(B) A member of the state teachers retirement system participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of

~~the Revised Code~~ who has contributions on deposit with a uniform retirement system shall, in computing years of total service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or for military service credit if a transfer to the state teachers retirement system is made under this division. At the request of the member, the uniform system shall transfer to the state teachers retirement system, for each year of service, the sum of the following:

(1) An amount equal to the member's accumulated contributions to the uniform system and any payments by the member for military service credit;

(2) An amount equal to the lesser of the employer's contributions to the uniform system or the amount that would have been contributed by the employer for the service had the member been a member of the state teachers retirement system at the time the credit was earned;

(3) Interest, determined as provided in division (F) of this section, on the amounts specified in divisions (B)(1) and (2) of this section from the last day of the year for which the service credit in the uniform system was earned or in which payment was made for military service credit was purchased or obtained to the date the transfer is made.

(C) A member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who has at least one and one-half years of contributing service with the state teachers retirement system, is a former member of a uniform retirement system, and has received a refund of contributions to that uniform system shall, in computing years of total service, be given full credit for service credit earned under Chapter 742. or 5505. of the Revised Code or for military service credit if, for each year of service, the state teachers retirement system receives the sum of the following:

(1) An amount, which shall be paid by the member, equal to the amount refunded by the uniform system to the member for that year for accumulated contributions and payments for military service credit, with interest at a rate established by the state teachers retirement board on that amount from the date of the refund to the date of the payment;

(2) Interest, which shall be transferred by the uniform system, on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;

(3) An amount, which shall be transferred by the uniform system, equal to the lesser of the employer's contributions to the uniform system or the amount that would have been contributed by the employer for the service

had the member been a member of the state teachers retirement system at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned or in which payment was made for military service to the date of the transfer.

On receipt of payment from the member, the state teachers retirement system shall notify the uniform system, which, on receipt of the notice, shall make the transfer required by this division. Interest shall be determined as provided in division (F) of this section.

A member may choose to purchase only part of the credit the member is eligible to purchase under this division in any one payment, subject to rules of the state teachers retirement board.

(D) A member is ineligible to obtain credit under this section for service that is used in the calculation of any retirement benefit currently being paid or payable in the future under any other retirement program or for service credit that may be transferred under section 3307.765 of the Revised Code.

(E) If a member of the state teachers retirement system who is not a current contributor elects to obtain credit under section 742.21 or 5505.40 of the Revised Code for service for which the member contributed to the system or purchased for military service credit, the system shall transfer to the uniform retirement system, as applicable, the amount specified in division (D) of section 742.21 or division (B)(2) of section 5505.40 of the Revised Code.

(F) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section it shall be calculated at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or of the uniform retirement system in which the credit was earned. The interest shall be compounded annually.

(G) The state teachers retirement board shall credit to a member's account in the teachers' savings fund the amounts described in divisions (B)(1) and (C)(1) of this section, except that the interest paid by the member under division (C)(1) of this section shall be credited to the employers' trust fund. The board shall credit to the employers' trust fund the amounts described in divisions (B)(2) and (3) and (C)(2) and (3) of this section.

(H) At the request of the state teachers retirement system, the Ohio police and fire pension fund or state highway patrol retirement system shall certify to the state teachers retirement system a copy of the records of the service and contributions of a state teachers retirement system member who seeks service credit under this section.

Sec. 3307.763. (A) If the conditions described in division (B) of section 3307.762 of the Revised Code are met, a member of the state teachers

retirement system who is not receiving a pension or benefit from the state teachers retirement system is eligible to obtain credit for service as a member of the Cincinnati retirement system under this section.

(B) A member of the state teachers retirement system participating in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ who has contributions on deposit with, but is no longer contributing to, the Cincinnati retirement system shall, in computing years of service credit, be given credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, for each year of service, the Cincinnati retirement system transfers to the state teachers retirement system the sum of the following:

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

(2) An amount equal to the lesser of the employer's contributions to the Cincinnati retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the state teachers retirement system at the time the credit was earned;

(3) Interest on the amounts specified in divisions (B)(1) and (2) of this section from the last day of the year for which service credit was earned or in which payment was made for military service credit to the date the transfer is made.

(C) A member of the state teachers retirement system with at least one and one-half years of contributing service credit with the state teachers retirement system who has received a refund of the member's contributions to the Cincinnati retirement system shall, in computing years of service, be given credit for service credit earned under the Cincinnati retirement system or purchased or obtained as military service credit if, for each year of service, the state teachers retirement system receives the sum of the following:

(1) An amount, paid by the member, equal to the sum of the following:

(a) The amount refunded by the Cincinnati retirement system to the member for that year for contributions and payments for military service credit, with interest at a rate established by the state teachers retirement board on that amount from the date of the refund to the date of payment;

(b) The amount of interest, if any, the member received when the refund was made that is attributable to the year of service.

(2) An amount, transferred by the Cincinnati retirement system to the state teachers retirement system, equal to the sum of the following:

(a) Interest on the amount refunded to the member that is attributable to the year of service from the last day of the year for which the service credit

was earned or in which payment was made for military service credit to the date the refund was made;

(b) An amount equal to the lesser of the employer's contributions to the Cincinnati retirement system or the amount that would have been contributed by the employer for the service had the member been a member of the state teachers retirement system at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

(D) The amount transferred under division (C)(2)(a) of this section shall not include any amount of interest the Cincinnati retirement system paid to the person when it made the refund.

(E) On receipt of payment from the member under division (C)(1) of this section, the state teachers retirement system shall notify the Cincinnati retirement system. On receipt of the notice, the Cincinnati retirement system shall transfer the amount described in division (C)(2) of this section.

(F) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall be calculated at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

(G) At the request of the state teachers retirement system, the Cincinnati retirement system shall certify to the state teachers retirement system a copy of the records of the service and contributions of a state teachers retirement system member who seeks service credit under this section.

(H) A member may choose to purchase only part of the credit the member is eligible to purchase under division (C) of this section in any one payment, subject to rules of the state teachers retirement board.

(I) A member is ineligible to obtain credit under this section for service that is used in the calculation of any retirement benefit currently being paid or payable in the future.

(J) The state teachers retirement board shall credit to the member's account in the teachers' savings fund the amounts described in divisions (B)(1) and (C)(1)(a) of this section, except that interest paid by the member under division (C)(1)(a) of this section shall be credited to the employers' trust fund. The board shall credit to the employers' trust fund the amounts described in divisions (B)(2), (B)(3), (C)(1)(b), and (C)(2) of this section.

Sec. 3307.764. (A) If the conditions described in division (B) of section 3307.762 of the Revised Code are met and a person who is a member or former member of the state teachers retirement system through participation in the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79~~

~~of the Revised Code~~, but is not a current contributor and who is not receiving a pension or benefit from the state teachers retirement system elects to receive credit under the Cincinnati retirement system for service for which the person contributed to the state teachers retirement system or purchased or obtained as military service credit, the state teachers retirement system shall transfer the amounts specified in division (B) or (C) of this section to the Cincinnati retirement system.

(B) If the person has contributions on deposit with the state teachers retirement system, the retirement system shall, for each year of service credit, transfer to the Cincinnati retirement system the sum of the following:

(1) An amount equal to the person's contributions to the state teachers retirement system and payments made by the member for military service credit;

(2) An amount equal to the lesser of the employer's contributions to the state teachers retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system at the time the credit was earned;

(3) Interest on the amounts specified in divisions (B)(1) and (2) of this section for the period from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the transfer was made.

(C)(1) If the person has received a refund of accumulated contributions to the state teachers retirement system, the state teachers retirement system shall, for each year of service credit, transfer to the Cincinnati retirement system the sum of the following:

(a) Interest on the amount refunded to the former member that is attributable to the year of service from the last day of the year for which the service credit was earned or in which payment was made for military service credit to the date the refund was made;

(b) An amount equal to the lesser of the employer's contributions to the state teachers retirement system or the amount that would have been contributed by the employer for the service had the person been a member of the Cincinnati retirement system at the time the credit was earned, with interest on that amount from the last day of the year for which the service credit was earned to the date of the transfer.

(2) The amount transferred under division (C)(1) of this section shall not include any amount added to the member's accumulated contributions under section 3307.563 of the Revised Code and paid under section 3307.56 or 3307.562 of the Revised Code.

(3) On receipt of notice from the Cincinnati retirement system that the

Cincinnati retirement system has received payment from a person described in division (C)(1) of this section, the state teachers retirement system shall transfer the amount described in that division.

(D) Interest charged under this section shall be calculated separately for each year of service credit. Unless otherwise specified in this section, it shall be calculated at the lesser of the actuarial assumption rate for that year of the state teachers retirement system or the Cincinnati retirement system. The interest shall be compounded annually.

(E) The transfer of any amount under this section cancels an equivalent amount of service credit.

(F) At the request of the Cincinnati retirement system, the state teachers retirement system shall certify to the Cincinnati retirement system a copy of the records of the service and contributions of a member or former member of the state teachers retirement system who elects to receive service credit under the Cincinnati retirement system.

Sec. 3307.77. (A) As used in this section, "employer" means the employer employing a member of the state teachers retirement system at the time the member commences an absence, or is granted a leave described in this section.

(B) Any member of the state teachers retirement system participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code or the STRS combined plan who is, or has been, prevented from making contributions under section 3307.26 of the Revised Code because of an absence due to the member's own illness or injury, or who is, or has been, granted a leave for educational, professional, or other purposes pursuant to section 3319.13, 3319.131, or 3345.28 of the Revised Code or for any other reason approved by the state teachers retirement board, may purchase service credit, not to exceed two years for each such period of absence or leave, either by having deductions made in accordance with division (C) of this section or by making the payment required by division (D) ~~or (E)~~ of this section.

(C) If the absence or leave begins and ends in the same year, the member may purchase credit for the absence or leave by having the employer deduct and transmit to the system from payrolls in that year employee contributions on the amount certified by the employer as the compensation the member would have received had the member remained employed in the position held when the absence or leave commenced. The deductions may be made even though the minimum compensation provided by law for the member is reduced thereby, unless the amount to be deducted exceeds the compensation to be paid the member from the time deductions

begin until the end of the year, in which case credit may not be purchased under this division. The employer shall pay the system the employer contributions on the compensation amount certified under this division. Employee and employer contributions shall be made at the rates in effect at the time the absence or leave occurred. If the employee or employer rates in effect change during the absence or leave, the contributions for each month of the absence or leave shall be made at the rate in effect for that month.

~~(D) During or following the absence or leave, but no later than two years following the last day of the year in which the absence or leave terminates, a member may purchase credit for the absence or leave by paying to the employer, and the employer transmitting to the system, employee contributions on the amount certified by the employer as the compensation the member would have received had the member remained employed in the position held when the absence or leave commenced. The employer shall pay the system the employer contributions on the compensation amount certified under this division. Employee and employer contributions shall be made at the rates in effect at the time the absence or leave occurred. If the employee or employer rates in effect change during the absence or leave, the contributions for each month of an absence or leave shall be made at the rate in effect for that month.~~

~~(E) After two years following the last day of the year in which an absence or leave terminated~~ If the absence or leave does not begin and end in the same year or the member does not purchase the credit under division (C) of this section, a member may purchase credit for the absence or leave by paying the employer, and the employer transmitting to the system, the sum of the following for each year of credit purchased:

(1) An amount determined by multiplying the employee rate of contribution in effect at the time the absence or leave commenced by the member's annual compensation for the member's last full year of service prior to the commencement of the absence or leave, or, if the member has not had a full year of service, the compensation the member would have received for the year the absence or leave commenced had the member continued in service for a full year;

(2) Interest compounded annually, at a rate determined by the board, on the amount determined under division ~~(E)~~(D)(1) of this section ~~for the period commencing two years from the day following the last day of the year in which the absence or leave terminated and ending on~~ to the date of payment;

(3) Interest compounded annually, at a rate determined by the board, on an amount equal to the employer's contribution required by this division ~~for~~

~~the period commencing two years from the day~~ following the last day of the year in which the absence or leave terminated ~~and ending on~~ to the date of payment.

The employer shall pay to the system for each year of credit purchased under this division an amount determined by multiplying the employer contribution rate in effect at the time the absence or leave commenced by the member's annual compensation for the member's last full year of service prior to the commencement of the absence or leave, or, if the member has not had a full year of service, the compensation the member would have received for the year the absence or leave commenced had the member continued in service for a full year.

~~(F)(E)~~ A member who chooses to purchase service credit under division (D) ~~or (E)~~ of this section may choose to purchase only part of the credit for which the member is eligible in any one payment, ~~but payments made more than two years following the last day of the year in which the absence or leave terminated shall be made in accordance with division (E) of this section.~~

~~(G)(F)~~ The state teachers retirement board may adopt rules to implement this section.

Sec. 3307.771. As used in this section, "regular employment" means a consistent pattern of employment for twelve or more consecutive weeks by the same employer during the year.

A member of the state teachers retirement system participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who prior to July 1, 1982, was granted a leave of absence for pregnancy or resigned due to pregnancy or adoption of a child may purchase service credit under section 3307.70 of the Revised Code for a period for which the member did not make contributions under section 3307.26 of the Revised Code. ~~Service~~ The service credit purchased under this section shall not exceed the lesser of two years or the period from the day the leave commenced or the effective date of resignation to the date of the member's return to regular employment as a contributor to the retirement system. A member may purchase credit for more than one period of absence due to pregnancy or adoption, but the total service credit and credit purchased under ~~this section~~, former section 3307.513; and former section 3307.514 of the Revised Code shall not exceed two years. The member shall submit evidence satisfactory to the retirement board documenting that the leave or resignation was due to pregnancy or adoption of a child.

~~For each year of service credit purchased under this section, the member shall pay to the system for credit to the member's accumulated account an~~

~~amount determined by multiplying the employee rate of contribution in effect at the time the leave or absence commenced by the member's annual compensation for full-time employment during the first year of service in Ohio following termination of the absence or leave and adding to that amount interest compounded annually, at a rate established by the board, from the date the absence or leave terminated to the date of payment.~~

~~A member may purchase all or part of the credit for which the member is eligible in one or more payments.~~ A member who purchases service credit for an absence or leave under described in this section may not purchase credit for that absence or leave under section 3307.77 of the Revised Code. A member who has purchased service credit for an absence or leave under former section 3307.513 or 3307.514 or section 3307.77 of the Revised Code may not purchase credit under described in this section for the same period of absence or leave.

~~The state teachers retirement board may adopt rules to implement this section.~~

Sec. 3307.78. (A) As used in this section, "school board member" means a member of a city, local, exempted village, or joint vocational school district board of education and "governing board member" means a member of an educational service center governing board.

(B) A member of the state teachers retirement system participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code who does both of the following may purchase credit under section 3307.70 of the Revised Code for service as a school board or governing board member, other than service subject to the tax on wages imposed by the "Federal Insurance Contributions Act," 68A Stat. 415 (1954), 26 U.S.C.A. 3101, as amended, if the member is eligible to retire under this chapter or will become eligible to retire as a result of purchasing the credit:

(1) Agrees to retire within ninety days after receiving notice of the additional liability under division (C) of this section;

(2) Provides evidence satisfactory to the state teachers retirement board of service as a school board or governing board member during the years for which the member wishes to purchase credit.

Credit may be purchased for service as a school board or governing board member between September 1, 1920, and the first day of January of the year in which the credit is purchased. A member is eligible to purchase one-quarter of a year's credit for each year of service as a school board or governing board member.

~~Credit purchased under this section shall be included in the member's~~

~~total service credit for the purposes of section 3307.52 of the Revised Code.~~

(C) On receipt of a request from a member eligible to purchase credit ~~under~~ described in this section, the system shall obtain from its actuary certification of the additional liability to the system for each quarter year of credit the member is eligible to purchase and shall notify the member of such additional liability. Within ninety days after receiving notice of the additional liability, the member may purchase in quarter-year increments any portion of the credit the member is eligible to purchase. ~~For each quarter year of credit purchased, the member shall pay to the system an amount equal to the additional liability resulting from the purchase.~~ Payment shall be made in full at the time of purchase.

~~(D) The board shall adopt rules in accordance with section 111.15 of the Revised Code concerning the purchase of credit under this section. In addition to any other matters considered relevant by the board, the rules shall specify the procedure to be followed to inform the system that a member wishes to purchase credit for service as a school board or governing board member.~~

~~(E)~~ If the member does not retire within ninety days after purchasing credit ~~under~~ described in this section, the system shall withdraw the credit and refund the amount paid by the member.

Sec. 3307.79. (A) A member whose death occurred prior to July 1, 1973, who at the time of death had more than thirty-four but less than thirty-five years of service credit shall be presumed to have completed thirty-five years of such credit. Any member whose death occurred on or after July 1, 1973, but prior to August 20, 1976, and who at the time of death had more than thirty-one but less than thirty-two years of service credit shall be presumed to have completed thirty-two years of such credit. Any member participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code whose death occurs on or after August 20, 1976, but prior to July 1, 2015, and who at the time of death has more than twenty-nine but less than thirty years of service credit shall be presumed to have completed thirty years of such credit.

(B) On the death of a member who is participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code prior to service retirement, the surviving spouse or dependents of the deceased member shall have the right to ~~purchase~~ obtain any service credit the member, had the member not died, would have been eligible to ~~purchase~~ obtain pursuant to sections ~~3307.71, 3307.72, 3307.73, 3307.74, 3307.741, 3307.751, 3307.752, 3307.76, 3307.761; and 3307.763, 3307.77, and 3307.774~~ of the Revised Code upon the same terms and conditions which

the deceased member could have ~~purchased~~ obtained such service credit had the deceased member not died. Any service credit ~~purchased~~ obtained under this section shall be applied under the provisions of this chapter in the same manner as it would have been applied had it been ~~purchased~~ obtained by the deceased member during the deceased member's lifetime.

Sec. 3307.80. The state teachers retirement board shall adopt rules to implement ~~the plans~~ any STRS defined contribution plan established under section 3307.81 of the Revised Code.

Sec. 3307.81. The state teachers retirement board shall establish one or more defined contribution plans consisting of benefit options that provide for an individual account for each participating member and under which benefits are based solely on the amounts that have accumulated in the account. The plans may include options under which a member participating in a plan may receive definitely determinable benefits.

~~Each~~ An STRS defined contribution plan established under this section shall meet the requirements of sections 3307.81 to 3307.89 of the Revised Code. It may include life insurance, annuities, variable annuities, regulated investment trusts, pooled investment funds, or other forms of investment.

The board may administer the plans, enter into contracts with other entities to administer the plans, or both. The board may contract with another entity to administer the plans if the entity agrees to meet all requirements of this chapter applicable to the plans.

Sec. 3307.811. ~~Each~~ An STRS defined contribution plan ~~established under section 3307.81 of the Revised Code~~ shall meet the requirements necessary to qualify as a retirement system maintained by a state or local government entity under division (b)(7)(F) of section 3121 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 3121(b)(7)(F), as amended. Each participant in a plan shall qualify as a member of that system.

Sec. 3307.812. In establishing a an STRS defined contribution plan ~~under section 3307.81 of the Revised Code~~, the state teachers retirement board may do all things necessary to avoid the system being required to pay federal or state income taxes on contributions to the plan or amounts earned under the plan and, to the extent permitted under federal or state law, to allow members participating in the plan to make tax deferred contributions for periods of interrupted or prior service.

Sec. 3307.83. The right of each member participating in a an STRS defined contribution plan ~~established under section 3307.81 of the Revised Code~~ to a retirement, disability, or survivor benefit, to health care insurance coverage, or to a withdrawal of contributions shall be governed by the plan

selected by the member under section 3307.25 or 3307.251 of the Revised Code.

Sec. 3307.84. For each member participating in a an STRS defined contribution plan established under section 3307.81 of the Revised Code, the state teachers retirement system ~~shall~~ may transfer to the employers' trust fund a portion of the employer contribution required under section 3307.28 of the Revised Code ~~that is equal to~~. If the state teachers retirement board elects to make a transfer under this section, the portion transferred shall not exceed the percentage of compensation of members described in this section for whom the contributions are being made that is determined by the board's actuary to be necessary to mitigate any negative financial impact on the state teachers retirement system of the participation of members in a an STRS defined contribution plan established under section 3307.81 of the Revised Code. The remainder shall be credited as provided in section 3307.28 of the Revised Code.

The state teachers retirement board ~~shall~~ may have prepared ~~annually, at intervals determined by the board,~~ an actuarial study to determine whether ~~the percentage transferred a transfer under this section should be changed is necessary~~ to reflect a change in the level of the negative financial impact resulting from participation of members in a an STRS defined contribution plan established under section 3307.81 of the Revised Code. The board shall increase or decrease the percentage transferred, if any, under this section to reflect the amount needed to mitigate the negative financial impact, if any, on the system based on the actuarial study. An increase or decrease in the percentage transferred shall take effect ~~on the first day of the month following the date the conclusions of the actuarial study are reported to a date determined by the board.~~

~~The~~ If a transfer under this section is made, the system shall make the transfer required under this section until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 3307.39 ~~or 3307.61~~ of the Revised Code and benefit increases provided to members and former members participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code after July 13, 2000, is fully amortized, as determined by the annual actuarial valuation prepared under section 3307.51 of the Revised Code.

Sec. 3307.86. The state teachers retirement system may require members participating in a an STRS defined contribution plan established under section 3307.81 of the Revised Code and their employers to furnish the contributions and information required under this chapter at more frequent intervals than those required for members participating in the STRS

~~defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code.~~ The system has no duty to accept contributions by or on behalf of a member if a contribution or information is not furnished at such intervals.

Sec. 3307.87. (A)(1) If a member participating in a an STRS defined contribution plan established under section 3307.81 of the Revised Code is married at the time any benefits under the plan commence, benefits shall be paid in accordance with division (A)(2) of this section, unless the spouse has consented under division (C) of this section to a different form of payment or the spouse's consent is waived under that division.

(2) The benefits described in division (A)(1) of this section shall be paid in the form of an annuity, which shall consist of the actuarial equivalent of the member's benefits, in an amount that is payable for the life of the member and one-half of the amount continuing after the member's death to the spouse for the life of the spouse.

(B) If a member participating in a an STRS defined contribution plan established under section 3307.81 of the Revised Code is married at the time of the member's death, any benefits that are payable to the member shall be paid to the member's spouse, unless the spouse has consented under division (C) of this section to the designation of a different beneficiary or the spouse's consent is waived under that division.

(C) Consent is valid only if it is evidenced by a signed statement that is witnessed by a notary public. Each plan may waive the requirement of consent if the spouse is incapacitated or cannot be located or for any other reason specified by the plan or in rules adopted by the state teachers retirement board. A plan shall waive the requirement of consent if a plan of payment that provides for payment in a specified amount continuing after the member's death to a former spouse is required by a court order issued prior to the effective date of the member's retirement under section 3105.171 or 3105.65 of the Revised Code or laws of another state regarding division of marital property.

Consent or waiver is effective only with regard to the spouse who is the subject of the consent or waiver.

Sec. 3307.89. The state teachers retirement board may offer to members participating in the STRS defined benefit plan described in sections 3307.50 to 3307.79 of the Revised Code the opportunity to also participate in one or more of the benefit options available under a an STRS defined contribution plan established under section 3307.81 of the Revised Code. A member's contributions to an option shall be credited to an individual account established for the member in the defined contribution fund.

Sec. 3307.98. The increasing contribution determined as provided in

sections 3307.96 and 3307.97 of the Revised Code by the actuary shall be paid by the employer. In the event of merger, the moneys and securities to the credit of the local district pension system, not exceeding an aggregate amount equal to the present value of the payments to be made on account of all pensions to the pensioners on the rolls of the local district pension system, shall be transferred to the employers' accumulation fund and the pensions then payable by the local district pension system shall thereafter be paid from the employers' accumulation fund until the reserves on these pensions with the other pensions payable from the employers' accumulation fund have been accumulated and shall be transferred to the annuity and pension reserve fund, from which fund they shall thereafter be payable. The pensions of the active members of the local district pension system and of the new entrants shall thereafter be payable as are the pensions of other members of the state teachers retirement system. The amount of the excess of the moneys and securities of the local district pension system over and above the present value of the payments to be made on account of all pensions to the pensioners ~~of~~ on the rolls of the local district pension system shall be transferred to the teachers' savings fund and shall be credited pro rata to the active teachers of such local district pension system on the basis of the amounts of their previous contributions to the local district pension system. In case such method of distribution is not found practicable by the state teachers retirement board, the board may use such other method of apportionment as seems fair and equitable to such board. The amount so credited in any case shall be considered as a part of the teacher's accumulated contributions, as defined in section 3307.50 of the Revised Code, for all purposes except in the case of retirement under the STRS defined benefit plan ~~described in sections 3307.50 to 3307.79 of the Revised Code~~ in which it shall be considered as an amount in excess of the teacher's accumulated contributions and shall be used in purchasing from the annuity and pension reserve fund an annuity, in addition to any other annuity or pension benefit otherwise provided by this chapter.

After the moneys and securities of any local district pension system have been transferred to the employers' accumulation fund or to the teachers' savings fund, such local district pension system shall cease to exist.

Sec. 3313.975. As used in this section and in sections 3313.976 to 3313.979 of the Revised Code, "the pilot project school district" or "the district" means any school district included in the pilot project scholarship program pursuant to this section.

(A) The superintendent of public instruction shall establish a pilot project scholarship program and shall include in such program any school

districts that are or have ever been under federal court order requiring supervision and operational management of the district by the state superintendent. The program shall provide for a number of students residing in any such district to receive scholarships to attend alternative schools, and for an equal number of students to receive tutorial assistance grants while attending public school in any such district.

(B) The state superintendent shall establish an application process and deadline for accepting applications from students residing in the district to participate in the scholarship program. In the initial year of the program students may only use a scholarship to attend school in grades kindergarten through third.

The state superintendent shall award as many scholarships and tutorial assistance grants as can be funded given the amount appropriated for the program. In no case, however, shall more than fifty per cent of all scholarships awarded be used by students who were enrolled in a nonpublic school during the school year of application for a scholarship.

(C)(1) The pilot project program shall continue in effect each year that the general assembly has appropriated sufficient money to fund scholarships and tutorial assistance grants. In each year the program continues, new students may receive scholarships in grades kindergarten to twelve. A student who has received a scholarship may continue to receive one until the student has completed grade twelve.

(2) If the general assembly discontinues the scholarship program, all students who are attending an alternative school under the pilot project shall be entitled to continued admittance to that specific school through all grades that are provided in such school, under the same conditions as when they were participating in the pilot project. The state superintendent shall continue to make scholarship payments in accordance with division (A) or (B) of section 3313.979 of the Revised Code for students who remain enrolled in an alternative school under this provision in any year that funds have been appropriated for this purpose.

If funds are not appropriated, the tuition charged to the parents of a student who remains enrolled in an alternative school under this provision shall not be increased beyond the amount equal to the amount of the scholarship plus any additional amount charged that student's parent in the most recent year of attendance as a participant in the pilot project, except that tuition for all the students enrolled in such school may be increased by the same percentage.

(D) Notwithstanding sections 124.39, ~~3307.54~~, and 3311.83 of the Revised Code, if the pilot project school district experiences a decrease in

enrollment due to participation in a state-sponsored scholarship program pursuant to sections 3313.974 to 3313.979 of the Revised Code, the district board of education may enter into an agreement with any teacher it employs to provide to that teacher severance pay or early retirement incentives, or both, if the teacher agrees to terminate the employment contract with the district board, provided any collective bargaining agreement in force pursuant to Chapter 4117. of the Revised Code does not prohibit such an agreement for termination of a teacher's employment contract.

SECTION 2. That existing sections 3305.06, 3307.01, 3307.031, 3307.04, 3307.044, 3307.061, 3307.14, 3307.142, 3307.20, 3307.214, 3307.25, 3307.251, 3307.252, 3307.26, 3307.28, 3307.33, 3307.35, 3307.351, 3307.352, 3307.371, 3307.39, 3307.391, 3307.42, 3307.46, 3307.47, 3307.50, 3307.501, 3307.51, 3307.512, 3307.52, 3307.53, 3307.56, 3307.561, 3307.562, 3307.563, 3307.57, 3307.58, 3307.59, 3307.60, 3307.62, 3307.63, 3307.631, 3307.64, 3307.66, 3307.661, 3307.67, 3307.671, 3307.694, 3307.71, 3307.711, 3307.712, 3307.72, 3307.73, 3307.74, 3307.75, 3307.751, 3307.752, 3307.76, 3307.761, 3307.763, 3307.764, 3307.77, 3307.771, 3307.78, 3307.79, 3307.80, 3307.81, 3307.811, 3307.812, 3307.83, 3307.84, 3307.86, 3307.87, 3307.89, 3307.98, and 3313.975 and sections 3307.54, 3307.61, 3307.741, 3307.88, 3307.881, and 3307.882 of the Revised Code are hereby repealed.

SECTION 3. Sections 1, 2, and 6 of this act, except for the amendments to division (A)(6) of section 3307.26, division (B)(3) of section 3307.58, and division (E) of section 3307.67 of the Revised Code, and the repeal of section 3307.54 of the Revised Code, take effect January 7, 2013.

SECTION 4. The amendments by this act to division (A)(6) of section 3307.26, division (B)(3) of section 3307.58, and division (E) of section 3307.67 of the Revised Code take effect one hundred eighty days after the effective date of this act.

SECTION 5. The repeal by this act of section 3307.54 of the Revised Code takes effect July 31, 2014.

SECTION 6. (A) The Ohio Retirement Study Council shall study and

make recommendations on the State Teachers Retirement Board's authority to do the following:

(1) For compensation earned on or after July 1, 2017, reduce the employee contribution rate to less than fourteen per cent in accordance with division (A)(6) of section 3307.26 of the Revised Code;

(2) Adjust eligibility requirements for retirement in accordance with division (B)(3) of section 3307.58 of the Revised Code;

(3) Adjust the cost-of-living adjustment in accordance with division (E) of section 3307.67 of the Revised Code.

(B) Not later than ninety days after the effective date of this section, the Council shall prepare and submit to the President of the Senate and the Speaker of the House of Representatives a report of its findings and recommendations.

SECTION 7. The General Assembly makes the following statement of findings and intent:

The General Assembly finds the following:

Current funding for the STRS defined benefit plan in the State Teachers Retirement System is inadequate to pay benefits over the long term and, if no changes are made to the plan, the retirement system will eventually be unable to pay benefits. The General Assembly bases this finding on the following:

Section 3307.512 of the Revised Code requires the State Teachers Retirement Board to establish a period of not more than thirty years to amortize its unfunded pension liabilities for benefits paid under the STRS defined benefit plan.

A five-year actuarial experience study conducted in 2008 showed an amortization period of 41.2 years as of June 30, 2008, exceeding the thirty-year amortization period. This increase in the amortization period was caused by a variety of economic and demographic factors, including an increase in the life expectancy of retirement system members and prior increases in the retirement benefit formula.

Due to the historic decline in the global investment markets and accompanying recession that followed, the amortization period for the retirement system's unfunded pension liabilities under the STRS defined benefit plan became infinite.

There is a legitimate and important state interest in maintaining the solvency of the STRS defined benefit plan, maintaining public confidence in the plan, and ensuring that funding is available to pay the monthly pensions of future retirees under the plan.

The General Assembly finds that certain changes to the STRS defined benefit plan, including changes to member contribution rates, retirement eligibility, benefit formulas, the number of years used to calculate final average salary, and future cost-of-living adjustments, are reasonable and necessary to further these legitimate and important state interests. The General Assembly bases this finding on all of the following:

In March 2009, the State Teachers Retirement Board began a long-term contingency planning process. As part of that process, the Board conducted an asset allocation study showing that the retirement system could not eliminate the shortfall in funding through increased returns on investments.

In May 2009, the Ohio Retirement Study Council directed each public retirement system, including the State Teachers Retirement System, to prepare, for presentation to the Council in September 2009, board-approved plans for achieving or maintaining the 30-year funding period.

In preparing the September 2009 plan, the State Teachers Retirement Board and its actuary evaluated potential changes to numerous plan components designed to improve the long-term solvency of the STRS defined benefit plan.

The September 2009 plan adopted by the State Teachers Retirement Board included proposed changes to member contribution rates, eligibility for retirement, the benefit formula for future retirees, the number of years used to calculate final average salary, and cost-of-living adjustments for current and future retirees.

Over time, the State Teachers Retirement Board modified its long-term pension reform plan. With each modification, the plan adopted by the Board included proposed changes to member contribution rates, retirement eligibility, benefit formulas for future retirees, the number of years used to calculate final average salary, and cost-of-living adjustments for both current and future retirees.

In April 2012, the State Teachers Retirement Board unanimously approved a new long-term pension reform plan following the results of a three-year actuarial experience study. That study resulted in changes to certain actuarial assumptions, including lowering the expected long-term rate of return on investment assets.

The April 2012 plan, like prior pension reform plans adopted by the State Teachers Retirement Board, includes proposed changes to member contribution rates, retirement eligibility, benefit formulas for future retirees, the number of years used to calculate final average salary, and cost-of-living adjustments for current and future retirees.

The General Assembly finds that the changes proposed by the State

Teachers Retirement Board in its April 2012 plan are reasonable and necessary to maintain the solvency of the STRS defined benefit plan, maintain public confidence in the plan, and help ensure that funds will be available to pay the monthly pensions of current and future retirees.

In amending section 3307.67 of the Revised Code, it is the intent of the General Assembly to do all of the following:

To recognize that no member has a legitimate expectation of any particular future cost-of-living adjustment, or payment of future cost-of-living adjustments at any particular time, under Ohio law;

To declare that the modifications to future cost-of-living adjustments under section 3307.67 of the Revised Code are reasonable;

To recognize that the funding crisis exacerbated by the historic decline in the global investment markets and accompanying recession was unforeseen;

To recognize that cost-of-living adjustments under the STRS defined benefit plan were never intended to undermine the solvency of the STRS defined benefit plan, or to put at risk the monthly pensions of current and future retirees under the plan;

To declare that the modifications to future cost-of-living adjustments under the STRS defined benefit plan under section 3307.67 of the Revised Code, strike a reasonable balance between current and future retirees;

To declare that the modifications to future cost-of-living adjustments under section 3307.67 of the Revised Code are necessary;

To recognize that the retirement system cannot eliminate its funding crisis through increased returns on investments;

To declare that modifying future cost-of-living adjustments is the most effective means for restoring the long-term solvency of the STRS defined benefit plan;

To declare that modifications to future cost-of-living adjustments under section 3307.67 of the Revised Code are necessary to improve the long-term solvency and actuarial soundness of the STRS defined benefit plan.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Sub. S. B. No. 342

129th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____