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Sec. 3307.403. All persons receiving an allowance, pension, or benefit under ~~Chapter 3307. of the Revised Code~~ THIS CHAPTER may become eligible to receive an additional benefit in accordance with this section.

Beginning April 1, 1971, and each year thereafter, the board of the state teachers retirement system shall determine the average percentage change in the consumer price index prepared by the United States bureau of labor statistics (U.S. City Average for Urban Wage Earners and Clerical Workers: "All Items ~~1967~~ 1982-84 = 100") for the twelve calendar month period prior to the first day of January over the next preceding twelve calendar month period, as reported by the bureau.

Any percentage above the percentage authorized for the first increased payment shall be accumulated and combined with the percentage of change in the succeeding years. Whenever the balance of this accumulation is equal to or in excess of three per cent, the increased benefit provided in this section shall be paid. When the balance of the accumulation is less than three per cent, no additional increase shall be paid.

(A) Upon a determination by the board in any year that the accumulation of changes in the consumer price index is equal to or in excess of three per cent the board shall increase all allowances, pensions, or benefits payable under this section by three per cent, EXCEPT THAT NO ALLOWANCE, PENSION, OR BENEFIT SHALL EXCEED THE LIMIT ESTABLISHED BY SECTION 415 OF THE "INTERNAL REVENUE CODE OF 1986," 100 STAT. 2085, 26 U.S.C.A. 415, AS AMENDED.

The first increase is payable to all persons becoming eligible after June 30, 1971, upon such persons receiving an allowance, pension, or benefit for twelve months. The increased amount is payable for the ensuing twelve-month period or until the next increase is granted under this section, whichever is later. Subsequent increases shall be determined from the date of the first increase paid to the former member in the case of an allowance being paid a beneficiary under an option, or from the date of the first increase to the survivor first receiving an allowance or benefit in the case of an allowance or benefit being paid to the subsequent survivors of the former member.

(B) 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.

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

Effective
7/24/90