

I_132_0362-2

132nd General Assembly
Regular Session
2017-2018

. B. No.

A BILL

To amend sections 3309.374 and 3309.661 of the
Revised Code to revise the cost-of-living
adjustments granted to retirement, disability,
and survivor benefit recipients under the School
Employees Retirement System.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 3309.374 and 3309.661 of the
Revised Code be amended to read as follows:

Sec. 3309.374. (A) ~~The~~ As used in this section, "benefit"
means an allowance, pension, or other benefit payable under this
chapter.

(B) Until December 31, 2017, the school employees
retirement board shall annually increase each ~~allowance,~~
~~pension, or benefit~~ payable under this chapter by three per
cent, ~~except that no allowance, pension, or benefit shall exceed~~
~~the limit established by section 415 of the "Internal Revenue~~
~~Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 415, as amended.~~

The first increase is payable to all persons becoming



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eligible after June 30, 1971, upon such persons receiving ~~an~~ 18
~~allowance, pension, or a~~ benefit for twelve months. 19

The retirement board shall not make any increases under 20
this section during the period beginning January 1, 2018, and 21
ending December 31, 2020. 22

(C) Effective January 1, 2021, the retirement board shall 23
annually increase a benefit payable under this chapter to an 24
eligible recipient by any percentage increase in the consumer 25
price index, not to exceed two and one half per cent, as 26
determined by the United States bureau of labor statistics (U.S. 27
city average for urban wage earners and clerical workers: "all 28
items 1982-84=100") for the twelve month period ending on the 29
thirtieth day of June of the immediately preceding calendar 30
year. No increase shall be made for a period in which the 31
consumer price index did not increase. 32

A recipient of a benefit payable under this chapter is 33
eligible for an increase under this division on and after the 34
fourth anniversary of the benefit. 35

To determine eligibility for an increase under this 36
division for a recipient of a benefit that was preceded by a 37
different benefit based on the service of the same member of the 38
school employees retirement system, the retirement board shall 39
determine the anniversary of the benefit and shall take into 40
consideration the period during which the preceding benefit was 41
paid. 42

(D) The increased amount is payable for the ensuing 43
twelve-month period or until the next increase is granted under 44
this section, whichever is later. Subsequent increases shall be 45
determined from the date of the first increase paid to the 46

former member in the case of ~~an allowance~~ a benefit being paid a 47
beneficiary under an option, or from the date of the first 48
increase to the survivor first receiving ~~an allowance or a~~ 49
benefit in the case of ~~an allowance or a~~ benefit being paid to 50
the subsequent survivors of the former member. 51

~~The date of the first increase under this section becomes~~ 52
~~the anniversary date for any future increases.~~ 53

(E) The ~~allowance or~~ benefit used in the first calculation 54
of an increase under this section shall remain as the base for 55
all future increases, unless a new base is established. Any 56
increase resulting from payment of a recalculated benefit under 57
Section 3 of Substitute Senate Bill No. 270 of the 123rd general 58
assembly shall be included in the calculation of future 59
increases under this section. 60

~~(B)~~ (F) If payment of a portion of a benefit is made to an 61
alternate payee under section 3309.671 of the Revised Code, 62
increases under this section granted while the order is in 63
effect shall be apportioned between the alternate payee and the 64
retirant or disability benefit recipient in the same proportion 65
that the amount being paid to the alternate payee bears to the 66
amount paid to the retirant or disability benefit recipient. 67

If payment of a portion of a benefit is made to one or 68
more beneficiaries under "plan F" under division (B) (3) (e) of 69
section 3309.46 of the Revised Code, each increase under this 70
section granted while the plan of payment is in effect shall be 71
divided among the designated beneficiaries in accordance with 72
the portion each beneficiary has been allocated. 73

~~=~~ 74

~~(C)~~ (G) No allowance, pension, or benefit payable under 75

this chapter shall exceed the limit established by section 415 76
of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 77
U.S.C. 415, as amended. 78

(H) Before granting an increase under division (C) of this 79
section, the retirement board may adjust the percentage of any 80
increase if the board's actuary, in its annual actuarial 81
valuation required by section 3309.21 of the Revised Code, or in 82
other evaluations conducted under that section, determines that 83
an adjustment does not materially impair the fiscal integrity of 84
the retirement system or is necessary to preserve the fiscal 85
integrity of the retirement system. 86

(I) The retirement board shall make all rules necessary to 87
carry out this section. The rules shall include procedures for 88
determining a benefit's anniversary. 89

Sec. 3309.661. (A) Except as provided in section 3309.673 90
of the Revised Code, the granting of a retirement allowance, 91
annuity, pension, or other benefit to any person pursuant to 92
action of the school employees retirement board vests a right in 93
such person, so long as the person remains the recipient of any 94
of the funds established by section 3309.60 of the Revised Code, 95
to receive such retirement allowance, annuity, pension, or 96
benefit. Such right shall also be vested with equal effect in 97
the recipient of a grant heretofore made from any of the funds 98
named in section 3309.60 of the Revised Code. 99

(B) This section does not affect the retirement board's 100
authority under division (H) of section 3309.374 of the Revised 101
Code. 102

Section 2. That existing sections 3309.374 and 3309.661 of 103
the Revised Code are hereby repealed. 104