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## RETIREMENT

### **SERS cost-of-living adjustments**

- Makes the mandatory annual cost-of-living adjustment (COLA) of 3% granted to School Employees Retirement System (SERS) retirement allowance, disability benefit, and survivor benefit recipients effective until December 31, 2017.
- Beginning January 1, 2018, permits, rather than requires, the SERS Board to grant an annual COLA and, if the Board grants a COLA, changes the amount to the percentage increase in the Consumer Price Index, if any, but not exceeding 2.5%.
- Authorizes the SERS Board, before granting an increase, to adjust the COLA percentage if the Board's actuary determines, in its annual actuarial valuation or in other evaluations, that an adjustment does not materially impair the retirement system's fiscal integrity or is necessary to preserve its fiscal integrity.

### **SHPRS retirement eligibility**

- Eliminates a requirement that limited eligibility for State Highway Patrol Retirement System (SHPRS) retirement to active State Highway Patrol employees, therefore allowing former SHPRS members who have left their contributions with the system to retire under SHPRS.
- Provides that an SHPRS member forfeits the member's total service credit only on payment to the member of accumulated contributions, rather than when the member ceases to be a State Highway Patrol employee.
- Allows a former SHPRS member who has left contributions with SHPRS to designate an individual or a trust as beneficiary for payment of accumulated contributions should the former member die and no pension become payable.

### **Volunteer Peace Officers' Dependents Fund coverage**

- Specifies that a person receiving a retirement allowance from the Public Employees Retirement System is excluded from coverage by the Volunteer Peace Officers' Dependents Fund.



## **SERS cost-of-living adjustments**

(R.C. 3309.374 and 3309.661)

The act changes the annual cost-of-living adjustment (COLA) granted to School Employees Retirement System (SERS) retirement allowance, disability benefit, and survivor benefit recipients who have received an allowance or benefit for at least one year. It retains, until December 31, 2017, the requirement that the SERS Board provide an annual 3% COLA. Beginning January 1, 2018, the act makes annual COLAs permissive, rather than mandatory. If the Board provides a COLA, the act changes the annual COLA amount to any percentage increase in the Consumer Price Index (CPI), but not exceeding 2.5%. No COLA can be granted in any year in which the CPI did not increase during the period on which it is based.

### **Board discretion regarding COLA amount**

The act authorizes the SERS Board, before granting an increase, to adjust the COLA percentage (increase or decrease it) if the Board's actuary determines, in its annual actuarial valuation or in other evaluations, that an adjustment does not materially impair the retirement system's fiscal integrity or is necessary to preserve its fiscal integrity.

The act also specifies that the SERS vesting provision does not affect the Board's authority to adjust the COLA percentage before the COLA is granted. Under the vesting provision, an SERS retirement allowance, annuity, pension, or other benefit vests on the granting of the benefit. Except in the case of commission of certain criminal offenses, the allowance, annuity, pension, or other benefit cannot be denied or modified once it is granted.

## **SHPRS retirement eligibility**

(R.C. 5505.01, 5505.16, 5505.162, and 5505.17)

The act eliminates a provision of law under which only a person in the active service of the State Highway Patrol could retire under the State Highway Patrol Retirement System (SHPRS). The result is that any former SHPRS member who meets the age and service retirement requirements and has not withdrawn member contributions may retire under SHPRS. Under prior law, a person was eligible to retire under SHPRS only if the person met age and service retirement requirements and was actively employed by the State Highway Patrol.



## **Service credit and accumulated contributions**

(R.C. 5505.19 and 5505.20)

To allow former members to retire from SHPRS, the act changes when an SHPRS member forfeits the member's total service credit. It also eliminates a provision regarding payment of an SHPRS member's accumulated contributions.

Under the act, an SHPRS member forfeits the member's total service credit on payment of accumulated contributions to the member. Prior law specified that a member forfeited the service credit on ceasing to be a State Highway Patrol employee.

The act also eliminates a provision specifying that five years after an SHPRS member ceased to be a State Highway Patrol employee any of the member's accumulated contributions remaining in the SHPRS Employees' Savings Fund were transferred to the SHPRS Income Fund and were paid to the member on application to the SHPRS Board.

## **Beneficiaries**

(R.C. 5505.21)

The act extends to former SHPRS members who have not withdrawn their contributions authority that active members have to designate an individual or a trust as beneficiary for payment of accumulated contributions should the member die and no pension became payable.

## **Volunteer Peace Officers' Dependents Fund coverage**

(R.C. 143.01)

The act excludes a person receiving a retirement allowance from the Public Employees Retirement System (PERS) from coverage by the Volunteer Peace Officers' Dependents Fund. The Fund provides death benefits to the survivors of peace officers employed in a part-time, reserve, or volunteer capacity who are killed in the line of duty and disability benefits to those officers who are totally and permanently disabled as a result of discharging their duties. Under continuing law, a member of PERS, Ohio Police and Fire Pension Fund, State Highway Patrol Retirement System, or Cincinnati Retirement System is excluded from coverage by the Fund.

