

742-7-08

**Cost-of-living allowance.**

(A) The benefits and contributions of any member shall be calculated on the basis of the member's salary as defined by division (L) of section 742.01 of the Revised Code ~~and administrative rule 742-3-02 unless the member has exercised the option described in paragraph (B) or (C) of this rule.~~

~~(B) A member whose effective date of retirement is July 25, 1986 through and including October 5, 1987, had the right to elect to have benefits and contributions based upon recalculated average annual salary, as defined by division (A)(2) of section 742.3716 of the Revised Code. Members shall elect recalculated average annual salary on a form provided by the fund, which had to be filed before negotiating the first benefit check. Only members filing such an election were eligible for benefits and contributions based upon recalculated average annual salary. Such a member, and the surviving beneficiary of such a member, shall not be eligible for the cost of living allowance described in this rule.~~

~~(C) A member whose effective date of retirement is October 6, 1987 through and including December 31, 1988, had the right to elect to have benefits and contributions based upon recalculated average annual salary, as defined by division (A)(2) of section 742.3716 of the Revised Code. Members shall elect recalculated average annual salary on a form provided by the fund, which had to be filed before negotiating the first benefit check, or before December 31, 1988, whichever is earlier. Only members filing such an election were eligible for benefits and contributions based upon recalculated average annual salary. Such a member, and the surviving beneficiary of such a member, shall not be eligible for the cost of living allowance described in this rule.~~

~~(D)~~(B) All members having fifteen years of service credit as of January 1, 1989 shall be provided a form upon which they can elect the basis of benefit and contribution calculations under section 742.3716 of the Revised Code. For purposes of this determining a member's eligibility for this election, years of service credit shall include any credit purchased prior to January 1, 1989.

~~(E)~~(C) Beginning with the March 1988 board meeting and at each March board meeting thereafter, the board shall determine the average percentage change in the consumer price index for the previous calendar year, as provided for in section 742.3716 of the Revised Code. Upon a determination by the board that such change is an increase or that change, plus the accumulation described in division (C)(2) of section 742.3716 of the Revised Code is an increase, the board shall increase all benefits paid to eligible persons by a percentage determined, subject to the limitations stated in this paragraph. Whenever the balance of this accumulation is equal to or in excess of three per cent, three per cent shall be deducted and the cost of living allowance described below paid and all accumulations shall occur based on individual COLA banks determined by the year in which the member's effective date of retirement occurred. Beginning on the next first of July subsequent

~~to the determination that the cost of living allowance shall be paid, the board shall increase benefits to eligible beneficiaries by the average increase in the consumer price index or that change plus an accumulation in that member's COLA bank, but in no event shall the cost of living allowance paid by the fund exceed three percent and in those cases where the cost of living allowance does not exceed three percent for any year, the member shall only receive a full three percent COLA to the extent that there was sufficient accumulation in that member's COLA bank. Any cost of living allowance paid by the fund shall be paid in the month in which the beneficiary's anniversary date falls. A beneficiary's "anniversary date" shall be July first, for those eligible for the first cost-of-living allowance on that date; or the anniversary of the beneficiary's effective date of retirement or benefits for those not eligible for the first cost-of-living allowance. When a beneficiary's anniversary date does not fall on the first of a month, a pro rata payment of the first month's cost-of-living allowance shall be paid.~~

~~(F)~~(D) A beneficiary's "base benefit" shall be the amount of a benefit first calculated upon retirement, and shall exclude any medicare reimbursement, any amount by which a member reduces benefits under an optional plan of payment pursuant to section 742.3711 of the Revised Code, any actuarial reduction for early retirement, and any previous cost-of-living increases.

~~(G)~~(E) The benefit paid to an eligible survivor under an optional plan of payment shall be based upon the amount last received by the member, excluding medicare reimbursement and the amount of any reduction chosen by the member, but including any cost-of-living allowance received by the member. Such survivor shall be entitled to cost-of-living adjustments based upon the original base of the amount first paid to the survivor under the optional plan of payment.

~~(H)~~(F) Upon the election by an eligible member to cancel an optional plan of payment and to return to a single life annuity, previously awarded cost-of-living allowances shall be adjusted to the amount the member would have received had the member always been paid a single life annuity.

Effective:

R.C. 119.032 review dates: 11/30/2004

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Certification

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Date

Promulgated Under: 111.15  
Statutory Authority: 742.10  
Rule Amplifies: 742.37  
Prior Effective Dates: 7/24/86 (Emer.), 10/16/86, 10/09/87 (Emer.), 1/10/88,  
2/7/00 (Emer.), 5/1/2000