



Sub. H.B. 186

123rd General Assembly

(As Passed by the House)

Reps. Jolivette, Coughlin, Grendell, Pringle, Terwilleger, Ogg, Vesper, Willamowski, Olman, Barnes, DePiero, Hollister, Tiberi, Mottley, Krupinski, Sullivan, D. Miller, Hartnett, Jones, Ford, Corbin, O'Brien, Logan, Allen, Verich, Distel, Roman, Gardner, Haines, Metzger, Perz, Young

BILL SUMMARY

- Changes the method of computing a Public Employees Retirement System member's payment for military service credit.
- Allows a member who, on the bill's effective date, is in the process of purchasing military service credit to elect to have the remaining cost to the member recalculated under the bill.

CONTENT AND OPERATION

Purchase of PERS military service credit

Cost

Under current law, a Public Employees Retirement System (PERS) member can purchase PERS service credit for service as a member of the armed forces of the United States. This military service credit may not exceed the lesser of five years or the number of years equal to the member's Ohio service. "Ohio service" means service rendered to the state or any of its political subdivisions or to a public employer.

To purchase military service credit, a PERS member must pay an amount determined by the member rate of contribution in effect at the time military service began multiplied by the member's salary, earnable salary, or compensation for full-time employment during the first year of service covered by a state retirement

system or the Cincinnati Retirement System after military service ended.¹ Compound interest is added to this amount at a rate established by the Public Employees Retirement Board from the date active military service terminated to the date of payment.

Under the bill, the cost to purchase the credit is an amount specified by the PERS Board that cannot be less than 50% of the additional liability to the system resulting from the purchase of that year of service, as determined by an actuary employed by the Board.

Recalculation

The bill permits a member who, on the bill's effective date, is purchasing military service credit by making installment payments to PERS or by a payroll deduction plan to elect, on a form provided by the Board, to have a portion of the cost of the service credit recalculated under the method of computing the cost established by the bill. The recalculation applies only to the amount still owed by the member as of the date the election is filed with the Board.

For each member who makes an election, the Board must do all of the following:

- (1) Determine the amount of the total cost of the service credit still owed by the member as of the date the election is filed with the Board and the number of years or portion of a year of service credit attributable to that amount;
- (2) Recalculate under the bill's provisions the cost of the service credit described in (1);
- (3) Notify the member of the recalculated amount.

If the recalculated amount is less than the amount still owed by the member as of the date the election is filed, the recalculated amount is the new amount the member owes.

¹ *Ohio's state retirement systems are PERS, the Police and Firemen's Disability and Pension Fund, School Employees Retirement System, State Highway Patrol Retirement System, and State Teachers Retirement System.*



HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-16-99	pp. 199-200
Reported, H. Health, Retirement & Aging	06-10-99	p. 825
Passed House (94-0)	06-15-99	pp. 833-835

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