



Sub. H.B. 158

124th General Assembly
(As Passed by the General Assembly)

Reps. Schuring, Hollister, Ogg, Boccieri, Barrett, Schneider, Flowers, DeWine, Rhine, Hagan, Schmidt, Hughes, Kearns, Willamowski, Latta, Webster, Beatty, Fedor, DePiero, Evans, Gilb, White, Carmichael, Niehaus, Sulzer, Key, Collier, Clancy, D. Miller, Olman, Woodard, Core, Peterson, Distel, Lendrum, Goodman, Young, Setzer, Britton, Reidelbach, Hartnett, Womer Benjamin, Grendell, Barnes, Flannery, Ford, Seitz, Coates, Redfern, Jones, Patton, Cates, Callender, S. Smith, Otterman, Oakar, Salerno, Metelsky, Aslanides, Allen, Fessler, Perry, G. Smith, Kilbane, Allen, Faber, Driehaus

Sens. Amstutz, Austria, Spada, Mead, Fingerhut, Blessing, DiDonato, Espy, Randy Gardner, Harris, Herington, Jacobson, McLin, Oelslager

Effective date: *

ACT SUMMARY

- Moves full-time regional transit authority police officers and state highway patrol police officers from coverage under the regular Public Employees Retirement System (PERS) age and service retirement provisions to coverage under those for law enforcement officers.
- Permits a PERS member with 25 years of service as a PERS law enforcement officer to retire with full benefits at age 48, if the member's primary duties were to preserve the peace, protect life and liberty, and enforce the laws in the member's jurisdiction.
- Provides that the age for full retirement for a PERS law enforcement officer whose duties were *other* than to preserve the peace, protect life and liberty, and enforce the laws in the member's jurisdiction is 52.

* *The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared. Additionally, the analysis may not reflect action taken by the Governor.*

- Maintains the age for full retirement for Hamilton County municipal court bailiffs at 52.
- Establishes at 10.1% the employee contribution rate for PERS law enforcement officers who contribute toward retirement with full benefits at age 48.
- Makes PERS members contributing toward retirement at age 48 eligible for interest and an additional amount from the Employers' Accumulation Fund when taking a refund of accumulated contributions.
- Provides that a qualified survivor of a deceased PERS member who was a law enforcement officer or Hamilton County municipal court bailiff may be eligible for monthly survivor benefits regardless of the amount of the member's service credit or when it was earned.

CONTENT AND OPERATION

PERS law enforcement officers

The law governing PERS includes special provisions for members who are law enforcement officers. These provisions apply to such law enforcement officers as sheriffs, township police officers, park district police officers, and others who have completed police officer training.¹ PERS provisions for law enforcement officers differ from those for other PERS members with regard to contribution rates, retirement eligibility, and the formulas used to compute retirement benefits (see **COMMENT**).

Extension of membership

(secs. 145.01 and 145.33)

The act moves regional transit authority police officers and state highway patrol police officers from the regular PERS age and service retirement provisions into the special provisions for law enforcement officers.² This change in status

¹ *The provisions do not apply to full-time municipal police officers because they are members of the Ohio Police and Fire Pension Fund rather than PERS.*

² *State highway patrol troopers are members of the State Highway Patrol Retirement System.*

automatically applies to those regional transit authority and state highway patrol police officers who are initially employed after the act's effective date.

"Regional transit authority police officer" is defined as any person who is employed full time as a regional transit authority police officer and has received a certificate attesting to completion of an approved peace officer training program. "State highway patrol police officer" is defined as a special police officer who is either employed full time and designated by the Superintendent of the State Highway Patrol or serving full time on a permanent basis on October 21, 1997, and has received a certificate attesting to completion of an approved peace officer training program.

Choice of membership

(Section 3)

Each regional transit authority police officer and each state highway patrol police officer who is currently a PERS member is required to indicate, on a form supplied by PERS, whether the officer wishes to remain in regular PERS or join the law enforcement division. This election must be made not later than 90 days after the act's effective date. A person who fails to make the election continues under regular PERS provisions.

Retirement eligibility

(sec. 145.33)

The act changes the age eligibility requirement for age and service retirement with full benefits for certain PERS members with 25 years of law enforcement service.

Prior law

Under prior law, a PERS member with at least 25 years of service as a law enforcement officer, including credit for military service, while serving as a sheriff, deputy sheriff, or township constable or police officer in a township police department or district was permitted to retire with full benefits at age 48. All other PERS members with 25 years of law enforcement service were eligible to retire with full benefits at age 52.³

³ At age 48 or older, however, these PERS members with 25 years of law enforcement service may retire with a reduced retirement benefit. The reduction ranges from 7% at age 51 to 25% at age 48.

The act

The act permits a PERS member with 25 years of service as a PERS law enforcement officer to retire with full benefits at age 48 if the member's primary duties were to preserve the peace, protect life and liberty, and enforce the laws in the member's jurisdiction. For law enforcement officers whose primary duties were other than to preserve the peace, protect life and liberty, and enforce the laws in the member's jurisdiction, the age for full retirement will continue to be 52. Under the act, "PERS law enforcement officer" does not include Hamilton County municipal court bailiffs. They continue to be eligible for full retirement at age 52 with 25 years of service.

Employee contributions by PERS law enforcement officers

(sec. 145.49)

Under prior law, the employee contribution rate for PERS members contributing toward a retirement benefit based on law enforcement service as a sheriff, deputy sheriff, township constable or township police officer was established by statute as the rule for other law enforcement officers plus 1.1% of earnable salary (a total of 10.1%). The contribution rate, established by the PERS Board, was 9.0% of earnable salary for all other law enforcement officers. The act changes this distinction by providing that the contribution rate is 10.1% of earnable salary for all law enforcement officers who are eligible to retire at age 48 with full benefits. The act continues to permit the PERS Board to set the employee contribution rate for all other law enforcement officers and Hamilton County municipal court bailiffs.

Additional amount on withdrawal of contributions

(sec. 145.40)

On termination of employment covered by PERS, a member may elect to receive a refund of employee contributions, which cancels membership and any right to future benefits. In most cases, the member receives interest on the contribution and, if the member has sufficient service credit, an additional amount from the Employers' Accumulation Fund.⁴ Prior law contained an exception under

⁴ See R.C. 145.401. Under this section a PERS member with at least five but less than ten years of service credit receives from the Employers' Accumulation Fund an amount equal to 33% of the employee's contributions. A member with ten years of service credit receives an amount equal to 67%. If contributions are refunded to a member's survivors, the additional amount may also be paid.

which a sheriff, deputy sheriff, or township constable or police officer in a township police department or district could receive a refund of only the employee contributions. The act removes this exception. Therefore, under the act, members who were subject to the exception will be eligible for a refund of contributions that includes interest and an additional amount from the Employers' Accumulation Fund.

PERS law enforcement officer survivor benefits

A qualified survivor of a PERS member may be eligible to receive survivor benefits if the deceased member had at least one and one-half years of contributing service credit and at least one-quarter year of that service credit was earned within the two and one-half years prior to the date of death. Survivor benefits are paid if the member's contributions are not paid to a beneficiary and there is at least one qualified survivor. If they meet requirements specified in statute, the surviving spouse, children, and dependent parents may be qualified survivors.

The act creates an exception to the requirements concerning the amount of the member's service credit and when it was earned. Under the act, the qualified survivors of a member who was a PERS law enforcement officer or Hamilton County municipal court bailiff may be eligible to receive survivor benefits regardless of the amount of the deceased member's contributing service credit or when it was earned.

Technical changes

(secs. 145.19, 145.191, 145.312, 145.35, and 3309.312)

The act makes technical and cross-reference changes to reflect the changes made by the act.

COMMENT

The following chart shows how retirement eligibility, contribution rates, and benefits for law enforcement officers differ from those for other PERS members under current law.

ELIGIBILITY REQUIREMENTS

Law enforcement officers

Other PERS members

Regular retirement:

Officers whose primary duties are to preserve the peace, protect life and liberty, and enforce the laws in the member's jurisdiction:
Age 48 with 25 or more years of service

Any age with 30 or more years of service

Age 65 with 5 or more years of service

All other law enforcement officers and Hamilton County municipal court bailiffs:
Age 52 with 25 or more years of service

All law enforcement officers:
Age 62 with 15 or more years of service

Early retirement:

All other law enforcement officers:
Age 48 with 25 or more years of service

Age 60 with 5 or more years of service

Age 55 with 25 or more years of service

All law enforcement officers:
15 or more years of service (but payment of benefits is deferred until age 52)

CONTRIBUTION RATES

Law enforcement officers

Other PERS members

Employee rate:

Law enforcement officers who are eligible to retire at age 48 with full benefits:
10.1% of earnable salary

8.5% of earnable salary

All other law enforcement officers:
9.0% of earnable salary

Employer rate:

16.7% of earnable salary

State employees:
13.31% of earnable salary

Local employees:
13.55% of earnable salary



BENEFIT FORMULAS

Law enforcement officers

Regular retirement:

2.5% final average salary (FAS) x years of service through 25 years, plus 2.1% FAS x years over 25, not to exceed 90% of FAS⁵

Early retirement:

- (a) 25 years of service, but under age 52 benefit is reduced 7% to 25% depending on age;
- (b) Less than 25 years of service, but not less than 15 years of service, 1.5% FAS x years of service

Other PERS members

The greater of:

- (a) \$86 x years of service;
- (b) 2.2% FAS x years of service through 30 years, plus 2.5% FAS x years over 30, not to exceed 100% of FAS

Less than 30 years of service, or under age 65, benefit is reduced by 3% to 25% depending on age and years of service

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-13-01	p. 221
Reported, H. Retirement & Aging	06-13-01	p. 656
Passed House (99-0)	06-19-01	pp. 670-671
Reported, S. Ways & Means	10-16-01	p. 969
Passed Senate (33-0)	10-16-01	pp. 973-974
House concurred in Senate amendments (99-0)	10-17-01	pp. 933-934

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⁵ *With some exceptions, final average salary is the average of the three years of contributing service in which the member's earnable salary was highest (Revised Code section 145.01).*

