



**Am. Sub. H.B. 158**

124th General Assembly  
(As Passed by the House)

**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**

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**BILL 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 the PERS retirement provisions for law enforcement officers.
- Unless the member elects otherwise, 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.
- 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 retire with full benefits at age 48.

- Provides that PERS law enforcement officers who contribute toward retirement benefits at age 48 will not receive an "enhanced" refund if they withdraw their contributions from PERS.
- 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.

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## 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.<sup>1</sup> 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 bill 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.<sup>2</sup> This change in status automatically applies to those regional transit authority and state highway patrol police officers who are originally employed after the bill'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,

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<sup>1</sup> *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.*

<sup>2</sup> *State highway patrol troopers are members of the State Highway Patrol Retirement System.*

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 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 bill's effective date. A person who fails to make the election continues under regular PERS provisions.

### **Age and service retirement at age 48**

(sec. 145.33)

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

### **Current law**

Under current 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 is permitted to retire with full benefits at age 48. All other PERS members with 25 years of law enforcement service are eligible to retire with full benefits at age 52.<sup>3</sup>

### **The bill**

Unless the member elects otherwise, the bill 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 members contributing to PERS as law enforcement officers on the bill's effective date, an election not to contribute toward retirement at age 52 must be made not later than 180 days after that effective date. Those who become PERS members after the

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<sup>3</sup> 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.

bill takes effect must make the election not later than 90 days after becoming members.

For a PERS member contributing toward retirement under the law enforcement provisions, there are two issues involved in making a decision concerning whether to contribute toward retirement at age 52, rather than 48: contribution rates and the amount that will be paid a member who takes a refund of contributions. Under current law PERS may set the contribution rates for law enforcement officers planning to retire at age 52 separately from the rates for other members. At present this rate is 9% of the member's earnable salary (other members contribute 8.5%). For law enforcement officers contributing toward retirement at age 48, the law requires that the rate be that for those retiring at age 52, plus an additional 1.1% of earnable salary (a total of 10.1%). The bill sets the rate for those contributing toward retirement at age 48 in statute at 10.1%. Therefore, under the bill, the employee contribution rate for PERS law enforcement officers contributing toward retirement at age 48 will be 10.1%. For those who elect to contribute toward retirement at age 52, the rate will continue to be 9%.

On termination of employment covered by PERS a member may elect to receive a return of member contributions, which cancels membership and any right to future benefits. Current law generally provides for payment of interest on the member's contribution and, if the member has sufficient service credit, payment to the member of part of the employer's contribution, plus interest. Those contributing toward retirement at age 48 are not eligible for this "enhanced" refund. Under the bill, the enhanced refund will be available to those contributing toward retirement at age 52, but not to those contributing toward retirement at age 48.

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 bill, "PERS law enforcement officer" does not include Hamilton County municipal court bailiffs. Therefore, 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)

The PERS Board is authorized to calculate separately from contribution rates for other PERS members the employee and employer contribution rates for members contributing toward a retirement benefit based on law enforcement service. The employee contribution rate for PERS members contributing toward a

retirement benefit based on law enforcement service, other than service as a sheriff, deputy sheriff, or township constable or police officer, is currently set by the Board at 9.0%. The contribution rate for those PERS members eligible to retire at age 48 with full benefits is 10.1% (the sum of 1.1% of the member's earnable salary and the employee contribution rate calculated for other members contributing to a benefit based on law enforcement service).

Under the bill, the PERS Board is authorized to calculate separately from contribution rates for other PERS members the employee and employer contribution rates for members contributing toward a retirement benefit based on service as a Hamilton county municipal court bailiff. The bill establishes the employee contribution rate for those PERS members eligible to retire at age 48 with full benefits at 10.1% of the member's earnable salary.

### **PERS law enforcement officer survivor benefits**

Under current law, 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 bill creates an exception to the requirements concerning the amount of the member's service credit and when it was earned. Under the bill 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 bill makes technical and cross-reference changes to reflect the changes made by the bill.

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## **COMMENT**

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

## CONTRIBUTION RATES

### Law enforcement officers

### Other PERS members

#### **Employee rate:**

*Sheriffs, deputy sheriffs, and township constables and police officers:*  
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

## ELIGIBILITY REQUIREMENTS

### Law enforcement officers

### Other PERS members

#### **Regular retirement:**

*Sheriffs, deputy sheriffs, and township constables and police officers:*  
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:*  
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)



## 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 FAS<sup>4</sup>

#### **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

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## **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

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<sup>4</sup> 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).