



Timothy J. Rankin

Bill Analysis
Legislative Service Commission

Sub. H.B. 215*

124th General Assembly
(As Reported by S. Ways and Means)

Reps. Willamowski, Carmichael, Rhine, Hartnett, Allen, Redfern, DePiero, Boccieri, Young, Woodard, Lendrum, Manning, Ogg, Brown, Barrett, Key, Schneider, Schuring, Hagan, Kearns, Schmidt, Schaffer, Evans, Coates, D. Miller, Callender, Faber, Carano, Beatty, Hughes, Gilb, Sulzer, Wilson, Driehaus, Perry, Fedor, Britton, Latell, McGregor, Seitz, Reidelbach, Collier, Womer Benjamin, G. Smith, Niehaus, S. Smith, Oakar, Salerno

Sens. Blessing, Spada

BILL SUMMARY

- Moves municipal park rangers and township police cadets 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.
- Provides for municipal park rangers and township police cadets to have regular PERS service credit converted to PERS law enforcement service credit.

CONTENT AND OPERATION

Background

The law governing PERS includes several provisions for members who are law enforcement officers. Among those subject to these provisions are sheriffs, township police officers, park district police officers, and others who have completed police officer training.¹ PERS provisions for law enforcement officers

* This analysis was prepared before the report of the Senate Ways and Means Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

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.

differ from those for other PERS members with regard to contribution rates, retirement eligibility, and the formulas used to compute retirement benefits (see **COMMENT**).

Eligibility for PERS law enforcement status

(secs. 145.01 and 145.33)

Under current law, law enforcement officers are in the PERS Law Enforcement Division. Those whose primary duties are to preserve the peace, protect life and property, and enforce the laws are eligible for a full retirement benefit at age 48 with 25 years of service. Law enforcement officers whose primary duties are *other than* to preserve the peace, protect life and property, and enforce the laws are eligible for a full retirement benefit at age 52 with 25 years of service.

The bill eliminates the provisions for law enforcement officers whose primary duties are other than to preserve the peace, protect life and property, and enforce the laws. If a law enforcement officer does not meet this standard, the officer will cease to be eligible for the law enforcement division and will be treated as a regular member of PERS, with full benefits after 30 years of service or at age 65 with five years of service.

Additional law enforcement officers

Extension of membership

(secs. 145.01 and 145.33)

The bill moves municipal park rangers and township police cadets from the regular PERS age and service retirement provisions into the provisions for law enforcement officers. This change automatically applies to those municipal park rangers and township police cadets whose employment commences on or after the bill's effective date.

"Municipal park ranger" is defined in the bill as a full-time employee of a municipal corporation who is commissioned to secure the peace and enforce the laws in a municipal park and has been awarded a certificate attesting to satisfactory completion of an approved peace officer basic training program.

"Township police cadet" is defined as a person employed by a township and participating in the township's police cadet program. The bill creates this definition as a subdivision of the existing definition of "township constable or police officer in a township police department or district."

Conversion of regular PERS credit to PERS law enforcement credit

(sec. 145.33)

The bill permits that municipal park rangers and township police cadets who become members of the PERS law enforcement division to have credit earned in those positions prior to the effective date of the bill used towards retirement under the law enforcement provisions. The member is given two options to convert the regular credit to law enforcement credit:

(1) The member may purchase the credit by paying PERS the difference between the regular employee and employer contributions and the contributions that a law enforcement officer and employer would have paid for that period, plus interest.

(2) In lieu of this payment, the member may choose to have the regular service credit converted into a lesser amount of PERS law enforcement credit.

The conversion rate is the same percentage of the member's regular service credit for employer and employee contributions that the amount the member would have contributed for the service is of the amount the member and the employer would have contributed had the service been as a law enforcement officer. For example, at the current contribution rates, a regular employee and local employer contribute to PERS a total of 22.05% of the member's annual salary (state employers and employees contribute 21.81%).² For that same period, a law enforcement officer whose duties are to preserve the peace and the employer contribute to PERS a total of 26.8% of the member's annual salary. When these factors are divided to yield a percentage, one year of regular contributions equals approximately 0.82 years, or almost 10 months, of law enforcement contributions (state employers' and employees' contributions convert to approximately 0.81 years of law enforcement credit). These percentages would change proportionately to any adjustments of the employer or employee contribution rates for the regular and law enforcement divisions of PERS.

Choice of membership

(Section 3)

Each municipal park ranger 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

² See the **COMMENT** section for current regular and law enforcement contribution rates.

not later than 90 days after the bill's effective date. A person who fails to make the election continues under regular PERS provisions. Township police cadets are not given the option of remaining in the regular PERS. Cadets will shortly complete the cadet program and become employed in a position included in the PERS law enforcement division.

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.

Law Enforcement Officers and Other PERS Members

PERS Feature	Regular PERS Members	PERS Law Enforcement Officers whose primary duties are to preserve the peace, protect life and property, and enforce the laws	PERS Law Enforcement Officers whose primary duties are other than to preserve the peace, protect life and property, and enforce the laws
Employee Contribution Rate	8.5% of earnable salary	10.1% of earnable salary	9.0% of earnable salary
Employer Contribution Rate	State - 13.31% of earnable salary Local - 13.55% of earnable salary	16.7% of earnable salary	16.7% of earnable salary
Regular Retirement Eligibility	Any age with 30 or more years of service Age 65 with 5 years of service	Age 48 with 25 years of service credit - or - Age 62 with 15 years of service	Age 52 with 25 years of service credit - or - Age 62 with 15 years of service
Early Retirement Eligibility	Age 60 with 5 or more years of service Age 55 with 25 or more years of service	Any age with 15 or more years of service (but payment of benefits is deferred until age 52)	Any age with 15 or more years of service (but payment of benefits is deferred until age 52) - or - Age 48 with 25 or more years of service
Regular Retirement Benefit	The greater of: (a) \$86 x years of service;	2.5% FAS x years of service through 25 years of service, plus 2.1% FAS x years over 25,	2.5% FAS x years of service through 25 years of service, plus 2.1% FAS x years over 25,

Formulas	(b) 2.2% final average salary (FAS) x years of service through 30 years, plus 2.5% FAS x years over 30, not to exceed 100% of FAS	not to exceed 90% of FAS. ³	not to exceed 90% of FAS.
Early Retirement Benefit Formulas	Less than 30 years of service, or under age 65, benefit is reduced by 3-25%, depending on age and years of service	Under age 62 with at least 15 but less than 25 years of service, 1.5% FAS x years of service	Under age 62 with at least 15 but less than 25 years of service, 1.5% FAS x years of service - or - At least age 48 but less than age 52 with 25 years of service, benefit is reduced by 7-25%, depending on age

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	4-12-01	p. 303
Reported, H. Retirement & Aging	03-20-02	pp. 1594-1595
Passed House (95-0)	05-14-02	p. 1751
Reported, S. Ways & Means	---	---

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³ 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).

