



H.B. 298

124th General Assembly
(As Introduced)

**Reps. Ford, Perry, D. Miller, Otterman, Hartnett, Boccieri, Carano, Coates,
Metelsky, Fessler, G. Smith, Willamowski**

BILL SUMMARY

- Requires the Ohio Police and Fire Pension Fund (OP&F) to pay monthly survivor benefits to surviving spouses of former members of local police or firemen's pension funds whose survivor benefits were terminated or never paid due to remarriage prior to the creation of OP&F.

CONTENT AND OPERATION

Background

Survivor benefits

A surviving spouse of a member of the Ohio Police and Fire Pension Fund (OP&F) is entitled to a monthly pension. Under prior law and with certain exceptions, survivor benefits paid by OP&F to a surviving spouse terminated on remarriage. Effective in 1998, Sub. H.B. 648 of the 122nd General Assembly provided for reinstatement of survivor benefits of surviving spouses whose benefits were terminated due to remarriage.¹

Police and fire pension systems

Police and firemen's pension funds are among the oldest pension funds in the state. Established originally as separate laws for each municipality, the statutes involving police and firemen's pensions were consolidated in 1902 into a single body of law governing all municipalities. These laws were basically permissive in nature, allowing local governments wide discretion in the structure

¹ *Sub. H.B. 648 also reinstated the survivor benefits of remarried surviving spouses of Public Employees Retirement System, School Employees Retirement System, and State Teachers Retirement System members.*

of the retirement benefits. The former law also lacked accountability measures and therefore placed no responsibility on local governments to ensure sound financing of the benefits promised to the members. In 1939, municipalities with two or more full-time firefighters were required to maintain a pension system, and the firefighters were required to contribute 2% of compensation. In 1947, the mandatory pension funds began to include police officers.²

Legislative concern with the financing of police and firemen pensions caused the General Assembly in 1945 to establish the Ohio Pension Program Commission. This commission adopted a motion stating that the state had "a moral obligation to aid in financing fire and police pension funds."³ The 1947 commission did not provide for state subsidies for police or firemen pension funds, but did require financing on an actuarial reserve basis. The police and firemen pension funds continued to struggle, prompting a 1963 study conducted by the Ohio Legislative Service Commission that recommended a statewide mandatory pension fund for all police and firemen.⁴

The Police and Firemen's Disability and Pension Fund, now known as the Ohio Police and Fire Pension Fund (OP&F), was created in 1965 as an amalgam of the local police and firemen's pension funds that existed under former Revised Code Chapter 741. Under the former local pension systems, survivor benefits of surviving spouses of police and firemen terminated on remarriage. Under the new statewide fund the same principle applied: a surviving spouse who remarried ceased to be eligible for benefits.

The bill

Survivor benefits for remarried surviving spouses of local pension systems

(sec. 742.37)

Under former Revised Code Chapter 741., surviving spouses of members of the local pension funds received survivor benefits until remarriage. Under current law, the surviving spouse of an OP&F member is entitled to survivor benefits

² *Financing Police and Firemen's Pensions. A Report of the Ohio Retirement Study Commission, May 1969.*

³ *Id.*

⁴ *Weston, Charles H., Costs and Funding of the Police and Firemen's Pension Funds. Ohio Retirement Study Commission Staff Research Report No. 72, January 1965.*

regardless of remarriage. The survivor benefits of the surviving spouses of members of the former local pension systems have not been reinstated.

The bill requires the Board of Trustees of OP&F to pay monthly survivor benefits to the surviving spouses of members of the local pension systems whose survivor benefits were terminated due to remarriage prior to the formation of OP&F. The Board is required to pay these benefits beginning on the first day of the month immediately following receipt of an application, on a form prescribed by the Board, and evidence acceptable to the Board that the applicant's deceased spouse was a member of or contributor to a local pension system. The surviving spouses granted a monthly survivor benefit in the bill will receive the same survivor benefits as other surviving spouses currently receiving benefits from OP&F. The surviving spouse of an OP&F member receives \$550 per month plus an annual cost of living adjustment.

COMMENT

According to OP&F officials, the identity of surviving spouses whose survivor benefits remain terminated due to remarriage is now difficult to discern because the local pension systems and their records have not existed for over thirty years. Since remarried surviving spouses were not entitled to any benefits under the local or statewide systems there was no reason to maintain records concerning them.

HISTORY

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