



Sub. S.B. 119

124th General Assembly

(As Reported by H. Retirement and Aging)

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Reps. Manning, Lendrum, Ogg, D. Miller, Barrett, Key, Stapleton, Schuring, Hollister

BILL SUMMARY

- ? Establishes procedures for transferring to a state retirement system member's current system service credit that was previously transferred between retirement systems.
- ? Requires employers to file reports regarding the employment of peace officers to the Ohio Peace Officer Training Commission.

CONTENT AND OPERATION

Background

In most cases, a member of one of the state's retirement systems can receive credit in that retirement system for service covered by one of the other systems. The systems sometimes referred to as the "non-uniform" systems, the Public Employees Retirement System (PERS), State Teachers Retirement System (STRS), and School Employees Retirement System (SERS), have "coordination of benefits." This means that a member of one of the systems receives credit at the time of retirement for any credit earned in either or both of the other systems. The "uniform" retirement systems, Ohio Police and Fire Pension Fund (OP&F) and State Highway Patrol Retirement System (SHPRS), do not have coordination of benefits with each other or with the non-uniform systems. In situations involving OP&F or SHPRS or credit for service in either of those systems, a member can receive credit for service in another system only if there is a transfer of funds between systems and, if the member withdrew contributions from the other system, payments by the member. Existing law includes procedures for these

transfers and payments, so that service credit can be transferred between the uniform and non-uniform systems.

In some cases a retirement system member who has had service credit transferred from one system to another might want it transferred either back to the system from which it was originally transferred or to yet another system. This could happen if, for example, an OP&F member who had PERS credit transferred to OP&F left employment covered by OP&F and again became employed in a position covered by PERS.¹ The member might want both the OP&F credit and the earlier PERS credit transferred to PERS. The bill deals with this situation.

The bill

The bill modifies existing law dealing with transfer of service credit between retirement systems by adding definitions of "uniform" and "non-uniform" retirement systems and enacts new law establishing procedures for transferring service credit that has already been transferred from one retirement system to another.²

"Uniform" and "non-uniform" retirement systems

(secs. 145.295, 742.21, 3307.761, 3309.73, and 5505.40)

The bill defines "uniform retirement system" or "uniform system" as OP&F or SHPRS. "Non-uniform retirement system" or "non-uniform system" is defined as PERS, SERS or STRS.

Transferred service credit

(secs. 145.2913, 742.214, 3307.765, 3309.731, and 5505.41)

The bill defines "transferred service credit" as service credit purchased or obtained prior to the date a state retirement system member commenced the employment for which the member is currently contributing to that system. It

¹ This example is further illustrated by the situation of a township police officer (contributing to PERS) who becomes employed as a municipal police officer (contributing to OP&F) and has the PERS service credit transferred to OP&F. On later becoming a deputy sheriff (contributing to PERS), the former officer may wish to have the service credit for service as a township police officer, as well as service as a municipal police officer, transferred from OP&F to PERS.

² Another modification in the bill is the creation of a formal definition for "military service credit" in the law governing STRS. (R.C. 3307.761.) This definition is consistent with that in the laws governing the other four state retirement systems.

provides for transfers of this transferred service credit between any of the uniform systems and either of the non-uniform systems.

Contributions on deposit

Under the bill a member who is currently contributing to a state retirement system and has contributions on deposit with, but is no longer contributing to, another retirement system will be given full credit for transferred service credit if funds are transferred in accordance with the bill. At the member's request, the member's former retirement system must transfer to the retirement system to which the member currently contributes, the amount the current retirement system received for the transferred credit together with interest on that amount for the period from the last day of the year in which the transfer was made to the date of the transfer under the bill.

Refunded contributions

A member of a retirement system with at least 18 months of contributing service with that system who has received a refund of contributions from the member's previous retirement system will receive full credit for each year of service if the member's current retirement system receives the sum of the following: (1) an amount from the member equal to the refunded amount from the previous system with interest, (2) from the previous system, interest on the amount paid by the member for the time the member's contributions were on deposit with it, and (3) any other amounts retained to the member's credit in the previous system.

A member may choose to purchase only a portion of the transferred service credit the member is eligible to purchase. Members receiving retirement benefits may not purchase additional service credit under the bill.

Interest. Interest is calculated separately for each year of service credit at the lesser of the actuarial assumption rate for that year of the member's current retirement system or of the retirement system to which the credit was originally transferred. The interest is compounded annually.

System duties. The system transferring amounts to another system is required to do so on request of the member. The system transferring the amounts is also required to certify the amounts transferred, the service record for the member, and specify the portions of the amounts transferred that are attributable to employee contributions, employer contributions, and interest.

Reports to Ohio Police Officer Training Commission

(sec. 109.761)

The bill requires each agency or entity that appoints or employs any peace officer to report to the Ohio Peace Officer Training Commission within ten days of the appointment, employment, termination, resignation, felony conviction, or death of any officer.³ The agency or entity must also annually provide a roster to the Commission of all peace officers serving it in any capacity.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	05-29-01	p. 457
Reported, S. Ways and Means	06-20-01	p. 679
Passed Senate (32-0)	06-21-01	pp. 690-691
Reported, H. Retirement & Aging	10-17-01	p. 947

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³ Revised Code § 109.71(A) lists those who are "peace officers" for the purpose of this provision.