



**H.B. 62**

126th General Assembly  
(As Introduced)

**Rep. Blessing**

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**BILL SUMMARY**

- Allows magistrates to purchase additional service credit in the Public Employees Retirement System.

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**CONTENT AND OPERATION**

**Background--purchase of additional service credit by certain officials**

Current law permits the purchase of additional service credit by a member of the Public Employees Retirement System (PERS) who is (1) an elected official or (2) appointed by the Governor with the advice and consent of the Senate to serve full-time as a member of a public body. How much additional credit may be purchased depends on when the official became a PERS member:

- An elected or appointed official who became a PERS member before January 1, 2001, may purchase additional service credit not exceeding the lesser of 35% of the member's credit for full-time service as an elected or appointed official or the amount permitted by federal law (see **COMMENT**).
- An official who became a PERS member on or after January 1, 2001, and has at least five years of PERS service credit may purchase the lesser of five years of additional service credit or an amount equal to 35% of the member's credit for full-time service as an elected or appointed official.

The member may purchase the additional service credit at any time prior to retirement. To receive the credit, the member pays (1) into the employees' savings fund an amount determined by multiplying the employee contribution rate in effect at the time of purchase by the member's salary for the period of service on which the purchased credit is based and then multiplying that amount by the

number of years of service credit being purchased and (2) an equal amount into the employers' accumulation fund. (Revised Code § 145.201.)

**The bill--additional PERS service credit for magistrates**

(R.C. 145.201)

The bill extends to magistrates the ability to purchase additional service credit as an elected or appointed official. For purpose of the bill, a magistrate is an individual appointed pursuant to statute or court rule to serve as a magistrate.

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**COMMENT**

Federal law limits the amount of additional service credit an elected or appointed official may purchase from a government retirement system. The Taxpayer Relief Act of 1997 established limits on the purchase of credit for "non-qualified" service.<sup>1</sup> Under the Act, no more than five years of service credit may be purchased for non-qualified service, which includes additional service credit as an elected or appointed official. To be eligible to purchase the additional credit, a member must have earned at least five years of service credit in the government retirement system. The federal limits apply to purchases undertaken after December 31, 1997 but do not apply to individuals who became PERS members before January 1, 2001. Ohio law provides that the limits proscribed in federal law apply to purchases of additional service credit for service as an elected or appointed official.

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	02-15-05	p. 207

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<sup>1</sup> *Non-qualified service is any service other than service (1) as a federal, state, or local government employee, (2) as an employee of an association representing federal, state, or local government employees, (3) as an employee of a public, private, or sectarian school which provides elementary or secondary education, and (4) in the military. (26 U.S.C.A. 415(n)(3)(C).)*