



H.B. 71

126th General Assembly
(As Introduced)

Reps. J. Stewart, Martin, Hartnett, Seitz, Faber, Seaver, Reidelbach, White, Taylor, D. Evans, Bulp, Barrett, C. Evans, Latta, Perry, Ujvagi, Carano

BILL SUMMARY

- Permits a member of the Public Employees Retirement System to purchase military service credit for inactive duty in the Ohio National Guard or armed forces reserves.

CONTENT AND OPERATION

Current law

Current law permits a member of the Public Employees Retirement System (PERS) to purchase service credit for each year, for up to five years, of active duty as a member of the armed forces of the United States.¹ This is generally service that occurred prior to public service covered by PERS. (See **COMMENT.**) For each year of service purchased, the member must pay an amount specified by the PERS Board that must be not less than 50% of the additional liability to PERS resulting from the service credit purchase as determined by an actuary employed by the board.

¹ "Armed forces of the United States" includes the Army, Navy, Air Force, Marine Corps, Coast Guard, auxiliary corps as established by Congress, Red Cross nurse serving with the Army, Navy, Air Force, or Hospital Service of the United States, Army Nurse Corps, Navy Nurse Corps, full-time service with the American Red Cross in a combat zone, and such other service as may be designated by Congress, personnel of the Ohio National Guard and the reserve components of any of the armed forces who are called to active duty pursuant to an executive order issued by the President of the United States or an act of Congress, and persons on whom United States merchant marine veteran status has been conferred for service aboard oceangoing merchant ships in service to the United States during World War II. (R.C. 145.30.)

The bill

Under the bill, a member may purchase PERS service credit for each year, for up to five years, of inactive duty as a member of the reserves² or the Ohio National Guard. The member must pay an amount specified by the PERS Board that must be not less than 75% of the additional liability resulting from the service credit purchase as determined by an actuary employed by the board.

State Teachers and School Employees Retirement Systems

The State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) allow the purchase of service credit for active duty reservists and Ohio National Guard members, but do not allow the purchase of service credit for inactive duty. Both systems also allow credit purchased under the PERS statute to be coordinated with credit purchased within STRS and SERS. Consequently, the bill amends the relevant STRS and SERS sections to clarify that this reciprocity does not apply to credit purchased in PERS for inactive duty in the reserves or the Ohio National Guard.

COMMENT

The bill applies to the purchase of service credit for military service that generally occurs prior to public service. If a PERS member meets certain conditions, PERS provides service credit to the member without charge for time spent in the military that interrupts the member's public service (R.C. 145.30). Among other conditions, the member must have had at least one year of service with a PERS employer, have entered the military, and have returned to public service after discharge or release from active duty.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-17-05	p. 222

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² "Reserves" means personnel of the reserve components of any of the armed forces of the United States. (R.C. 145.301 as amended by the bill.)