



H.B. 270

126th General Assembly
(As Introduced)

Rep. Willamowski

BILL SUMMARY

- Creates within the Public Employees Retirement System (PERS) a public safety officers' category consisting of Hamilton County Municipal Court bailiffs and law enforcement officers whose duties are other than to preserve the peace, protect life and property, and enforce Ohio law, but does not change eligibility for retirement under law enforcement officer provisions.
- Includes corrections officers in the public safety category.
- Permits a corrections officer to elect to have service credit earned prior to the bill's effective date converted to credit as a PERS public safety officer and provides a mechanism for equalizing the service credit by requiring payment from the officer or a reduction in credit.

CONTENT AND OPERATION

Background

The Public Employees Retirement System (PERS) has special provisions for members who are law enforcement officers. Under these provisions members with sufficient qualifying credit may retire earlier than other PERS members and will receive a benefit calculated under a different benefit formula (see **COMMENT**). These law enforcement officers include a range of state, county, and township officers who, if they have 25 years of law enforcement service, qualify for full retirement at age 48 or at age 52, depending on the nature of the service. Those whose primary duties are preservation of the peace, protection of life and property, and enforcement of the law qualify at age 48; other law enforcement officers qualify at age 52 (see **COMMENT**).

The bill makes no changes in retirement eligibility, but makes clearer in statute which officers can retire at age 48 and which are not eligible to retire until age 52.

The bill

Distinction between "PERS law enforcement officer" and "PERS public safety officer"

(R.C. 145.01 and 145.33)

Existing provisions in the PERS law apply to PERS members in the law enforcement division and to Hamilton County Municipal Court bailiffs. These distinct provisions include those regarding (1) retirement eligibility and calculation of benefits and (2) eligibility to participate in a defined contribution plan.¹ The bill creates a new category: "PERS public safety officers," consisting of Hamilton County Municipal Court bailiffs and members in law enforcement related positions whose primary duties are other than to preserve the peace, protect life and property, and enforce Ohio laws.² The bill retains the term "PERS law enforcement officer" for members eligible to retire at age 48 and uses "PERS public safety officer" for those eligible to retire at age 52. It does not change eligibility for retirement.

Thus, under the bill, "PERS law enforcement officer" means a sheriff, *or any of the following whose primary duties are to preserve the peace, protect life and property, and enforce Ohio laws* (italicized language is that added by the bill): a deputy sheriff, township constable or police officer in a township police department or district, drug agent, department of public safety enforcement agent, natural resources law enforcement staff officer, park officer, forest officer, preserve officer, wildlife officer, state watercraft officer, park district police officer, conservancy district officer, veterans' home police officer, special police officer for a mental health institution, special police officer for an institution for the mentally retarded and developmentally disabled, state university law enforcement officer, municipal police officer, house sergeant at arms, assistant house sergeant at arms, regional transit authority police officer, or state highway patrol police officer.

¹ *The bill does not address a public safety officer's eligibility to participate in a defined contribution plan.*

² *Neither existing law nor the bill specifies how this distinction is made. It appears, however, that the employer determines which officers have as their primary duties preserving the peace, protecting life and property, and enforcing Ohio laws.*

The bill defines "PERS public safety officer" as a Hamilton County Municipal Court bailiff, or any of the following whose primary duties are *other than to preserve the peace, protect life and property, and enforce Ohio laws*: a deputy sheriff, township constable or police officer in a township police department or district, drug agent, Department of Public Safety enforcement agent, Department of Natural Resources law enforcement staff officer, park officer, forest officer, preserve officer, wildlife officer, state watercraft officer, park district police officer, conservancy district officer, veterans' home police officer, special police officer for a mental health institution, special police officer for an institution for the mentally retarded and developmentally disabled, state university law enforcement officer, municipal police officer, house sergeant at arms, assistant house sergeant at arms, regional transit authority police officer, or state highway patrol police officer.

Eligibility for age and service retirement

(R.C. 145.33(B) and (E) and a conforming change in R.C. 145.49)

Under existing law, a member who meets the conditions described below may apply for an age and service retirement benefit under the law enforcement provisions:

(1) The member has attained age 48 and has at least 25 years of total service credit as a PERS law enforcement officer whose primary duties were to preserve the peace, protect life and property, and enforce the laws in the member's jurisdiction;

(2) The member has attained age 52, and has at least 25 years of total service credit as a PERS law enforcement officer, but the member's primary duties were *other than* to preserve the peace, protect life and property, and enforce the laws in the member's jurisdiction;

(3) The member has attained age 52 and has at least 25 years of total service as a Hamilton County Municipal Court bailiff;

(4) The member has attained age 62 and has at least 15 years of total service credit as either a PERS law enforcement officer or a Hamilton County Municipal Court bailiff.

The bill consolidates the preceding provision by using the terms "PERS law enforcement officer" and "PERS public safety officer," thereby replacing the distinction between (1) PERS law enforcement officers whose primary duties were to preserve the peace, protect life and property, and enforce the laws in the member's jurisdiction who may retire at age 48 and (2) those PERS law

enforcement officers whose duties did not meet this standard and Hamilton County Municipal Court bailiffs who may not retire with full benefits until age 52.

Corrections officers included as PERS public safety officers

(R.C. 145.01 and 145.33)

In addition to creating the PERS public safety officer category, the bill adds corrections officers to that category. This makes corrections officers eligible for earlier retirement and for benefits calculated in the same manner as for other public safety officers (see **COMMENT**).

The bill defines "corrections officer" as an individual employed in a state correctional institution or a local correctional facility whose duties are to maintain the security of the institution or facility and monitor the behavior of inmates who are in the custody of that institution or facility to ensure their safety, health, and well being.

Credit for prior service

(R.C. 145.33 and 145.496)

Beginning on January 1, 2006, regular PERS members' contribution rates will increase to 9% (from 8.5%) of annual salary--the same contribution rate as public safety officers. However, because the contribution rates for corrections officers prior to January 1, 2006, were lower than they will be when the officers are included in the PERS public safety officers' category (see **COMMENT**), the bill provides a mechanism whereby a corrections officer may elect to equalize regular PERS service credit earned *as a corrections officer* prior to the bill's effective date with credit of other public safety officers. Under the bill, a corrections officer may have the prior service credit converted by electing to do one of the following:

(1) Pay PERS the difference between the total amount the corrections officer and employer paid as contribution to PERS and the amount that would have been paid under PERS-public safety, plus interest; or

(2) Accept a reduced amount of credit.

If a corrections officer accepts a reduced amount of service credit, the credit will be the same percentage of the officer's years of service that the total contributions made by or on behalf of the officer are of the contributions that would have been made under PERS-public safety provisions. If, for example, the total contributions are 80% of the contributions that would have been contributed under PERS-public safety, the officer will receive 80% of the service credit the officer earned prior to the bill's effective date.

COMMENT

The following chart shows the difference in contribution rates, retirement eligibility, and benefit calculations between regular PERS members and members in PERS-LE. Under the bill, the provisions for public safety officers will be the same as those shown in the last column--the column for PERS-LE members whose primary duties are other than to preserve the peace, protect life and property, and enforce the laws.

PERS Feature	Regular PERS Members	PERS Law Enforcement Officers whose 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 (public safety officers)
Employee Contribution Rate	9.0% of earnable salary	10.1% of earnable salary	9.0% of earnable salary
Employer Contribution Rate	State--13.54% of earnable salary Local--13.70% of earnable salary	16.93% of earnable salary	16.93% of earnable salary
Regular Retirement Eligibility	At any age with 30 or more years of service Age 65 with 5 years of service	Age 48 with 25 years of service Age 62 with 15 years of service	Age 52 with 25 years of service 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 Age 48 with 25 or more years of service

PERS Feature	Regular PERS Members	PERS Law Enforcement Officers whose 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 (public safety officers)
Disability benefit eligibility	<p>If a member prior to 7/29/92, younger than age 60 with at least 5 years of service</p> <p>If a member after 7/29/92, at any age with at least 5 years of service</p>	<p>For on-duty illness or injury, at any age, regardless of length of service.</p> <p>For all other illness or injury:</p> <p>If a member prior to 7/29/92, younger than age 60 with at least 5 years of service</p> <p>If a member after 7/29/92, at any age with at least 5 years of service</p>	<p>For on-duty illness or injury, at any age, regardless of length of service.</p> <p>For all other illness or injury:</p> <p>If a member prior to 7/29/92, younger than age 60 with at least 5 years of service</p> <p>If a member after 7/29/92, at any age with at least 5 years of service</p>
Regular Retirement Benefit Formulas	<p>The greater of:</p> <p>(a) \$86 x years of service;</p> <p>(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 FAS³</p>	<p>2.5% FAS x years of service through 25 years of service, plus 2.1% FAS x years over 25, not to exceed 90% of FAS</p>	<p>2.5% FAS x years of service through 25 years of service, plus 2.1% FAS x years over 25, not to exceed 90% of FAS</p>

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 (R.C. 145.01).

PERS Feature	Regular PERS Members	PERS Law Enforcement Officers whose 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 (public safety officers)
Early Retirement Benefit Formulas	Less than 30 years of service, or under age 65, benefit is reduced 3 to 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 At least age 48 but less than age 52 with 25 years of service, benefit is reduced 7 to 25%, depending on age
Disability benefit formulas	<p>If a member prior to 7/29/92, the greater of:</p> <p>(a) \$86 x (years of service + projected years of service to age 60);</p> <p>(b) 2.2% x FAS x (years of service + projected years of service to age 60)</p> <p>If a member after 7/29/92, the greater of:</p> <p>(a) 4.5% x FAS;</p> <p>(b) 2.2% x FAS x years of service, up to 60% of FAS</p>	Same as Regular PERS	Same as Regular PERS



HISTORY

ACTION

DATE

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