



Ohio Legislative Service Commission

Bill Analysis

Bethany Boyd

Am. H.B. 505

128th General Assembly
(As Passed by the House)

Reps. Heard, Winburn, Newcomb, Blair, Sears, Phillips, Domenick, Weddington, Walter, Pryor, Garland, Murray, Harris, R. Adams, Bacon, Beck, Bolon, Boyd, Bubb, Celeste, Chandler, Combs, Derickson, Evans, Gardner, Grossman, Hackett, Hagan, Harwood, Letson, Luckie, Mallory, McClain, Moran, Morgan, Reece, Ruhl, Snitchler, Stewart, B. Williams, Yuko, Zehringer

BILL SUMMARY

- Authorizes a board of county commissioners to offer any "qualified benefit" available under a cafeteria plan and a health and wellness benefit program to county officers, employees, and their immediate dependents; if provided, these benefits must be issued by an insurance company or administered by a board of county commissioners or a contractor.
- Permits the county auditor to deduct from a county employee's salary or wages the amount authorized to be paid by the employee for these new benefits and for the benefits authorized under existing law.

CONTENT AND OPERATION

Benefits for county officers and employees

(R.C. 305.171(A) and (F))

Under current law, a board of county commissioners may contract for, purchase, or otherwise procure and pay all or any part of the cost of group insurance policies, issued by an insurance company, that provide health benefits,¹ sickness and accident insurance, group legal services, or group life insurance, or a combination of any of the foregoing types of insurance, coverage, or benefits to county officers and employees

¹ These health benefits include hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, or prescription drugs.

and their immediate dependents. These group insurance policies are paid from the funds or budgets from which the county officers or employees are compensated for their services.² Continuing law authorizes a board of county commissioners that offers these benefits to a county officer or employee to do so through a cafeteria plan meeting the requirements of section 125 of the Internal Revenue Code, which generally defines a "cafeteria plan" as a written plan, excluding deferred compensation plans, under which all participants are employees and the participants choose among at least one taxable benefit, such as cash, and one nontaxable "qualified benefit."³

In addition to the current benefits that may be offered under insurance policies or coverage, the bill authorizes a board of county commissioners to contract and pay all or any part of the cost of (1) any other qualified benefit available under a cafeteria plan, and (2) a health and wellness benefit program through which the county provides a benefit or incentive to county officers, employees, and their immediate dependents to maintain a healthy lifestyle, including programs to encourage healthy eating and nutrition, exercise and physical activity, weight control or the elimination of obesity, and cessation of smoking or alcohol use. All of the insurance policies, coverage, and new benefits, if provided, must be issued by an insurance company or administered by a board of county commissioners or a contractor.

Payroll deduction for insurance, coverage, or benefits

(R.C. 3917.04(C))

The bill permits the county auditor to deduct from a county employee's salary or wages the amount authorized to be paid by the employee for one or more qualified benefits available under a cafeteria plan and the other benefits authorized under R.C. 305.171, if the employee authorizes the county auditor, in writing, to deduct that amount from the employee's salary or wages, the benefit is offered to the employee on a group basis, and at least 10% of the county employees voluntarily elect to participate in the receipt of that benefit. The bill further allows the county auditor to issue warrants for amounts deducted to pay program administrators or other insurers for the benefits.

² Under continuing law, the county commissioners also may contract for health care services plans with health insuring corporations, or provide benefits through an individual or joint self-insurance program. R.C. 395.171(B) and (E).

³ A "qualified benefit" is any benefit, such as accident and health benefits, adoption assistance, dependent care assistance, group-term life insurance coverage, and health savings accounts, that is not includible in the gross income of an employee by reason of an express provision of the Internal Revenue Code. 26 U.S.C. § 125(f).

HISTORY

ACTION	DATE
Introduced	05-10-10
Reported, H. Local Government & Public Administration	06-02-10
Passed House (98-0)	06-03-10

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