
RETIREMENT SYSTEMS

- Freezes at current rates (listed below) the percentage of an alternative retirement program (ARP) participant's compensation that must be paid by a public institution of higher education to the Public Employees Retirement System (PERS) (0.77%), State Teachers Retirement System (STRS) (4.5%), or School Employees Retirement System (SERS) (6%), to mitigate any financial impact of the ARP on the retirement system.
- If the State Teachers Retirement Board increases the mitigating rate for ARPs between July 1, 2015, and September 29, 2015, requires the Board to repay each public institution the difference between the Board's rate and 4.5% and reimburse each institution for expenses related to increasing the rate and caps the rate at 4% until the difference is repaid.
- Eliminates provisions requiring each state public retirement system board to annually submit to the Ohio Retirement Study Council two reports related to securities transactions and asset management: one on Ohio-qualified agents and minority business enterprises and one on Ohio-qualified investment managers.

Retirement system mitigating rates

(R.C. 3305.052 and 3305.062)

The act freezes, at current rates, the percentage of an alternative retirement program (ARP) participant's compensation that must be paid by a public institution of higher education to the Public Employees Retirement System (PERS), State Teachers Retirement System (STRS), or School Employees Retirement System (SERS) to mitigate any financial impact of the ARP on the retirement system.

Continuing law permits a full-time employee of a public institution of higher education to elect to participate in an ARP rather than the public retirement system (PERS, STRS, or SERS) that covers the employee. Each ARP must be a defined contribution plan that provides retirement and death benefits through a number of investment options. A public institution of higher education must contribute a percentage of the compensation of an employee electing to participate in an ARP to the public retirement system that would otherwise cover the employee. The purpose of this contribution, referred to as the "mitigating rate," is to offset any negative financial impact of the ARP on the retirement system.



Continuing law specifies that the ARP mitigating rate is 6%, but may be adjusted by the Ohio Retirement Study Council (ORSC) to reflect determinations made in an actuarial study that is to be completed by ORSC every three years. Continuing law also prohibits the mitigating rate for ARPs from exceeding the mitigating rate for the retirement system's defined contribution plans.

The act freezes the PERS, STRS, and SERS mitigating rates for ARPs at current rates: the PERS mitigating rate for ARPs is 0.77% and the rate for SERS is 6.00%. The STRS mitigating rate is 4.5%. H.B. 483 of the 130th General Assembly prohibited, until July 1, 2015, the STRS mitigating rate for ARPs from exceeding that percentage.

STRS ARP mitigating rate

(Section 733.40)

If the State Teachers Retirement Board increases the mitigating rate for ARPs between July 1, 2015, and September 29, 2015, the act provides all of the following:

--The Board must repay each public institution the difference between the new rate established by the Board and 4.5%. The institution must then credit the employee's investment provider under the ARP that amount.

--The rate is limited to 4% until the Board repays each public institution the amount specified above.

--The Board must reimburse each public institution the reasonable costs of reprogramming the institution's computers and other administrative expenses related to increasing the rate.

Annual reports – Ohio agents and managers

(R.C. 145.114, 145.116, 742.114, 742.116, 3307.152, 3307.154, 3309.157, 3309.159, 5505.068, and 5505.0610)

The act eliminates provisions requiring each state public retirement system board (Public Employees Retirement Board, Ohio Police and Fire Pension Fund Board of Trustees, State Teachers Retirement Board, School Employees Retirement Board, and State Highway Patrol Retirement Board) to at least annually submit to the Ohio Retirement Study Council two reports related to securities transactions and asset management: one on Ohio-qualified agents and minority business enterprises and one on Ohio-qualified investment managers.

The information to be included in the reports was specified in statute and included the names of individuals designated as Ohio-qualified agents and Ohio-



qualified investment managers, the amount of trades executed by those agents and by minority business enterprises, and the amount of assets managed by Ohio-qualified investment managers.

