

## Executive

## PAYCD1 Retirement Systems Contribution Rates

R.C. 145.47, 145.48, 145.49, 742.31, 742.33,  
742.34, 3307.26,  
3307.28, 3309.47, 3309.49, 5505.15

Decreases employer contribution rates and increases employee contribution rates paid toward the state's five public retirement systems - the Public Employees Retirement System (PERS), the State Teachers Retirement System (STRS), the School Employees Retirement System (SERS), the Ohio Police and Fire Pension Fund (OP&F), and the Highway Patrol Retirement System (HPRS), by 2% of payroll beginning with pay periods on or after July 1, 2011.

## PERS

- State and Local divisions (non-law enforcement and public safety): reduces employer contribution rates to 12% (from 14%) and increases employee contribution rates to 12% (from 10%);
- Law enforcement division: reduces employer contribution rates to 16.1% (from 18.1%) and increases employee contribution rates to 13.6% (from 11.6%); and
- Public safety division: reduces employer contribution rates to 16.1% (from 18.1%) and increases employee contribution rates to 13% (from 11%).

## STRS

- Reduces employer contribution rates to 12% (from 14%) and increases employee contribution rates to 12% (from 10%).

## SERS

- Reduces employer contribution rates to 12% (from 14%) and increases employee contribution rates to 12% (from 10%).

## OP&amp;F

- Police officers: reduces employer contribution rates to 17.5% (from 19.5%) and increases employee contribution rates to 12% (from 10%);
- Firefighters: reduces employer contribution rates to 22% (from 24%) and increases employee contribution rates to 12% (from 10%).

## HPRS

- Reduces employer contribution rates to 24.5% (from 26.5%) and increases employee contribution rates to 12% (from 10%).

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**Fiscal effect: Estimated to decrease public employers' (state, counties, municipalities, townships, school districts, and other political subdivisions) total contributions toward the PERS, STRS, SERS, OP&F, and/or HPRS by approximately \$532 million per year, beginning July 1, 2011. The provision would reduce state contributions by approximately \$113 million, with about \$27 million of this savings being for the state GRF, \$34 million for various state non-GRF funds, and \$52 million for various other entities, such as state universities. Approximately 96% of state employees are members of PERS, 2.5% are members in HPRS, and the remaining 1.5% are in STRS. The provision would decrease local governments' contributions by about \$419 million in the aggregate and increase public employees' contributions to the systems by a corresponding amount. The provision could increase the systems' future liabilities. Even though total contribution rates are kept the same, it would likely increase the systems' liabilities because of the shift in contributions from employers to employees. Currently, employer contributions are not refundable upon the termination of certain employees, but employee contributions are refundable. Any such increase would depend on the number of future terminations.**

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**PAYCD4                  Payroll Withholding Fund**

**R.C.                  273.10**

Requires that Payroll Withholding Fund (Fund 1240) appropriation item 995673, Payroll Deductions, be used to disburse payments for various purposes that amounts are deducted from employee paychecks. Appropriates additional amounts if the Director of Budget and Management determines they are necessary.

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**PAYCD2                  Accrued Leave Liability Leave Fund**

**Section:              273.10**

Requires that Accrued Leave Liability Fund (Fund 8060) appropriation item 995666, Accrued Leave Fund, be used to make payments for accrued vacation, sick, and personal leave to employees leaving state employment, as well as to existing employees for annual sick and personal leave conversion. Approves additional appropriations should the Director of Budget and Management find it necessary.

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**PAYCD3                    State Employee Disability Leave Benefit Fund****Section: 273.10**

Requires that State Employee Disability Leave Benefit Fund (Fund 8070) appropriation item 995667, Disability Fund, be used to make payments for state employee disability benefits pursuant R.C. 124.83. Appropriates additional amounts if the Director of Budget and Managements finds it necessary.

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**PAYCD5                    State Employee Health Benefit Fund****Section: 273.10**

Requires that State Employee Health Benefit Fund (Fund 8080) appropriation item 995668, State Employee Health Benefit Fund, be used to make payments for medical, mental health, prescription, dental, and vision coverage for state employees. Appropriates additional amounts if the Director of Budget and Management finds it necessary.

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**PAYCD6                    Dependent Care Spending Fund****Section: 273.10**

Requires that Dependent Care Spending Fund (Fund 8090) appropriation item, 995669, Dependent Care Spending Account, be used to make payments to state employees enrolled in the Dependent Care Spending Account Program. Authorizes additional appropriations if the Director of Budget and Management finds it necessary.

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**PAYCD7                    Life Insurance Investment Fund****Section: 273.10**

Requires that Life Insurance Investment Fund (Fund 8100) appropriation item 995670, Life Insurance Investment Fund, be used to pay for the costs of the state's life insurance benefit program that provides coverage for exempt state employees. Appropriates additional amounts if the Director of Budget and Management finds it necessary.

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**Executive****PAYCD8          Parental Leave Benefit Fund****Section: 273.10**

Requires that Parental Leave Benefit Fund (Fund 8110) appropriation item 995671, Parental Leave Benefit Fund, be used to make payments to employees eligible for parental leave benefits. Authorizes additional appropriations if the Director of Budget and Management finds it necessary.

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**PAYCD9          Health Care Spending Account Fund****Section: 273.10**

Requires that Health Care Spending Account Fund (Fund 8130) appropriation item 995672, Health Care Spending Account, be used to make payments pursuant to state employees' participation in a flexible spending account for non-reimbursed health care expenses. Authorizes additional amounts to be appropriated if the Director of Budget and Management finds it necessary.

Authorizes the Director of Budget and Management to transfer up to \$600,000 cash in each fiscal year from the GRF to Fund 8130. Specifies that the cash be transferred as needed to provide adequate cash flow for the Health Care Spending Account Program during the FY 2012-FY 2013 biennium. Requires that any transferred amounts of cash available, plus interest income, at the end of each fiscal year be transferred back from Fund 8130 to the GRF.

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**Executive****PAYCD10          Cost Savings Days****Section: 273.10**

Requires that Cost Savings Fund (Fund 8140) appropriation item 995674, Cost Savings Days, be used in accordance with R.C. 124.392 to pay employees who participated in a mandatory cost savings day (CSD) program, or to reimburse employees who did not fully participate in a CSD program. Authorizes the Director of Budget and Management to transfer agency savings achieved from the use of the cost savings program to the GRF or any other fund as deemed necessary. Authorizes the Director to make temporary transfers from the GRF to ensure sufficient balances in the Cost Savings Fund, and allows the Director to reimburse the GRF for such transfers. Approves additional amounts needed for these purposes if the Director of Budget and Management find these amounts necessary.

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**PAYCD11          Corrective Cash Transfer to the Payroll Withholding Fund****Section: 273.20**

Authorizes the Director of Budget and Management to transfer up to \$561,897 from the Health Care Spending Account Fund (Fund 8130) to the Payroll Withholding Fund (Fund 1240). Indicates that this transfer is to reimburse Fund 1240 for payments made from that fund which should have been made from Fund 8130.

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