

# Fiscal Note & Local Impact Statement

127<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
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BILL: **H.B. 8** DATE: **March 14, 2007**

STATUS: **As Introduced** SPONSOR: **Rep. R. Hagan**

LOCAL IMPACT STATEMENT REQUIRED: **No — No local cost**

CONTENTS: **To provide that a member of a state retirement system, on conviction of a felony committed in the course of official duties, will forfeit the portion of any state retirement benefit that is based on employer contributions**

## State Fiscal Highlights

STATE FUND	FY 2007	FY 2008	FUTURE YEARS
<b>Retirement Systems and Alternative Pension Plans – PERS, SERS, STRS, OP&amp;F, SHPRS</b>			
Revenues	- 0 -	Potential minimal savings	Potential minimal savings
Expenditures	- 0 -	Potential minimal increase	Potential minimal increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

- The bill has no direct fiscal effect on the state.
- The bill authorizes the state retirement systems and alternative retirement pension plans to forfeit all rights to any retirement benefits, disability benefits, or any other benefits based on employer contributions to the plan, if a member pleads guilty to or is convicted of a felony crime committed while engaged in the performance of duties related to public employment. The forfeited benefits would reduce the systems' or plans' liability, thus creating minimal savings to the retirement systems or plans.
- The bill may also increase the system's administrative expenses slightly.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
<b>City of Cincinnati Retirement System</b>			
Revenues	Potential minimal savings	Potential minimal savings	Potential minimal savings
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase
<b>Counties and Other Local Governments</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.



- The bill authorizes the retirement systems, including the City of Cincinnati Retirement System, to forfeit all rights to any retirement benefits, disability benefits, or any other benefits based on employer contributions to the plan, if a member pleads guilty to or is convicted of a felony crime committed while engaged in the performance of duties related to public employment. The forfeited benefits would reduce the systems' or plans' liability, thus creating minimal savings to the retirement systems or plans.
  - The bill may also increase the system's administrative expenses slightly.
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## ***Detailed Fiscal Analysis***

The bill proposes that any member of the state's five retirement systems — Public Employees Retirement System (PERS), State Teachers Retirement System (STRS), School Employees Retirement System (SERS), Ohio Police and Fire Pension Fund (OP&F), and State Highway Patrol Retirement System (SHPRS), alternative retirement plans established under the Ohio Revised Code, or the City of Cincinnati Retirement System, who is in public employment and pleads guilty to or is convicted of a felony crime committed while engaged in the performance of duties related to public employment shall forfeit all rights to any retirement benefits, disability benefits, or any other benefits based on employer contributions to the plan.

The bill also requires a prosecutor of a felony case who has knowledge that an individual charged is alleged to have committed the felony while working in public service employment to notify the individual's retirement system.

The bill requires the systems' or plans' retirement board to suspend any payment of any benefits prior to final disposition, upon receipt of the notice or acquisition of information that a member of its system or plan has been charged with committing such felony. All payments should not resume unless the charge is dismissed or the member is found not guilty or not guilty by reason of insanity. However, the bill allows a refund of the member's accumulated contributions after any restitution payments due to theft in office or other offense were made, or if the refund is not subject to any withholding.

The provisions in the bill have no direct fiscal impact to the state, but may have a minimal impact to local governments. The bill requires a prosecutor of a felony case to inform the member's retirement system board, thus it may increase administrative costs. However, any increase should be minimal.

The bill may also have minimal fiscal impacts to the retirement systems, alternative plans, and the City of Cincinnati Retirement System. The forfeited benefits would reduce the systems' or plans' liability, thus creating minimal savings to the retirement systems or plans. In addition, the provisions in the bill may also increase the systems' and plans' administrative expenses slightly.

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