



# Ohio Legislative Service Commission

## Synopsis of House Committee Amendments\*

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### **Sub. S.B. 343**

129th General Assembly  
(H. Health and Aging)

#### **Less than full-time service**

Modifies the Senate's increase in the monthly amount necessary for a member to earn full service credit from the Senate's \$1,000 implemented over several years to the House's \$600 beginning January 1, 2014 (increased from current law's \$250).

Replaces the Senate's automatic increase of the monthly amount based on the cost of living with an automatic increase based on increases in compensation of township trustees.

#### **Health care coverage equivalent to Medicare Part A**

Eliminates a requirement of current law that the Public Employees Retirement System (PERS) pay one-half of the premium for health care coverage equivalent to Medicare Part A provided to a retiree's spouse or surviving spouse and instead permits PERS to pay a portion of the premium.

#### **Contribution based benefit cap (CBBC)**

Modifies the Senate's CBBC as follows:

--Provides that, for members in Group A, the reduction caused by the CBBC may not exceed 5% of the member's single-life retirement allowance before application of the CBBC, unless during any full month of service since January 1, 1987, the member's earnable salary was less than \$1,000.

--Includes additional contributions in the calculation.

#### **Cost-of-living adjustments (COLAs)**

Modifies a Senate provision specifying that the vesting statute does not apply to COLAs granted after the bill takes effect to instead provide that the vesting statute does

\* This synopsis does not address amendments that may have been adopted on the House Floor.

not apply to a COLA for a recipient whose benefit effective date is on or after the bill's effective date.

### **Purchase of service credit**

Modifies the Senate changes made to the purchase of service credit as follows:

--Prohibits a member from purchasing service credit if the member has a preexisting service credit payroll deduction agreement to purchase the same type of credit, unless the member is purchasing additional service credit for service as an elective official or member of a state board or commission.

--To be purchased at the cost of the credit immediately before the bill's effective date, requires the purchase of service credit to be completed not later than five years and six months after the bill's effective date.

--States that the amendments regarding purchase of service credit do not express an intent by the PERS Board to increase the cost of credit for military service that did not interrupt public service.

### **Group A or B service credit**

Includes credit for previous service under the Ohio Police and Fire Pension Fund (OP&F), State Highway Patrol Retirement System (SHPRS), or Cincinnati Retirement System as credit that may be used to determine whether a member meets the requirements necessary to be included in Group A or Group B.

### **Group B early retirement actuarial adjustment**

Modifies the Senate's early retirement benefit reductions for members in Group B to match Group B eligibility requirements by providing that the reduction applies for each year the member retires before the earlier of attaining age 66, attaining age 52 with 31 years of service credit, or earning 32 years of service credit.

### **Disability benefit restrictions**

Modifies a Senate exemption from the bill's changes to disability determinations and the requirement that certain disability benefit recipients apply for Social Security Disability Insurance benefits by exempting only law enforcement officers (instead of also exempting public safety officers).

## **Disability benefit examination**

Permits the PERS Board to specify by rule circumstances under which a disability benefit recipient is not required to be reexamined each year.

## **Coordination with Ohio Police and Fire Pension Fund (OP&F), State Highway Patrol Retirement System (SHPRS), and Cincinnati Retirement System**

Modifies the Senate's provision on transfer of credit between PERS and OP&F, SHPRS, or the Cincinnati Retirement System to require that money transferred include an amount equal to the lesser of the employer's contribution to the other system or the appropriate PERS employer contributions (rather than an amount equal to the employer's contribution).

## **Coordination with School Employees Retirement System (SERS) and State Teachers Retirement System (STRS)**

Modifies the Senate's provision on transfer of credit between PERS and SERS, or STRS to require that the interest portion of the transfer be at the lesser of PERS's actuarial assumption rate or the other system's actuarial assumption rate (rather than the PERS rate).

## **Board or commission members**

Eliminates a provision of current law that specifies how full-time service is determined for a board or commission member for purposes of eligibility to purchase additional service credit and permits the PERS Board to determine by rule who is a full-time board or commission member or elective official for this purpose.

## **Retirement allowance plans of payment**

Names the plans of payment established by the Senate the "single life," "joint life," and "multiple life" plans.

## **Transmission of employee contributions**

Requires employee contributions to be transmitted to PERS at intervals and in such form as the system requires.

## **Defined contribution plan**

Eliminates a provision of current law under which a defined contribution plan participant may maintain on deposit with PERS or the entity administering the plan any

amounts that have accumulated on behalf of the member and makes other accounting changes.

### **Effective date of retirement**

Applies the Senate's provisions regarding the effective date of retirement to members in PERS Law Enforcement and PERS Public Safety.

Provides that, in the case of a retirement application received by PERS between the bill's effective date and 90 days thereafter, the effective date of the retirement allowance is not earlier than the first day of the month following the bill's effective date.

### **Effective date**

Establishes January 7, 2013 as the bill's effective date.