

Public Retirement

Am. Sub. H.B. 520

Reps. Schuring and Ramos, Amstutz, Antonio, Boyd, Craig, Fedor, Grossman, Howse, Manning, M. O'Brien, S. O'Brien, Patterson, Pelanda, Rogers, K. Smith, R. Smith, Sprague, Strahorn, Sweeney, Young

Sens. Beagle, Coley, Hackett, Hottinger, Schiavoni, Seitz, Tavares, Thomas, Uecker

Effective date: April 6, 2017

Multiple retirement systems

- Establishes a formula for calculating the percentage of an alternative retirement program (ARP) participant's compensation that a public institution of higher education must pay 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, and specifies that the percentage is $\frac{1}{4}$ of the percentage calculated, not exceeding 4.5%.
- Provides survivor benefits until age 22 to the qualified child of a PERS, STRS, or Ohio Police and Fire Pension Fund (OP&F) member who dies before retirement regardless of whether the child is attending an institution of learning or training.
- Provides death benefits from the Ohio Public Safety Officers Death Benefit Fund until age 22 to the surviving child of a public safety officer who is killed in the line of duty regardless of whether the child is attending an institution of learning or training.
- Makes a disabled surviving child of any age eligible for death benefits from the Death Benefit Fund only if the child is disabled at the time of the officer's death and, because of the disability, is totally dependent on the officer for support at the time of death, instead of unable to provide for the child's own support as under former law.
- Eliminates provisions under which a PERS, STRS, or SERS member who earns service credit in more than one system during the same time period receives partial credit from each system in which credit is earned.
- Establishes conditions for an STRS or SERS member to purchase or transfer service credit between one of those systems and the Cincinnati Retirement System (CRS).
- Requires that any lawsuit brought against OP&F or STRS be filed in Franklin County.

Public Employees Retirement System

- Includes in the PERS law enforcement and PERS public safety divisions PERS members whose full-time employment as any of the following starts on or after the act's effective date: BCII investigators, gaming agents, Department of Taxation investigators, special police officers for port authorities, and special police officers for municipal airports.
- Permits a PERS member who on the act's effective date is employed full-time in one of the positions listed above to elect to participate in the PERS law enforcement or PERS public safety division rather than regular PERS for the member's future service.
- Requires a PERS disability benefit recipient to undergo a periodic, rather than annual, medical examination.
- Suspends or terminates the PERS disability benefit of a recipient who fails, rather than refuses, to file required information with the PERS Board.
- Reduces to two months (from three) the time a PERS member or re-employed retiree must wait to receive a refund of the member or retiree's PERS contributions.
- Specifies that the last established beneficiary of a deceased PERS member who was also a member of STRS or SERS is the sole beneficiary in all the systems if a survivor benefit may be paid under provisions coordinating PERS, STRS, and SERS benefits.
- Temporarily allows certain PERS members to transfer or purchase certain service credit from OP&F even if the member does not have more PERS service credit than the amount of credit to be transferred or purchased.
- Requires for transfer to PERS or purchase of CRS credit in PERS that a PERS member have more PERS service credit than the amount of CRS credit to be transferred or purchased.
- Requires for transfer of PERS credit to CRS that a CRS member have more CRS service credit than the amount of PERS credit to be transferred.

Ohio Police and Fire Pension Fund

- Requires, as conditions for return of contributions of an OP&F member who terminates active service, that two months have elapsed and the member has not returned to active service during the two-month period.
- Requires a deceased member's accumulated contributions that are not claimed within seven years to be transferred to the Guarantee Fund and paid to the

member's survivor or the member's or survivor's estate on application to the OP&F Board.

- Temporarily removes a requirement that a person who has service credit in OP&F and is a PERS law enforcement officer be in the active service of a police or fire department to be eligible to purchase credit in OP&F for service under PERS, STRS, or SERS or have credit for that service transferred to OP&F.
- Specifies that money due or to become due to an individual from OP&F is not subject to the operation of bankruptcy or insolvency laws but is subject to an order for division of marital property.
- Requires an application or election submitted to OP&F to be in the form and manner specified by the Fund.

State Teachers Retirement System

- Excludes from "compensation" for purposes of STRS contributions and benefits any portion of the amount paid to a teacher as a retroactive payment of earnings, damages, or back pay under a court order or settlement agreement that is excluded from compensation under continuing law.
- Requires that only employee contributions, rather than both employee and employer contributions, be used to calculate an additional annuity paid when certain earnings for which contributions were made are excluded from an STRS member's final average salary, which is used to determine retirement eligibility and benefits.
- Revises when the STRS Board terminates payment of a disability benefit.
- Suspends or terminates the STRS disability benefit of a recipient who fails, rather than refuses, to submit to a medical examination or file required information with the STRS Board.
- Eliminates the dollar amount multiplier that may be used to calculate the pension portion of an STRS disability retirement benefit.
- Allows an STRS member to receive credit for the period as a recipient of an STRS disability benefit if the member has become a contributor to the STRS defined contribution plan and earns at least two additional years of service credit.
- Makes a recipient of an STRS allowance or benefit beginning on or after August 1, 2013, that was immediately preceded by a disability benefit that was terminated on or after that date, eligible for a cost-of-living adjustment on the date that would have been the disability benefit's next anniversary date.

- Excludes from use in determining eligibility for STRS retirement, disability, or survivor benefits, certain military service credit transferred to STRS from OP&F, the State Highway Patrol Retirement System (SHPRS), or CRS.
- Authorizes the STRS Board to establish a plan for retirants re-employed as teachers under which the retirant's STRS contributions are invested at the retirant's direction in accordance with investment options established by the Board and, if the Board establishes a plan, requires STRS to transfer each retirant's contributions to it.
- Requires STRS to withhold or recover from the recipient of an STRS retirement or disability benefit who is employed in a position subject to CRS any amount that is to be forfeited under CRS requirements.
- Eliminates provisions under which an STRS member may purchase credit for school board service only if the member is or will be eligible to retire and retires within 90 days after purchasing the credit.
- Requires certain STRS members who purchase service credit for an absence or leave due to illness, injury, or professional reasons to purchase the credit by paying STRS instead of the member's employer.
- Includes in the benefit used to calculate future cost-of-living adjustments paid a survivor of a deceased STRS member who was receiving a disability benefit any increases the member received while receiving the disability benefit.
- Eliminates the minimum survivor benefit dollar amount for qualified STRS survivors whose benefits are based on the number of qualified survivors.
- Clarifies that any return of contributions or unpaid disability benefits payable to a deceased STRS member's beneficiaries are to be paid to the beneficiaries designated by the member.

School Employees Retirement System

- Causes certain future community (charter) school nonteaching employees to be excluded from SERS.
- Requires a recipient of an SERS disability benefit granted on or after the act's effective date who is enrolled in SERS retiree health care coverage to apply for Medicare, as well as Social Security Disability Insurance (SSDI) payments if eligible.
- Suspends a recipient's disability benefit for failure to apply for Medicare or to file with SERS copies of documents associated with the application.
- Requires a disability benefit recipient whose Medicare application is approved to enroll and makes the recipient ineligible for SERS retiree health care coverage until Medicare enrollment.

- Requires an SERS disability benefit recipient whose benefit is granted on or after January 7, 2013, but before the act's effective date, to apply for SSDI payments only if enrolled in SERS retiree health care coverage.
- Requires any married SERS member who is eligible to retire and seeks a refund of SERS contributions to obtain the consent of the member's spouse.

State Highway Patrol Retirement System

- Requires an SHPRS member to have at least five years of service credit to be eligible for off-duty disability retirement.
- Requires a disability pension to be terminated if an SHPRS disability retiree is re-employed as a law enforcement officer.
- Provides for designation of beneficiaries by SHPRS members and retirees.
- Specifies that a surviving spouse of a deceased SHPRS member or retiree is eligible for a monthly pension based on the member's or retiree's age and service only if the member or retiree had at least 20 years of service credit.
- Clarifies that only SHPRS members who are eligible for retirement with an unreduced pension may elect to participate in the system's deferred retirement option plan (DROP).
- Changes the effective date of a member's election to participate in DROP to the first day of the first payroll period immediately following the SHPRS Board's receipt of the election (instead of the date the member filed the election).
- Allows SHPRS members participating in DROP to vote for the employee members, rather than retiree members, of the SHPRS Board.
- Permits SHPRS retirees to authorize dues checkoffs on behalf of certain organizations composed of retired State Highway Patrol employees.
- Removes the requirement that actions of the SHPRS Board be approved by a majority of the Board's members.

S.B. 220

Sens. Hottinger, Seitz, Eklund, Williams, Uecker, Bacon, Brown, Coley, Gardner, Hackett, Hite, Jones, Jordan, Schiavoni, Thomas

Reps. Maag, Hambley, Anielski, Arndt, Blessing, Boose, Dever, Green, Koehler, Landis, Manning, Perales, Retherford, Rogers, Ruhl, Schuring, R. Smith, Sweeney, Terhar, Thompson, Young

Effective date: March 21, 2017

- Permits the Ohio Public Employees Deferred Compensation Program and certain local government deferred compensation programs to include Roth accounts or other features for contributions that are not tax-deferred.