

Ohio Retirement Study Council
30 East Broad Street, 2nd Floor
Columbus, Ohio 43215

Minutes
February 8, 2024

The meeting was called to order by Chairman Romanchuk at approximately 10:04 a.m. in Room 116, the Ohio Statehouse, Columbus, Ohio.

The following members attended the meeting:

Voting members

Adam Bird
Bill Blessing
Beryl Brown Piccolantonio
Lora Miller
Ed Montgomery
Phil Plummer, Vice-Chairman
Dr. Anthony Podojil
Mark Romanchuk, Chairman

Non-voting members

Karen Carraher, PERS
Scott Helkowski, Attorney General
Lynn Hoover, STRS
Carl Roark, HPRS
Richard Stensrud, SERS
Pamela Vest-Boratyn, OP&F

Absent

Paula Hicks-Hudson, Excused

Staff

Jeff Bernard
Bethany Rhodes
Alex Strickmaker

With a quorum present, the meeting was called to order at 10:04 a.m.

Chairman Romanchuk moved that the minutes of the previous ORSC meeting be approved. The minutes were approved without objection.

Chairman Romanchuk moved to the HB 261 Staff Recommendation. Mr. Strickmaker presented the recommendation.

Mr. Montgomery asked whether individuals who currently have a certificate to practice as a firefighter are included in the PERS public safety division. Director Carraher stated that there are no firefighters who are members of the division and further stated that there are currently only 45 members in the division at this time.

Mr. Montgomery asked for clarification on the differences in the certifications held by members of the PERS law enforcement division and public safety division. Mr. Strickmaker stated that they both hold OPOTA certification. The difference between the divisions is the requisite duties performed by an employee.

Mr. Montgomery asked if he is correct in that the bar to EMS workers' inclusion in the PERS public safety division is the lack of OPOTA certification, as the staff recommendation states that federal requirements are met, the duties are not at issue, and the funding level of PERS is not at issue. Mr. Strickmaker stated that this is correct but noted that OPOTA certification has been the ORSC's top consideration when evaluating legislation in the past.

Mr. Montgomery asked if it was correct that this bill would not impact the funding level of PERS as a whole. Director Carraher stated that due to the size of the system, this bill would not move the needle in terms of PERS' funding status as a whole. She noted that the public safety division itself is at an infinite funding period. Mr. Montgomery followed up if that is reflected in the report from PTA/KMS/Bolton. Mr. Strickmaker stated that the report was regarding the funding level of PERS as a whole and stated that the report noted that there is interplay between the funding levels of each division within PERS.

Mr. Montgomery asked why these individuals would want to be included in the PERS public safety division. Mr. Strickmaker stated that this division provides accelerated retirement benefits that the regular division does not and noted that those differences are contained in the staff recommendation.

Representative Brown Piccolantonio asked if there are individuals in the PERS law enforcement or public safety divisions who do not have OPOTA certification. Mr. Strickmaker stated that there are two employment classifications included in the public safety division, and the ORSC did not recommend for their inclusion. Representative Piccolantonio followed-up asking whether employees in those classifications are included in the 45 members previously mentioned. Mr. Strickmaker stated that he did not know if these individuals were currently PERS public safety members but that the inclusion of those members was made for specific individuals at the time.

Representative Bird asked for clarification on the insignificant impact on PERS funding as a whole. Director Carraher and Mr. Strickmaker explained that the funding of PERS, as a whole, will not be significantly impacted and further explained the interplay the bill will have on the funding levels of the divisions within PERS.

Ms. Miller asked for the funding position of the law enforcement division. Director Carraher stated that she does not have the exact number on hand but that it falls somewhere around 85-90% funded. Ms. Miller followed up to ask whether the other members of PERS would be subsidizing the individuals who would be included in the public safety division under the bill. Director Carraher stated that this is correct unless a benefit change was carried out.

Dr. Podojil asked how many people this bill will affect. Director Carraher stated that the exact number is unknown. Mr. Strickmaker further stated that the exact number is unknown but that, currently, only the City of Cleveland and Delaware employee EMS workers that would fall under the bill. Dr. Podojil followed-up asking if the bill were opened to all EMS workers if the number of individuals would grow. Mr. Strickmaker stated that other single-service EMS workers like those in the bill are employed by private employers and, therefore, not members of PERS at this time.

Mr. Montgomery asked where the numbers used for the actuarial analysis came from if the exact number is not known. Mr. Strickmaker stated that the numbers in the actuarial analysis come from the Ohio Department of Public Safety's Division of Emergency Medical Services and the U.S. Bureau of Labor Statistics.

Mr. Montgomery asked what factor is excluding these EMS workers from being members of OP&F. Mr. Strickmaker stated that these individuals are single-service EMS workers and are not jointly certified firefighters as the individuals in OP&F are.

Chairman Romanchuk stated his desire for evaluating the actuarial impact of legislation not only as a whole for a pension system but to also go into the interplay between divisions within the system in the future.

Ms. Miller stated, "given the fact that precedent has always been an important part of this entity (...) and keeping to the requirements of the statute and the administrative code and not impacting the funding of an entity in a negative fashion, I would like to move that the ORSC approve the Staff Recommendation for HB 261." Vice-Chairman Plummer seconded the motion. The motion passed with a 7-1 vote with Mr. Montgomery voting in the negative.

Chairman Romanchuk moved to the SERS travel policy. Director Stensrud presented the policy.

Chairman Romanchuk moved to the creation of the SERS Actuarial Audit Subcommittee. He named Senator Hicks-Hudson as Chair and named Representative Bird and Dr. Podojil as voting members. He named Director Stensrud as a non-voting member.

Chairman Romanchuk moved to the Windfall Elimination Provision and Government Pension Offset issue brief and presentation. Mr. Bernard provided the presentation.

Dr. Podojil asked whether he was correct in that Social Security uses a credit system instead of years of service like Ohio's public pension systems. Mr. Bernard stated that this is correct and that the Social Security credits also have substantial earnings requirements. He further stated that he used the term "years of service" in his presentation, as that is the term more familiar to ORSC members, to better help them understand the concepts.

Chairman Romanchuk asked if all states are subject to the WEP and GPO. Mr. Bernard stated that all states are subject to it but that there are some states where public employees do participate in Social Security. He further stated that Ohio is unique in that 99% of public employees do not participate in Social Security. This causes Ohio to have a much larger percentage of public employees effected than other states.

Representative Bird asked if there is anything that can be done in terms of public policy to change the WEP and GPO. Mr. Bernard stated that these are federal issues, so federal action would need to be taken. He provided that H.C.R. 6, sponsored by Vice-Chairman Plummer and Representative King, has passed the Ohio House of Representatives and is being considered by the Ohio Senate. This resolution calls on Congress to repeal the WEP and GPO.

Chairman Romanchuk moved to the Rules. Mr. Strickmaker stated that ORSC staff had reviewed the rules, that they are in line with the Revised Code, and that staff had no further comments.

Chairman Romanchuk asked for clarification on the ORSC's rule review process. Director Rhodes provided an explanation of the process.

Representative Piccolantonio asked whether the proposed rules go through a public comment process. Director Rhodes provided that these rules come from the individual retirement systems and are approved by the systems' boards. She further stated that the rules go through the full JCARR process and that the ORSC simply reviews the rules.

Chairman Romanchuk asked for clarification that there is an opportunity for public input as a part of the JCARR process. Director Rhodes stated that there is.

Chairman Romanchuk stated that the next ORSC meeting will be on Thursday, March 14, 2024, or at the call of the Chair.

The meeting adjourned at approximately 10:58 a.m.

Date Approved

Mark Romanchuk, Chairman

Bethany Rhodes, Secretary

Phil Plummer, Vice-Chairman