

employment begins.

(2) Every employer of an eligible employee shall contract with the employee upon the employee's application for participation in a deferred compensation program offered by the board.

(D) The board shall, subject to any applicable contract provisions, undertake to obtain as favorable conditions of tax treatment as possible, both in the initial programs and any permitted alterations of them or additions to them, as to such matters as terms of distribution, designation of beneficiaries, withdrawal upon disability, financial hardship, or termination of public employment, and other optional provisions.

The board may establish a designated Roth account feature or any other feature in which an employee may make tax-deferred or nontax-deferred contributions to an eligible government plan in accordance with 26 U.S.C. 457, as amended.

(E) In no event shall the total of the amount of deferred compensation to be set aside under a deferred compensation program and the employee's nondeferred income for any year exceed the total annual salary or compensation under the existing salary schedule or classification plan applicable to the employee in that year.

Such a deferred compensation program shall be in addition to any retirement or any other benefit program provided by law for employees of this state. The board shall adopt rules pursuant to Chapter 119. of the Revised Code to provide any necessary standards or conditions for the administration of its programs, including any limits on the portion of a participating employee's compensation that may be deferred in order to avoid adverse treatment of the program by the internal revenue service or the occurrence of deferral, withholding, or other deductions in excess of the compensation available for any pay period.

Both of the following apply to a deferred compensation program established under this section:

(1) Any income deferred under ~~such a plan~~ the program shall continue to be included as regular compensation for the purpose of computing the contributions to and benefits from the retirement system of ~~such an employee~~;

(2) Any ~~sum so~~ sums deferred shall not be included in the computation of any federal and state income taxes withheld on behalf of ~~any such an employee~~. Sums contributed to a Roth account feature or other feature to which nontax-deferred contributions are made shall be included in the computation of any federal and state income taxes withheld on behalf of an employee.

(F) This section does not limit the authority of any municipal corporation, county, township, park district, conservancy district, sanitary district, health district, public library, county law library, public institution of higher education, or school district to provide separate authorized plans or programs for deferring compensation of their officers and employees in addition to the program for the deferral of compensation offered by the board. Any municipal corporation, township, public institution of higher education, or school district that offers such plans or programs shall include a reasonable number of options to its officers or employees for the investment of the deferred funds, including annuities, variable annuities, regulated investment trusts, or other forms of investment approved by the municipal corporation, township, public institution of higher education, or school district, that will assure the desired tax treatment of the funds.

Sec. 148.06. (A) As used in this section:

~~(A)~~ ~~(1)~~ "Government unit" means a county, park district of any kind, conservancy district, sanitary district, regional water and sewer district, regional transit authority, health district, public library district, county law library, joint county department of job and family services, or a detention facility district of any kind.

~~(B)~~ ~~(2)~~ "Governing board" means, in the case of the county, the board of county commissioners; in the case of a park district, the board of park commissioners; in the case of a conservancy district, the district's board of directors; in the case of a sanitary district, the district's board of directors; in the case of a regional water and sewer district, the district's board of trustees; in the case of a regional transit authority, the authority's board of trustees; in the case of a health district, the board of health; in the case of a public library district, the board of library trustees; in the case of a county law library, the board of trustees of the law library association; in the case of a joint county department of job and family services, the department's board of directors; and in the case of a detention facility district, the board or joint board of county commissioners.

~~(B)~~ In addition to the program of deferred compensation that may be offered under this chapter, a governing board may offer to all of the officers and employees of the government unit not to exceed two additional programs for deferral of compensation designed for favorable tax treatment of the compensation so deferred. Any such program shall include a reasonable number of options to the officer or employee for the investment of the deferred funds, including annuities, variable annuities, regulated investment trusts, or other forms of investment approved by the governing board, that will assure the desired tax treatment of the funds.

A governing board may establish a designated Roth account feature or any other feature in which an officer or employee of the government unit may make tax-deferred or nontax-deferred contributions to an eligible government plan in accordance with 26 U.S.C. 457, as amended.

Both of the following apply to a deferred compensation program established under this section:

~~(1) Any income deferred under such a plan~~ the program shall continue to be included as regular compensation for the purpose of computing the contributions to and benefits from the officer's or employee's retirement system ~~but shall not be included in the computation of any federal and state income taxes withheld on behalf of any such employee.~~

(2) Any sums deferred shall not be included in the computation of any federal and state income taxes withheld on behalf of an officer or employee. Sums contributed to a Roth account feature or other feature to which nontax-deferred contributions are made shall be included in the computation of any federal and state income taxes withheld on behalf of an officer or employee.

SECTION 2. That existing sections 148.04 and 148.06 of the Revised Code are hereby repealed.