



Ohio Retirement Study Council

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To: ORSC Members
From: Jeffery A. Bernard, Senior Research Associate *JAB*
Date: December 4, 2018
Subject: AM 2889 (Omnibus Retirement Amendment)

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In each General Assembly, the retirement systems have an administrative omnibus amendment. Because this omnibus amendment does not normally receive multiple hearings, the amendment is typically restricted to non-substantive or administrative changes. The following is a brief analysis of requested changes, which are proposed to be included into H.B. 572 (AM 2889). H.B. 572, regarding service credit for certain employees of County Boards of Developmental Disabilities, was approved by the ORSC at its September 20, 2018, meeting. ORSC staff recommend the amendment be approved in full.

Public Employees Retirement System (PERS)

- For purposes of eligibility, clarifies that 60 months of service credit means five years of full service credit (this is clear throughout PERS law; the amendment removes a possible ambiguity). (R.C. 145.01 and 145.016; **recommend approval**)
- Provides that, if a benefit is less than \$50 per month, the member will instead receive a lump sum amount. (R.C. 145.33, 145.332, 145.384, 145.45, and 145.62; **recommend approval**)
- Provides the PERS Board authority to adopt rules specifying conditions under which it may waive a disability recipient's annual earnings statements. (R.C. 145.362; **recommend approval**)

Ohio Police & Fire Pension Fund (OP&F)

- Provides that the appointed investment expert board member continues until replaced (rather than removed 60 days after the end of the term). (R.C. 742.03; **recommend approval**)
- Removes language from 1965 referring to board members who are a "fiscal officer of a municipal corporation." (R.C. 742.05; **recommend approval**)

State Teachers Retirement System (STRS)

- Technical corrections, pension reform related corrections, and removal of obsolete provisions (R.C. 3307.05, 3307.14, 3307.23, 3307.231, 3307.241, 3307.39, 3307.501, 3307.56, 3307.562, 3307.58, 3307.71, and 3307.761; **recommend approval**)
- Permits release of information to the United States Social Security Administration, United States Centers for Medicare and Medicaid Services, law enforcement entities, the state retirement systems, the Cincinnati Retirement System, and third party vendors performing the duties on behalf of STRS. (R.C. 3307.20; **recommend approval**)
- Replaces “filed with” with “submitted to” in references to material provided to STRS to more accurately reflect how information is provided to the system (R.C. 3307.241, 3307.25, 3307.251, 3307.352, 3307.562, 3307.62, and 3307.66; **recommend approval**)
- Provides the employer remittance of contributions for defined benefit and defined contribution plans will be treated the same (effectively this only effects the remittance of employer contributions during summer for those who elect to receive salary on a year-long basis). (R.C. 3307.26 and 3307.28; **recommend approval**)
- Provides the defined contribution, defined benefit, and combined plan members are treated the same should they elected to become a re-employed retiree. (R.C. 3307.351; **recommend approval**)
- Administrative changes to disability program (R.C. 3307.48; **recommend approval**)
- Provides that, if a benefit is less than \$100 per month, the member will instead receive a lump sum amount. (R.C. 3307.60; **recommend approval**)
- Treats defined contribution service credit purchases for withdrawn service the same as the defined benefit plan and allocates interest on those payments proportionally to the employer and member’s account (R.C. 3307.74; **recommend approval**)

School Employees Retirement System (SERS)

- Technical and removal of obsolete provisions (R.C. 3309.01, 3309.011, and 3309.671; **recommend approval**)
- Aligns definitions with STRS law regarding teachers and employees (R.C. 3309.01 and 3309.013; **recommend approval**)
- Permits release of information to the United States Social Security Administration, United States Centers for Medicare and Medicaid Services, law enforcement entities, the state retirement systems, the Cincinnati Retirement System, and third party vendors performing the duties on behalf of STRS. (R.C. 3309.22; **recommend approval**)