History of Ohio's Public Retirement Systems

Ohio public employees contribute to one of the five statewide public retirement systems in lieu of Social Security coverage. The State Teachers Retirement System (STRS) was created in 1920 and covers public school employees whose position requires a teaching certificate. The Public Employees Retirement System (PERS) was created in 1935 and covers state and local public employees not covered by another state or local retirement system. The School Employees Retirement System (SERS) was created in 1937 and covers non-teaching public school employees.

The State Highway Patrol Retirement System (HPRS) was created in 1944 and is limited to state highway patrol troopers. The Ohio Police and Fire Pension Fund (OP&F) was created in 1967 when 454 local police and fire pension funds from around the state were consolidated. The Fund covers full-time municipal police officers and firefighters.

The Social Security Act was adopted by Congress in 1935 and excluded state and local government employees from coverage. During the 1950's, Congress enacted several pieces of legislation making state and local government employees eligible for Social Security coverage for the first time, provided the state entered into a voluntary agreement with the Social Security Administration. States had the option to terminate these agreements up until 1983 when Congress unilaterally decided to make these pre-1983 agreements permanent as part of an effort to save Social Security from impending financial insolvency.

In 1990, Congress mandated Social Security coverage for state and local employees not covered by a public employee retirement system. Many states, including Ohio, responded by amending their plans to mandate coverage for all part-time and seasonal employees who had previously elected to exempt themselves from coverage.

ORSC Background

The Ohio Retirement Study Council (ORSC) was created in 1968 to assist the state legislature, governor, and other public officials in the formation of sound public pension policy and is one of the oldest public oversight councils in the country. Committed to a fair and fiscally sound retirement program for Ohio's public employees, the Ohio legislature saw a real need for independent fiscal and policy advice. The Council was created to provide leadership before the legislature when the retirement systems and interest groups are divided in their objectives.

The state retirement systems have combined assets totaling approximately $284 billion as of January 1, 2026. Approximately 2.4 million people participate in the systems as active and inactive members, retirees, or their beneficiaries.

The Council is composed of fourteen members: three members of the House appointed by the Speaker; three members of the Senate appointed by the President; three members appointed by the Governor, one representing the state, another representing local government, and the third representing public education institutions; and the five executive directors of the state retirement systems, who are nonvoting members.

By law, each system pays a proportionate share of the Council's annual expenses; the Council receives no legislative appropriations.

**SERS and STRS information based on FY ending 6/30/25 PERS, OP&F, and HPRS information based on the calendar year ending 12/31/25.*

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Ohio Retirement Study Council

Health Care Facts for Ohio's Public Retirement Systems

FY 2025*
(updated 2026)

Voting Members

Representatives
Adam Bird, Chairman
Sean Brennan
Phil Plummer

Senators
Mark Romanchuk, Chairman
Willis Blackshear
Bill Blessing

Governor's Appointees
Lora Miller
Dr. Anthony Podojil
Gary Scherer

In 1974, the five state retirement boards were given broad discretionary authority to provide health care coverage to retirees and their dependents. The pension systems' primary obligation, by law, is to provide pension benefits to retired public employees. Unlike pension benefits, which become vested upon retirement, health care benefits are not a vested right under Ohio's public pension laws. Therefore, the boards are authorized to change the premiums, eligibility, and level of health care benefits at any time. A 2004 ruling by the Tenth District Court of Appeals (*Ohio Association of Public School Employees, et al. v. School Employees Retirement System Board, et al.*) upheld the discretionary nature of health care benefits in a lawsuit that had attempted to prevent the SERS Board from making changes to its health care plan. The Ohio Supreme Court declined to review the decision in 2005.

Since 1974, each system has provided some level of comprehensive hospital, medical, and prescription drug coverage. As of 2019, 2021, and 2024, OP&F, PERS, and HPRS respectively, do not provide insurance coverage, instead providing a stipend for beneficiaries to purchase health care coverage through a health care exchange. In 1977, the systems were required statutorily to reimburse benefit recipients for Medicare Part B premiums (medical). This requirement was later reduced, and since 2017, neither HPRS nor PERS provided any Part B reimbursement. Retirees who do not qualify for Medicare Part A (hospital) may be provided equivalent coverage under the systems' health care plans or provided access to other coverage. A 1986 federal law change extends Medicare coverage to all employees hired on or after April 1, 1986.

By law, any health care costs borne by the retirement systems must be financed by employer contributions only. The retirement systems' actuaries review annually the amount of contributions required to fund vested pension benefits. Contributions in excess of what is needed to support those benefits can be allocated to health care.

Total Health Care Expenses (in millions)

	2025	2024
PERS	$610.1	$546.1
STRS	$357.1	$182.8
SERS	$111.2	$122.6
OP&F	$88.7	$92.4
HPRS	$8.3	$8.4

Health Care Assets (millions)

	2025	2024
PERS	$14,797	$13,240
STRS	$5,488	$5,167
SERS	$940	$817
OP&F	$850	$788
HPRS	$135	$127

Monthly Medicare B Reimbursement Rate

	2025	2024
PERS	$0.00	$0.00
STRS	$30.00	$30.00
SERS	$45.50	$45.50
OP&F	$107.00	$107.00
HPRS	$0.00	$0.00

Allocation to Health Care

	2025	2024
PERS	0.00%	0.00%
STRS	0.00%	0.00%
SERS [1]	0.00%	0.00%
OP&F	0.50%	0.50%
HPRS	0.00%	0.00%

Health Care Solvency Period

	2025	2024
PERS	2053	2050
STRS	Varies	Indefinite
SERS	2064	2069
OP&F	2042	2040
HPRS	2045	2045

Health Care Model

PERS	Health Care Exchange/Stipend
STRS	Group Coverage
SERS	Group Coverage
OP&F	Health Care Exchange/Stipend
HPRS	Health Care Exchange/Stipend

[1] Excludes employer surcharge for health care. Ohio law permits SERS to impose a surcharge on employers of up to a statewide average of 1.5% of employee payroll for health care coverage of retirees.