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OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget
Office

H.B. 562
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Hicks-Hudson and Miranda

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SUMMARY

- Requires the State Teachers Retirement System (STRS) Board, beginning July 1, 2022, to annually grant a 2% cost of living adjustment (COLA) to each eligible retirement or other benefit recipient under the STRS defined benefit plan.
- Authorizes the Board to increase the COLA to an amount that is greater than 2% if the Board's actuary determines an increase does not materially impair the retirement system's fiscal integrity.

DETAILED ANALYSIS

State Teachers Retirement System – cost of living adjustment

Beginning July 1, 2022, the bill requires the State Teachers Retirement System (STRS) Board to annually grant a 2% cost of living adjustment (COLA) to each eligible retirement or other benefit recipient under the STRS defined benefit plan. The bill authorizes the Board to increase the COLA to an amount that is greater than 2% if the Board's actuary, in its annual actuarial valuation or another evaluation conducted under continuing law, determines that an increase does not materially impair the system's fiscal integrity.¹

Under current law, the Board may adjust the COLA if the Board's actuary determines the adjustment is necessary to preserve the system's fiscal integrity. The bill limits this authority to adjustments made on or before June 30, 2022.²

¹ R.C. 3307.67(A) and (E)(2), by reference to R.C. 3307.51, not in the bill.

² R.C. 3307.67(E)(1).

Pursuant to this authority, the Board in April 2017 voted to reduce the COLA from 2% to 0%. Thus, subject to one exception, all COLAs granted on and after July 1, 2017, are set at 0%.³ The exception is that, at its March 2022 meeting, the Board voted to approve a one-time 3% COLA increase effective July 1, 2022, for eligible benefit recipients.⁴

HISTORY

Action	Date
Introduced	02-07-22

ANHB0562IN-134/ar

³ See page 16 of [Understanding Your STRS Ohio Benefits \(PDF\)](#), which can be accessed by conducting a keyword “understanding your benefits” search on the STRS website, strsoh.org, and see [Letter from STRS to ORSC re: COLA 2017 \(PDF\)](#), which can be accessed by conducting a keyword “COLA” search on the Ohio Retirement Study Council’s website, orsc.org.

⁴ See [March Board News](#), which can be accessed by conducting a keyword “March Board News” search on the STRS website, strsoh.org.