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H.B. 541
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Kelly and Ghanbari

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SUMMARY

- Prohibits each state retirement system board from making investments through or purchases from, or otherwise doing any business with, an individual, or certain entities owned or controlled by an individual, who, at any time (rather than within the three preceding years as under current law), was a system employee, board member, or officer.
- Prohibits each board from engaging in a business transaction in which such an individual holds any position in which the individual would be involved, on behalf of the individual's employer, in decisions or recommendations affecting the retirement system's investment policy and would benefit by any monetary gain.

DETAILED ANALYSIS

State retirement systems and prohibited business transactions

Each state retirement system board manages the funds created for the payment of retirement allowances and other benefits and has full authority to invest that system's funds.¹ Continuing law restricts each board's investment practices and business transactions with former retirement system employees, board members, and officers.

The bill expands that restriction by prohibiting each board from making investments through or purchases from, or otherwise doing any business with, an individual who at any time, rather than within the three preceding years as under current law, was a retirement system employee, board member, or officer. The prohibition also applies to making

¹ R.C. 145.11, 742.11, 3307.15, 3309.15, and 5505.06, not in the bill.

investments through, purchases from, or otherwise doing any business with a partnership, association, or corporation owned or controlled by such an individual.

The bill also expands the restriction by prohibiting each board from making an investment or purchase or otherwise doing any business in which an individual meeting all of the following criteria is involved:

- The individual at any time (rather than within the three preceding years as under current law) was a retirement system employee, board member, or officer;
- The individual holds a fiduciary, administrative, supervisory, or trust position, or any other position in which the individual would be involved, on behalf of the individual's employer, in decisions or recommendations affecting the system's investment policy;
- The individual would benefit by any monetary gain.²

The state retirement systems are the Public Employees Retirement System, Ohio Police and Fire Pension Fund, State Teachers Retirement System, School Employees Retirement System, and State Highway Patrol Retirement System.

HISTORY

Action	Date
Introduced	01-24-22

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² R.C. 145.112, 742.111, 3307.151, 3309.155, and 5505.08.