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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 296  
(with AM1406)  
135<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 296's Bill Analysis](#)

**Version:** In House Pensions

**Primary Sponsors:** Reps. Abrams and Hall

**Local Impact Statement Procedure Required:** Yes

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### **Highlights**

- The bill would increase contribution rates for the employers of police officers who are members of the Ohio Police and Fire Pension Fund (OP&F), increasing the costs of applicable public employers. The estimated additional contribution costs for such employers statewide would be about \$23.6 million in calendar year (CY) 2026, and \$40.7 million in CY 2027. When the rate increases are fully implemented in the fourth calendar year, the estimated additional contribution costs would be about \$78.1 million (i.e., in CY 2029). Cost increases in subsequent years would grow proportionally with statewide payroll for police officers.
- Whereas this analysis assumes 3.25% growth in aggregate wages, the actual amount of additional contributions that must be made by applicable public employers to OP&F would depend on the actual number of police officers that are employed by such employers and the officers' earned salaries in each pay period.
- The bill has no direct fiscal effect on state agencies.

### **Detailed Analysis**

The bill increases contribution rates for employers of police officers (i.e., the employer's share of the contribution) that must be paid to the Ohio Police and Fire Pension Fund (OP&F) from 19.5% of payroll in calendar year (CY) 2024 to the rates shown in Table 1 below. Based on the 90-day effective date of the bill, the legislation would maintain the current 19.5% contribution rate in CY 2025 and escalate it in the subsequent four years. The bill does not make any changes to contribution rates for employers of firefighters.

Table 1. OP&F Employer Contribution Rate for Police Officers under H.B. 296	
Calendar Year	Proposed OP&F Contribution Rate for Police Officer Employers
2026	21%
2027	22%
2028	23%
2029 and thereafter	24%

## Fiscal effect

Increasing employer contribution rates would increase the costs that must be contributed by police officer employers to OP&F. Requiring an increase in the employer contribution rate for police officers would increase required contributions by public employers statewide by an estimated \$23.6 million in CY 2026, and by an estimated \$78.1 million in CY 2029 when the required rate increase is fully implemented. Table 2 shows estimated required contributions by public employers statewide in the first calendar year beginning after the bill's assumed effective date through the fourth calendar year. This analysis assumes aggregate wages will grow 3.25% per year, but the actual increase in contributions that must be made by each public employer to OP&F would depend on the actual number of police officers that are employed by such employer and the officers' earned salaries in each pay period.

Table 2. Additional Employer Contributions to OP&F under H.B. 296	
Calendar Year	Additional Contributions from Police Officer Employers
2026	\$23.6 million
2027	\$40.7 million
2028	\$58.8 million
2029	\$78.1 million

The estimated additional required contributions for statewide police officer employers were calculated using police officers' annual salaries as of January 1, 2023, derived from an [OP&F 2023 Annual Comprehensive Financial Report](#),<sup>1</sup> and the bill's proposed contribution rates. As of

<sup>1</sup> Source: Police officers' annual salaries, derived from page 122, as of January 1, 2023; there were 15,612 active police officers with an average annual salary of \$88,830.

that date, total annual salaries for police officers statewide were about \$1.39 billion. The estimates assumed that such officers receive a 3.25% salary increase during CY 2023 and each year thereafter. Estimated breakdowns of additional required contributions by individual local governments are undetermined due to lack of information on the number of police officers employed by each local government and the amount of salaries earned by such officers in each pay period.

The bill has no direct fiscal effect on state agencies.

## **Synopsis of Fiscal Effect Changes**

The amendment modifies the timing for the incremental increases in contribution rates for employers of police officers (i.e., the employer's share of the contribution) that must be paid to the Ohio Police and Fire Pension Fund. Under the amendment, the rates would take effect at the beginning of four consecutive calendar years following the bill's effective date, rather than four specific calendar years enumerated in the As Introduced version. The amendment's changes – in tandem with an updated data source and salary growth assumptions – are estimated to increase the required contributions by public employers statewide. The updated estimates are presented in Table 2 above.