



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Amy J. Rinehart

H.B. 242

132nd General Assembly
(As Introduced)

Rep. Carfagna

BILL SUMMARY

- Permits, rather than requires, the School Employees Retirement Board to grant annual cost-of-living adjustments (COLAs) to retirement allowance, disability benefit, and survivor benefit recipients under the School Employees Retirement System (SERS).
 - If the SERS Board grants a COLA, changes the annual COLA amount to any percentage increase in the Consumer Price Index, not exceeding 2.5% (from an automatic 3%).
 - Authorizes the SERS Board, before granting an increase, to adjust the COLA percentage if the Board's actuary determines, in its annual actuarial valuation or in other evaluations, that an adjustment does not materially impair the retirement system's fiscal integrity or is necessary to preserve its fiscal integrity.
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CONTENT AND OPERATION

SERS cost of living adjustments

The bill makes several changes to the annual cost-of-living adjustment (COLA) granted to School Employees Retirement System (SERS) retirement allowance, disability benefit, and survivor benefit recipients who have received an allowance or benefit for at least one year. It permits, rather than requires as under current law, the SERS Board to provide an annual COLA to SERS allowance and benefit recipients. If the Board provides a COLA, the bill changes the annual COLA amount to any percentage increase in the Consumer Price Index (CPI), not exceeding 2.5%. No COLA can be granted in any

year in which the CPI did not increase during the preceding year. The annual COLA amount under current law is 3%.¹

Board discretion regarding amount

The bill authorizes the SERS Board, before granting an increase, to adjust the COLA percentage (increase or decrease it) if the Board's actuary determines, in its annual actuarial valuation or in other evaluations, that an adjustment does not materially impair the retirement system's fiscal integrity or is necessary to preserve its fiscal integrity.²

The bill specifies that the SERS vesting provision does not affect the Board's authority to adjust the COLA percentage before the COLA is granted. Under the vesting provision of current law, an SERS retirement allowance, annuity, pension, or other benefit vests on the granting of the benefit. Except in the case of commission of certain criminal offenses, the allowance, annuity, pension, or other benefit cannot be denied or modified once it is granted.³

HISTORY

ACTION	DATE
Introduced	05-24-17

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¹ R.C. 3309.374(A).

² R.C. 3309.374(C).

³ R.C. 3309.661.

