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H.B. 564
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Koehler

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SUMMARY

- During the 12-month period following the bill's effective date, expands the category of township employees who are considered part-time for purposes of health coverage to include certain employees who currently are considered full-time, thus limiting the category of township employees to whom health coverage must be provided.
- Specifies that the bill applies to collective bargaining agreements entered into under the Public Employees' Collective Bargaining Law during that 12-month period.
- Declares an emergency.

DETAILED ANALYSIS

Health coverage for township employees

Overview

Current Ohio law does not require townships to provide health coverage to employees, but if a township opts to do so, it must provide uniform coverage to township officers and full-time employees.¹ The bill, during the 12-month period following its effective date, expands the category of township employees defined as part-time to include certain employees who currently are considered full-time for health coverage purposes. Thus, the bill temporarily limits the category of township employees to whom health coverage must be provided.

¹ R.C. 505.60(A) and (B), not in the bill.

Threshold between part time and full time

Federal law

Specifically, the bill temporarily increases the threshold number of hours that a township employee is expected to work in order to qualify as full time.² This threshold amount varies under the bill depending on whether the township employs a sufficient quantity of employees to trigger a federal penalty for failing to provide health coverage to those working an average of 30 or more hours weekly (i.e., full time). Under the federal Patient Protection and Affordable Care Act (ACA), a township that qualifies as an “applicable large employer” by generally employing an average of 50 or more full-time equivalent employees during the preceding calendar year must provide health coverage to those full-time employees or pay the penalty. The bill defines “applicable large employer” accordingly.³

Townships that do not qualify as large employers under federal law

If a township *does not* qualify under the ACA as an applicable large employer, the bill temporarily increases the full-time threshold amount from 1,500 to 1,976 hours expected to be worked annually (i.e., from approximately 29⁴ to precisely 38 hours weekly). Thus, such a township that has opted to provide health coverage is not required to provide it to employees during the 12-month period following the bill’s effective date unless the employees are expected to work more than 38 hours weekly.⁵

Townships that do qualify as large employers under federal law

If a township *does* qualify under the ACA as an applicable large employer, the bill temporarily increases the full-time threshold amount from 1,500 to 1,560 hours expected to be worked annually (i.e., from approximately 29 to precisely 30 hours weekly). Thus, under Ohio law, such a township that has opted to provide health coverage is not required to provide it to employees during the 12-month period following the bill’s effective date unless the employees are expected to work more than 30 hours weekly.⁶

Collective bargaining agreements

The bill specifies that it applies to collective bargaining agreements entered into under the Public Employees’ Collective Bargaining Law during the 12-month period following the bill’s effective date.⁷

² Section 1(B). *See also* R.C. 505.60(G), not in the bill.

³ Section 1 and 26 United States Code 4980H.

⁴ 28.846 hours, to be exact.

⁵ Section 1(B)(1).

⁶ Section 1(B)(2).

⁷ Section 2. *See also* R.C. 4117.08 and 4117.10, not in the bill.

Emergency declaration

The bill specifies that, on enactment, its provisions go into immediate effect because it is an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for the necessity is to ensure that townships can maintain adequate staffing with part-time employees.⁸

HISTORY

Action	Date
Introduced	02-08-22

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⁸ Section 3.