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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 299  
134<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for S.B. 299's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Sen. Schaffer

**Local Impact Statement Procedure Required:** No

Tom Wert, Senior Budget Analyst

### Highlights

- Townships that elect to reduce full-time employees in favor of working part-time employees additional hours could save tens of thousands of dollars up to potentially \$1 million per year in health care coverage costs.
- The bill declares an emergency and its provisions would therefore go into immediate effect.

### Detailed Analysis

#### Overview

Under the bill, townships could save tens of thousands of dollars up to potentially \$1 million per year in costs to provide health care coverage to employees. Under current law, townships are not required to provide health care coverage to employees, but if they do, they must provide uniform coverage to township officers and full-time employees. Townships are not required to provide health care coverage for part-time employees. The bill increases the threshold number of hours that a township employee is expected to work in order to qualify as full time. Thus, if a township that provides health care coverage chooses to use fewer full-time employees by working part-time employees more hours, fewer employees would be eligible for health care benefits and township costs to provide those benefits would be reduced, depending on the number of affected employees. The bill declares an emergency and would go into effect immediately. Additional details are provided below.

#### Threshold between part time and full time

Specifically, the bill increases the threshold number of hours that a township employee is expected to work in order to qualify as full time under state law depending on whether or not

the township is designated as an “applicable large employer” under the federal Patient Protection and Affordable Care Act (ACA). Under the ACA, “applicable large employers” are employers with an average of 50 or more full-time equivalent employees during the preceding calendar year. The ACA requires applicable large employers to provide health care coverage to full-time employees or pay a federal penalty. The ACA defines full-time employees as those that work an average of 30 hours per week.

For townships that qualify as applicable large employers, the bill increases the threshold from not more than 1,500 hours to less than 1,560 hours annually or approximately 29 hours weekly to 30 hours weekly. For townships that do not qualify as applicable large employers, the threshold increases from 1,500 hours to 1,976 hours annually or approximately 29 hours to 38 hours weekly. Thus, under the bill, applicable large employer townships must provide health care coverage to employees that work an average of 30 or more hours per week under both state and federal law. Townships that provide health care coverage that are not applicable large employers would only be required to provide health care coverage to employees that work an average of 38 hours or more per week. Many, if not most, townships do not qualify as applicable large employers.

## **Township health care contributions**

The State Employment Relations Board (SERB) produces an annual report on the cost of health insurance in Ohio’s public sector. The 2021 edition, which recaps public sector health insurance costs for calendar year 2020, indicates that townships paid averages of \$710.82 per month for each covered employee electing single coverage and \$1,833.87 per month for each covered employee with family coverage. As such, for each employee that would otherwise be entitled to health care coverage under current law, the bill allows a township to save between approximately \$8,532 (\$711 x 12 months) and \$21,966 (\$1,833 x 12 months) annually. The full [Cost of Health Insurance in Ohio’s Public Sector 2021 Edition \(PDF\)](#) is available on SERB’s website: [serb.ohio.gov](http://serb.ohio.gov).