OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 611
134th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 611's Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Click and Ghanbari

Local Impact Statement Procedure Required: No

Ross Miller, Principal Economist

Highlights

- No direct fiscal effect on the state or political subdivisions. The bill does not make any changes to employer contribution rates to the Public Employees Retirement System (PERS), the Ohio Police and Fire Pension Fund (OP&F), or the State Highway Patrol Retirement System (SHPRS).

Detailed Analysis

Under current law, a member of the Public Employees Retirement System (PERS) who previously contributed to the Ohio Police and Fire Pension Fund (OP&F) or State Highway Patrol Retirement System (SHPRS) may have contributions and service credit transferred to PERS, subject to specified conditions. Similarly under current law, such a member who had received a refund of contributions to OP&F or SHPRS is permitted to purchase PERS service credit for service under OP&F or SHPRS subject to those conditions, if the member already has at least 18 months of PERS service credit. Among the conditions that current law imposes is a requirement that the PERS member have more years of service credit under PERS than the amount of OP&F or SHPRS service credit to be purchased or transferred. H.B. 611 would remove this requirement, while retaining the other requirements, thereby expanding the population of PERS members who may purchase (or have transferred) such previous service credit.

The bill has no direct fiscal effect on the state or any political subdivision. It does not make changes to employer contribution rates paid under PERS, OP&F, or SHPRS.

The bill's expansion of eligibility for transferring service credit to PERS may increase administrative costs for the three retirement systems. LBO expects that such cost increases, if any, would likely be minimal. In terms of increased benefit costs, the bill requires payments to PERS, based on contributions to the prior retirement system with interest, to compensate for the benefit costs. The payments may or may not fully compensate PERS for its increased liability from a given service transfer.

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