



# Ohio Legislative Service Commission

## Bill Analysis

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### Sub. H.B. 305

131st General Assembly  
(As Reported by H. Health and Aging)

**Reps.** Schuring, Barnes, Kuhns, Lepore-Hagan, Ramos, Sykes

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## BILL SUMMARY

- Includes in the membership of the Public Employees Retirement System nonteaching University of Akron employees who are initially employed on or after the bill's effective date or terminate employment after that date and are reemployed by the University not less than 12 months after termination.
- Makes an appropriation.

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## CONTENT AND OPERATION

### University of Akron nonteaching employees

The bill includes as members of the Public Employees Retirement System (PERS) the following persons employed by the University of Akron in positions not covered by the State Teachers Retirement System:

--Persons initially employed by the University on or after the bill's effective date;

--Persons employed by the University on the bill's effective date who terminate employment after that date and are reemployed by the University not less than 12 months after the date of termination.<sup>1</sup>

Other than certain law enforcement officers, nonteaching employees of the University participate in the School Employees Retirement System (SERS).<sup>2</sup> According

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<sup>1</sup> R.C. 145.011(D).

<sup>2</sup> R.C. 3309.01(B)(3), not in the bill.

to the Ohio Retirement Study Council, the University is the only four-year state university in Ohio whose nonteaching employees are in SERS rather than PERS.<sup>3</sup>

A full-time University of Akron law enforcement officer who was hired on or after September 16, 1998, became a member of PERS in the PERS law enforcement division.<sup>4</sup> An employee of the University who was already a full-time law enforcement officer on that date was in SERS, but could make a one-time election to transfer to PERS. If the election was not made, the employee remained in SERS.<sup>5</sup>

Under the bill, SERS members who are nonteaching employees of the University when the bill takes effect will continue to participate in SERS. An employee who terminates employment and is later reemployed by the University will be in SERS unless the reemployment occurs 12 months or more after the date of termination.

### **Appropriation for SERS employer surcharges**

The bill appropriates \$1.1 million from the General Revenue Fund to the University of Akron in each of fiscal year 2016 and fiscal year 2017. The appropriations are to be distributed to the University to fund its SERS employer surcharge payments.<sup>6</sup>

Under continuing law, SERS imposes a surcharge on employers for SERS members who earn less than the "minimum annual compensation amount" determined by the SERS actuary to be necessary to fund health care for members in retirement. The surcharge is determined annually for each employer and is in addition to retirement contributions made by the employer to SERS. The amount is determined through a formula based on member compensation, but cannot exceed 2% of the compensation of all SERS members employed by the employer during the prior year or 1.5% of compensation of all members in Ohio who are employed by employers required to pay the surcharge.<sup>7</sup>

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<sup>3</sup> Ohio Retirement Study Council, *Re: Transfer of University of Akron Active Members from SERS to PERS*, March 11, 2002, <http://www.orsc.org/orsc/uploads/Reports/Akron.PDF> (accessed December 9, 2015).

<sup>4</sup> R.C. 145.011(C).

<sup>5</sup> R.C. 3309.312, not in the bill.

<sup>6</sup> Sections 3 and 4.

<sup>7</sup> R.C. 3309.491, not in the bill.



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## HISTORY

### ACTION

### DATE

Introduced  
Reported, H. Health & Aging

08-25-15  
12-09-15

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