



# Ohio Legislative Service Commission

## Bill Analysis

Amy J. Rinehart

### H.B. 305

131st General Assembly  
(As Introduced)

Rep. Schuring

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## BILL SUMMARY

- Includes in the membership of the Public Employees Retirement System (PERS) nonteaching University of Akron employees who are initially employed by the University on or after the bill's effective date.
- Makes an appropriation.

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## CONTENT AND OPERATION

### New University of Akron nonteaching employees

The bill includes as members of the Public Employees Retirement System (PERS) employees of the University of Akron who are initially employed on or after the bill's effective date in positions not covered by the State Teachers Retirement System.<sup>1</sup> Other than certain law enforcement officers, nonteaching employees of the University currently participate in the School Employees Retirement System (SERS).<sup>2</sup> The University is the only four-year state university in Ohio whose nonteaching employees are in SERS rather than PERS.<sup>3</sup>

Under the bill, nonteaching employees employed by the University before the bill's effective date will continue to participate in SERS.

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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.

<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 November 12, 2015).

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>

### **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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## **HISTORY**

<b>ACTION</b>	<b>DATE</b>
Introduced	08-25-15

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<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.

