



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Kelly Bomba

H.B. 169

132nd General Assembly
(As Introduced)

Reps. Merrin, Faber, Scherer, Keller, Becker, Brinkman, Riedel, Dean, Zeltwanger, Vitale, Goodman, Henne, Roegner, Butler, Hood, Brenner

BILL SUMMARY

- Requires, with respect to insurance contracted for or provided by the Department of Administrative Services, an individual who is not covered by a collective bargaining agreement to pay the same percentage of the premium or percentage of the cost of coverage for vision, dental, or life insurance as the individual pays for health insurance.
 - Specifies that if a change in the percentage of the premium or percentage of the cost of coverage for vision, dental, or life insurance under the bill occurs during an individual's term of office, the change does not apply to the individual until the individual's next term of office that begins after the date of the change.
 - Requires the entity or individual who negotiates collective bargaining agreement terms on behalf of a state agency, department, board, or commission to seek to obtain a provision in the agreement that is similar to the bill's requirement that applies to individuals who are not covered by a collective bargaining agreement.
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CONTENT AND OPERATION

Percentage of premium or cost of coverage for vision, dental, or life insurance – exempt employees

The bill requires an individual who is not covered by a collective bargaining agreement (an exempt employee) and who receives vision, dental, or life insurance contracted for or provided by the Department of Administrative Services (DAS) to pay a percentage of the premium or percentage of the cost of coverage for any of those types of insurance that is equal to the percentage of the premium or percentage of the cost of

coverage that the individual is required to pay for health insurance contracted for or provided by DAS.¹ The bill specifies that it does not affect a continuing law requirement that if a state employee uses all accumulated sick leave and then goes on an extended medical disability, a policyholder must continue group life insurance coverage for the state employee at no cost to the employee for the period of the extended leave, up to three years.²

Under continuing law, DAS is required to contract for insurance for certain benefits, or provide equivalent benefits directly, covering state employees who are paid directly by warrant of the Director of Budget and Management,³ including elected state officials.⁴ Currently DAS directly provides health, dental, vision, and life insurance to eligible exempt employees.⁵ Under current law, the percentage of premium or percentage of the cost of coverage an exempt employee must pay for coverage provided by DAS is at the discretion of the DAS Director.⁶ Currently, dental, vision, and basic life insurance is provided to eligible exempt employees and their dependents at no cost. The percentage of the cost of coverage for health insurance for eligible employees, both exempt and those covered by a collective bargaining agreement, varies depending on the average number of hours an employee works per week as follows:

- For full-time employees and part-time permanent and temporary employees who work an average of 30 or more hours per week, 15%;
- For part-time permanent employees who work an average of 20 to 29.99 hours per week, 50%;
- For part-time permanent employees who work an average of less than 20 hours per week, 100%.⁷

¹ R.C. 124.824(A).

² R.C. 124.81(C).

³ This includes most state employees, but does not include employees of state institutions of higher education.

⁴ R.C. 124.81(A) and (F) and R.C. 124.82(A), not in the bill.

⁵ R.C. 124.87 and 125.212, not in the bill, and Ohio Department of Administrative Services, *Benefits Administration*, <http://das.ohio.gov/Divisions/HumanResources/BenefitsAdministration.aspx> (accessed May 5, 2017).

⁶ R.C. 124.82(C), not in the bill, and Ohio Administrative Code 123:1-71-03(D).

⁷ Ohio Department of Administrative Services, *State of Ohio Employee Benefits Guide 2016-2017*, 13, 20, and 23, <http://das.ohio.gov/Portals/0/DASDivisions/HumanResources/BA/Employee%20Benefits%20Guide/1016-17/2016-17%20Employee%20Benefits%20Guide%20-%20Interactive.pdf> (accessed May 7, 2017).

Application to elected officials

The bill specifies that pursuant to the Ohio Constitution, if a change in the percentage of the premium or percentage of the cost of coverage for vision, dental, or life insurance under the bill's provision occurs during an individual's term of office, that change does not apply to the individual until the individual's next term of office that begins after the date the change occurs.⁸ The Ohio Constitution prohibits the General Assembly from changing the salary of any officer during an existing term of office, unless the office is abolished.⁹ The Ohio Supreme Court has held that insurance benefits are part of an officer's salary for purposes of that provision.¹⁰

Percentage of premium or cost of coverage for vision, dental, or life insurance – collective bargaining agreements

In negotiating a collective bargaining agreement under the Public Employee Collective Bargaining Law,¹¹ the bill requires the entity or individual who negotiates on behalf of a state agency, department, board, or commission to seek to obtain a provision in the agreement that requires an individual to pay a percentage of the premium or percentage of the cost of coverage for vision, dental, or life insurance that is equal to the percentage of the cost of coverage that the individual is required to pay for health insurance contracted for or provided by DAS.¹²

Under continuing law, DAS may provide insurance benefits contracted for through a collective bargaining agreement through a jointly administered trust fund. The employer contribution for the cost of those insurance benefits is required to be mutually agreed upon in the collective bargaining agreement.¹³ Currently, state employees who are covered by a collective bargaining agreement receive their dental, vision, and basic life insurance benefits through the jointly administered Union Benefits

⁸ R.C. 124.824(B).

⁹ Ohio Const. Art. II, § 20.

¹⁰ *State ex rel. Parsons v. Ferguson*, 46 Ohio St.2d 389 (1976).

¹¹ R.C. Chapter 4117.

¹² R.C. 124.824(C).

¹³ R.C. 124.81(F) and (G) and R.C. 124.82(E), not in the bill.



Trust.¹⁴ Dental, vision, and basic life insurance provided through the Trust is currently provided at no cost to employees.¹⁵

HISTORY

ACTION	DATE
Introduced	03-29-17

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¹⁴ The Union Benefits Trust, *History of the Trust*, http://www.benefitstrust.org/?page_id=122 (accessed May 8, 2017).

¹⁵ The Union Benefits Trust, *2016 Open Enrollment*, http://www.benefitstrust.org/?page_id=719 (accessed May 8, 2017).

