



OHIO ASSOCIATION OF PROFESSIONAL FIRE FIGHTERS

Ohio House Pension Committee
HB 296, Proponent Testimony
Jon Harvey, President of Ohio Professional Fire Fighters Association
November 14, 2023

Chairman Mathews, Vice Chair King, Ranking Member Lightbody, and members of the House Pensions Committee, thank you for the opportunity to testify in support of House Bill 296 on behalf of the Ohio Association of Professional Fire Fighters (OAPFF). My name is Jon Harvey and I currently serve as a Captain with the Middletown Fire Department (MFD) assigned to Station 81, the head of the city’s Hazardous Materials Response team, the co-chair of the Butler Co. Reginal Haz Mat team, and President of the OAPFF.

Since 1918, the OAPFF has represented Ohio’s fulltime professional fire fighters who stand on the frontlines protecting lives and property of citizens across the Buckeye State. We have 13,500 members (over 95% of Ohio’s professional fire fighters) through 287 affiliate locals and agencies. We are here standing in solidarity with our police brothers and sisters advocating for a secure and dignified retirement for our members. It is long overdue (almost 40 years) that the public investment in our retirement fund be equitable.

What Does HB 296 Do

HB 296 increases, incrementally over a four-year period, the employer contribution to the Ohio Police and Fire Pension Fund for full-time municipal police officers from 19.5% to 24%, the same percentage as full-time professional fire fighters.

What HB 296 Doesn’t Do

Unlike last GA’s HB 512, HB 296 **DOES NOT** increase employer contribution for fire fighters, removing at least 1208 of the 1308 townships from any fiscal impact posed by this legislation. Additionally, almost 1/3 of Ohio’s rural/ small villages and municipalities are unaffected. Only those municipalities and townships that utilize their own law enforcement agencies will be impacted. Ohio’s municipals and townships that utilize their County Sheriff’s office **DO NOT** make contributions to Ohio Police & Fire Pension. Those pensions are provided for and managed under OPERS, not Ohio Police & Fire Pension – therefore not impacted by HB 296.

More Police Officers than Fire Fighters + 4.5% Lower Police Contribution = Dire Long-Term Sustainability Challenges

Employers (municipalities & townships) pay different contribution rates for police and fire departments, but these funds go into the same “pot” of money with no designation between careers. Employees all draw from the same funding pool. This means fire fighters’ employers have provided more funding while having less employees in the system. This can come with serious ramifications if it continues to go unaddressed.

	Police	Fire	Total
Active Members	15,420	13,964	29,384
Average Age	41.0	41.7	41.4
Average Y/ of Service	13.6	14.1	13.8
Contribution Rates	Members: 12.5% Employer: 19.5%	Member: 12.5% Employer: 24.0%	
New Members in 2021	1,064	961	2,025

**Based on 1/1/2022 actuarial valuation from OP&F*

Almost 40 Years & Only Employees Made Sacrifices To Keep The Pension Sustainable

Pension Reform legislation (Enacted 2012) did the followings:

- Increased employee pension contributions for police and fire from 10.0% to 12.5%
- Raised the retirement eligibility age from 48 to 52
- Cut \$3.2 Billion in benefits from future retirees
- Changed calculating average annual salary (AAS) to five years from three years
- Delayed eligibility for cost-of-living adjustment (COLA). No police officer or fire fighter receives a COLA until they are age 55.
- The bill **DID NOT** increase pension contribution rates for public-sector employers, only the employees.

Reminder: Police and Fire Fighters are the only union employees who CANNOT strike – they always show up for work. Even during the 2020 COVID shutdown, police and fire fighters continued to serve.

How Can Local Departments Attract & Retain Talent In A Tight Labor Market

Today you have less time to exit a residential fire than ever. Modern home furnishing materials burn faster, and the smoke is more toxic. Lightweight modern building construction is cheaper, but prone to catastrophic collapse. Ohioans are increasingly bringing things like scooters or electric bikes that use lithium ion batteries into their homes. If one of those is damaged and starts to burn it can become an explosive fire in seconds.

The game has changed for Ohio's fire fighters.

At the same time, departments are struggling to recruit and retain fire fighters. Increasing call volume and decreased staffing, elevated cancer rates, and the reality of PTSD all contribute to decreased interest in these rewarding careers. The pension remains a key factor in attracting and maintaining quality fire fighters.

Research shows that employees highly value secure retirement benefits, meaning they can be a potent tool in recruitment and retention efforts. Pensions provide a sense of financial security for employees during their retirement years. Fire fighters are exempt from social security benefits. Offering a sustainable and attractive pension plan makes local government employers more competitive in today's strained job market, and demonstrates a commitment to the long-term financial well-being of their employees. This, in turn, can help with police and fire retention by reducing turnover and attracting individuals who value such benefits.

“These days, many workers have the opportunity to be a bit picky in what job/career field they go to, and employers know it. Being able to tell prospective workers. ‘We’ve got a pension arrangement here that you can count on’ ... is a big draw in the battle for scarce labour.” – Why defined-benefit pension plans may be poised for a comeback’,
Financial Post, October 4, 2023

“Higher interest rates and a competitive labor market make the case to bring back a version of the classic retirement benefit...What it costs to offer a pension benefit can also be considered against the wider contest of rising workforce expenses...companies have struggled to attract and retain workers over time. This can be a tool.” – Jonathan Price, national retirement practice leader at benefits consulting firm Segal. – Bring Back Corporate Pension Plans. Seriously., Wall Street Journal, November 3, 2023.

Ohio's professional fire fighters heard the local government concerns with funding from last GA; hence the fire fighter employers' contribution portion has not been increased in this legislation. HB 296 is a fair and equitable approach for parity between the police and fire employers' contribution. It is only a 4.5% total increase, removing Ohio's rural and small municipalities, creating a sustainable change, and staving off another round of benefit cuts to Ohio's police and fire fighters.

I thank the committee for your time and thoughtful consideration of my testimony. Ohio's fire fighters stand ready to respond every day of the year. We ask that you stand with us now by voting to support HB296.