



## ***SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO***

300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746  
614-222-5853 • Toll-Free 800-878-5853 • [www.ohsers.org](http://www.ohsers.org)

RICHARD STENSURD  
*Executive Director*

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*Deputy Executive Director*

### **Written Testimony Before the Senate Finance Committee House Bill 96 School Employees Retirement System of Ohio May 28, 2025**

Chairman Cirano, Vice Chairman Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee, thank you for the opportunity to provide written testimony on amendments to House Bill 96, the FY26/27 State Operating Budget.

As you know, SERS is a statewide defined benefit pension plan that provides retirement, disability, and survivor benefits to non-teaching employees of Ohio's public schools including vocational, technical, and community schools, and community colleges.

SERS members' positions range from bus drivers, custodians, administrative assistants, food service providers, and educational aides to treasurers and business administrators.

There are a few provisions within Amended Substitute House Bill 96 that are of concern to SERS.

Our primary concern is a provision that defines state retirement systems as "state agencies" for the purpose of remote work policies.

Whether through other sections of the Revised Code, case law, and/or Attorney General opinions that exempts them, Ohio's public retirement systems are ***not*** considered state agencies.

SERS operates under the guidance of an independent board comprised of nine members: four elected by active employee members; two elected by retired members; and three appointed investment expert members. One investment expert is appointed by the Governor, one by the State Treasurer, and one by the Speaker of the House and President of the Senate. The SERS Board meets monthly, except in January and August.

All of the Board members take an oath of strict fiduciary responsibility to the system and its members.

Maintaining the Board's independence is of utmost importance, and preserving distinct lines of management and governance responsibilities is vital for SERS' Board and staff to fulfill their fiduciary duty. Ultimately that is what allows us to be successful at our mission in serving those who serve our schools.

Ohio's retirement systems are highly regulated by state and federal laws and regulations and are subject to the oversight of the Ohio Retirement Study Council (ORSC).

The ORSC at its most recent meeting voted to recommend that this provision of HB 96 be amended to remove the inclusion of the state retirement systems in the definition of "state agency."

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MATTHEW A. KING <i>Chair, Employee-Member</i>	CATHERINE P. MOSS <i>Vice-Chair, Retiree-Member</i>	JEANINE ALEXANDER <i>Employee-Member</i>	JEFFREY DELEONE <i>Appointed Member</i>
JAMES H. HALLER <i>Employee-Member</i>	JAMES A. ROSSLER, JR <i>Appointed Member</i>	AIMEE RUSSELL <i>Employee-Member</i>	FRANK A. WEGLARZ <i>Retiree-Member</i>
			DANIEL L. WILSON <i>Appointed Member</i>



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Therefore, we request an amendment to reflect that recommendation and maintain the independence of SERS and the other retirement systems.

Another requirement added to HB 96 in the House is for the Ohio public retirement systems to withhold local school district taxes from pension benefits.

First, the provision in the House-passed bill would grant the Tax Commissioner rule-making authority that would bind the retirement systems.

Currently, the systems have the authority to promulgate rules pertaining to federal and state income tax withholding. Taxation staff have indicated that it was not their intention to bind retirement systems and, subsequently, we have agreed conceptually on corrective language.

Second, we remain concerned about the resources we would need to expend to address a relatively small number of our retired members. To implement this change in operation would divert financial and human resources that were not budgeted for the current year.

If it is the General Assembly's desire to place this responsibility on the public retirement systems to withhold local school district income taxes from retirees' pension benefits, then we would ask to extend the implementation date to allow us to budget time and resources to accurately comply with the withholding requirements called for in the bill.

Therefore, we request an amendment to maintain current law regarding rulemaking by the Ohio retirement systems, and to clarify that the Tax Commissioner has rule promulgation authority regarding the "private retirement plans" that are added to the current law and to extend the implementation date of this provision by one year to January 1, 2027.

The recommendations that ORSC approved also urge this provision be amended to reflect the changes requested by the retirement systems.

Thank you for your consideration of these requests.

Respectfully submitted,

Richard Stensrud, Executive Director

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