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Sponsor Testimony

Senate Bill 263
Financial Institutions, Insurance and Technology Committee
October 21, 2025

Chair Wilson, Vice-Chair Lang, Ranking Member Craig, and Members of the Senate Financial Institutions, Insurance and Technology Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 263, which upon enactment would make changes regarding professional employer organizations and alternate employer organizations under the Unemployment Compensation Law.

I was contacted by a business in my district: Group Management Services (GMS), which is headquartered in Richfield, Ohio. They had identified an issue with our Ohio Revised Code that was causing them to file many more reports than was necessary. They had reached out to ODJFS who agreed with them in principle but pointed out that the law needed to be amended to correct this inefficiency.

Quite simply, SB263 would allow professional employer organizations to file unemployment wage and contribution reports with ODJFS on behalf of their clients in ONE filing, rather than filing individual reports for each client. The bill does this by removing the requirement that "each shared employee of a single client employer be reported under a

separate and unique subaccount of the professional employer organization.[1]"

The committee will hear directly from a representative of GMS, who will be able to share firsthand experience of how cumbersome the process is today and what SB263 would mean for them in terms of cutting government red tape and increasing efficiency.

I am thankful for the work that ODJFS put into helping us draft this legislation and am grateful that they are in full support of this bill. The committee will also hear from ODJFS as they are providing proponent testimony on SB263.

In summary: Senate Bill 263 seeks to clarify the language of Ohio Revised Code §4141.24[2]. This section currently states that a PEO is the employer for reporting purposes and requires that each shared employee of a single client employer be reported under a separate and unique subaccount of the professional employer organization. The proposed amendment to §4141.24[3] will provide clear authority for the PEO to file under one concurrent employer account, aligning with the intent of the paymaster program.

Thank you for the opportunity to testify today. I would be happy to answer any questions at this time; however, some questions may be answered more thoroughly by the proponents that follow.

[1] Lines 329-331 Senate Bill 263
[2] https://codes.ohio.gov/ohio-revised-code/section-4141.24
[3] https://codes.ohio.gov/ohio-revised-code/section-4141.24