

Senate Government Oversight and Reform Committee
Amended Substitute House Bill 96 – Interested Party Testimony
May 14, 2025



**STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO**

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Chair Manchester, Vice Chair Brenner, Ranking Member Weinstein and Members of the Senate Government Oversight and Reform Committee, on behalf of the State Teachers Retirement System Board, I appreciate this opportunity to provide the committee with our interested party testimony as it relates to a provision in Amended Substitute House Bill 96 (Am. Sub. H.B. 96).

In Am. Sub. H.B. 96 there is language in R.C. 5747.071 and Section 801.130 that would authorize a retirement system benefit recipient to request that a state retirement system withhold school district income taxes in addition to state and federal tax withholdings. The legislation contemplates an effective date of January 1, 2026. As noted in the Ohio Retirement Study Council (ORSC) Staff Recommendation on Am. Sub. H.B. 96 presented to the ORSC on May 8, 2025, there are 188 school districts where this income tax is applicable. The practical effect is that programming for the withholding of a multitude of rates will require additional resources – both financial and personnel – that had not been anticipated. For that reason, Madame Chair and Members of the Committee, STRS Ohio respectfully requests the effective date be delayed until January 1, 2027. The STRS Ohio finance team is currently implementing a large-scale project, and they will be the very ones tasked with implementing this withholding provision. It is to everyone's benefit for this to be done well and with time to execute appropriately. For that to happen again, we respectfully ask for the year's delay.

Additionally, the bill authorizes the tax commissioner to adopt rules governing this provision. Inasmuch as STRS Ohio has the authority in statute to promulgate rules governing system administration, we ask that this language be stricken from the legislation.

Finally, as mentioned previously, Ohio Retirement Study Council – the oversight body for Ohio's retirement systems – was presented at their May meeting with ORSC staff recommendation pertaining to this provision. The recommendation, which the Council approved, calls for a delayed effective date for this provision as well as removal or limiting the tax commissioner's rulemaking over the state retirement systems.

Chair Manchester, Vice Chair Brenner, Ranking Member Weinstein and Members of the Senate Government Oversight and Reform Committee, I appreciate the opportunity to provide these comments as you consider Am. Sub. H.B. 96.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "A. Hood". The signature is fluid and cursive, written over a light blue horizontal line.

Aaron Hood
Interim Executive Director