

House Insurance Committee
March 30, 2022
Testimony on House Bill 512

Chair Brinkman, Vice-Chair Lampton, Ranking Member Miranda, and members of the committee,

I am Ed Montgomery, a police officer for the City of Columbus. Mr. Chairman, I'm here today to ask for your support of HB 512, a bill for common-sense pension modernization.

You've heard a lot of testimony already and will surely hear more, so I wanted to very quickly share some bullet points that I think are important to emphasize.

Public safety pension modernization is necessary. A recent actuarial change shows that the fund isn't sustainable over the long term as presently constituted.

There are only a certain number of elements feeding into the fund that can impact sustainability: You can increase the employee contribution, which has already been done as part of your 2012 pension reform.

You can make cuts to health care, already recently done for police and fire retirees.

You can freeze or cut the cost of living increases. Once again, OP&F has already made costly COLA changes, including capping the amount of the increase for certain members and delaying the age at which the COLA will kick in.

Over the last eight-year, Ohio's police and firefighters have experienced three point two billion – BILLION, with a B – in benefit cuts.

You can count on the markets to make big returns – except you can't count on the market today to do that.

You can increase the employer contribution. Here we are. The last time this happened was in 1986.

This isn't passing the buck and asking our employers to shoulder the burden. It's asking them to join us, after 36 years, in shouldering just some of the burden.

Let's briefly review where the OP&F stands:

The recent lowering of the anticipated rate of return recognizes the instability of the market. It also recognizes that OP&F was at the high end – nationally and certainly among Ohio's public pensions.

The employee contribution here in Ohio is on the high end nationally. In Montana, the employee contribution is nine percent. Same in New Jersey. And in Delaware, it's seven percent.

The employer contribution is well below the Ohio Highway Patrol system and significantly below numerous other states, including Louisiana at 36 percent and Washington, D.C. at 33 percent.

Chairman Thomas Brinkman

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This request isn't out of line – in fact, it does much to bring OP&F into line.

The request is also reasonable – phased in over a period of time to allow municipalities to plan accordingly.

We have 60,000 active and retired police and firefighters in Ohio and their families. House Bill 512 delivers on the promise made to them, not by the pension fund but by the very municipalities who hire them.

In an arena where decisions are often, literally, life or death, this pension reform will offer peace of mind for men and women who so richly deserve it.

Again, I thank you for having me today, and I encourage each of you to vote yes for House Bill 512.