



OHIO HOUSE BILL 94

Interested Party Testimony

To amend Section 145.295 of the Revised Code regarding transfers or purchases of certain retirement service credit

Tuesday, Sept. 26, 2023

Our interest is in removing the provision added in 2015 that has adversely affected some public safety employees by blocking their career paths and earnings potential. The goal for Ohio's public retirement systems should be to allow service credit portability.

S.B. 42 of the 130th General Assembly, which passed on December 23, 2014 and became effective on March 23, 2015, amended Ohio Revised Code Section 145.295 to add the requirement that the amount of an OPERS member's service credit in OPERS be greater than the amount of credit to be transferred or purchased from a uniformed retirement system (OP&F and the Highway Patrol Retirement System). Consequently, those who worked in an OP&F-covered position and then accepted an OPERS-covered position, must accumulate more years of service with OPERS before becoming eligible to retire.

This provision blocks experienced OP&F members from reasonably accepting employment in a number of law enforcement positions covered by OPERS – such as a state university law enforcement officer, township police officer, and county sheriff or deputy sheriff.

This issue was created when Senate Bill 42 was amended just days before the adjournment of the 130th General Assembly in December of 2014. The provision inserted into the bill did not include an actuarial cost analysis and there was no opportunity for input from OP&F on this change.

At the time the change was enacted, OPERS stated that these service credit transfers had become a fiscal burden because it increased its retiree health care population. Both OP&F and OPERS no longer sponsor group health care plans for retirees and instead use a stipend-based program for members to purchase plans. We believe that due to these significant changes, this rationale no longer exists.

OP&F was not in agreement with these changes, as we felt that there were significant limitations on members' career flexibility for what we deemed to be a non-material administrative burden on the retirement systems to process service credit transfers at the member's request.

We further believe that if the OPERS "greater than" restriction is removed, the portability issues between the systems should be resolved.

While the current process may affect a relatively few, the public safety employees that are affected have their career paths and earnings potential blocked for no good reason.

At the time these changes were made restricting service credit portability for public safety workers, an effort was made to change a part of OP&F's section of the Revised Code. While it

fortunately did not pass, we feel it is important to again mention why this section of the code should remain.

Sections 742.21 and 742.214 state that a member of OP&F be “in the active service of a police or fire department” in order to transfer or purchase service credit from a non-uniformed retirement system to OP&F. The active service requirement has been in the law governing OP&F since 1974. The purpose of requiring a member to be in the active police or fire service is essential to prevent civilian service from being used to qualify for earlier retirement thresholds, which is reserved only for public safety service.

Therefore, we still strongly believe that the active police and fire service requirement should remain in the OP&F's law governing service credit purchases and transfers.

At this time I will be happy to address any questions you may have.

Respectfully submitted,

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Executive Director
Ohio Police & Fire Pension Fund