



# Ohio Legislative Service Commission

## Bill Analysis

Amy J. Rinehart

### H.B. 30

128th General Assembly  
(As Introduced)

**Reps.** Combs, J. Adams, Morgan, Murray, Bupp, Stebelton, Blair, Boose, Blessing

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## BILL SUMMARY

- Prohibits a participant in a retirement incentive plan for members of the Public Employees Retirement System (PERS) from being re-employed by the employer who established the plan.
- Requires employers to have each proposed PERS retirement incentive plan analyzed by a state university.
- Requires a state university to analyze a proposed PERS retirement incentive plan and provide a recommendation on the advisability of the plan.

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## CONTENT AND OPERATION

### Background

(R.C. 145.297)

Ohio law permits employers of members of the Public Employees Retirement System (PERS) to establish retirement incentive plans.<sup>1</sup> Under a retirement incentive

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<sup>1</sup> For purposes of establishing retirement incentive plans, the employing entity or part of the entity is designated an "employing unit." "Employing unit" is defined as:

(1) A municipal corporation, agency of a municipal corporation designated by the legislative authority, park district, conservancy district, sanitary district, health district, township, department of a township designated by the board of township trustees, metropolitan housing authority, public library, county law library, union cemetery, joint hospital, or other political subdivision or unit of local government;

(2) With respect to state employees, any entity of the state including any department, agency, institution of higher education, board, bureau, commission, council, office, or administrative body or any part of such entity that is designated by the entity as an employing unit;

plan, the employer purchases retirement service credit for eligible employees who participate and agree to retire within 90 days of receiving the additional service credit.

To be eligible to participate in a retirement incentive plan, an employee must meet certain criteria. The employee must not be an elected official, a member of a board or commission, or elected or appointed to serve a term of fixed length. The employee must be eligible to retire or be made eligible to retire by the service credit purchased by the employer.

## **Retirement incentive plans**

### **Prohibition of re-employment**

(R.C. 145.297(D) and 145.38)

The bill adds as an additional requirement for participation in a PERS retirement incentive plan the requirement that the employee agree not to be re-employed by the employer who established the plan.

Current law, with some restrictions, permits a retired PERS member to be employed after retirement as a re-employed retirant. Under the bill, a retired PERS member who participates in a retirement incentive plan may still be re-employed, but is prohibited from being re-employed by the employer that established the retirement incentive plan under which the employee retired.

### **Analysis of a proposed retirement incentive plan**

(R.C. 145.297(C))

The bill requires each retirement incentive plan offered by an employer to be analyzed by a department of a state university prior to being implemented. The analysis must be completed not later than 90 days after submission by the employer.<sup>2</sup> It is to be a public record. The analysis must include a cost-benefit analysis of the proposed plan that compares projected long-term savings with the projected cost to the employer of purchasing credit for participating employees and a recommendation,

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(3) With respect to employees of a board of alcohol, drug addiction, and mental health services, that board; with respect to employees of a county board of mental retardation and developmental disabilities, that board; with respect to other county employees, the county or any county agency designated by the board of county commissioners;

(4) In the case of an employee whose employing unit is in question, the employing unit is the unit through whose payroll the employee is paid (R.C. 145.297(A)).

<sup>2</sup> There is no penalty if a university department fails to conduct the analysis.

consistent with the findings of the cost-benefit analysis, to the employer on the advisability of establishing the proposed plan.

The employer proposing the plan is required to cooperate with the university conducting the analysis to the extent necessary for the university to complete the analysis. The bill does not require the employer to follow the university's recommendation.

The bill provides that the university conducting the analysis is to be determined as follows and the university department is to be selected by the university president:

(1) If the employer is a state agency, The Ohio State University;

(2) If the employer's chief administrative office is located in Delaware, Fairfield, Fayette, Franklin, Hocking, Knox, Licking, Madison, Marion, Morrow, Muskingum, Perry, Pickaway, or Union County, The Ohio State University;

(3) If the employer's chief administrative office is located in Allen, Crawford, Defiance, Fulton, Hancock, Hardin, Henry, Lucas, Ottawa, Paulding, Putnam, Sandusky, Seneca, Van Wert, Williams, Wood, or Wyandot County, the University of Toledo;

(4) If the employer's chief administrative office is located in Ashland, Ashtabula, Carroll, Columbiana, Coshocton, Cuyahoga, Erie, Geauga, Harrison, Holmes, Huron, Jefferson, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, or Wayne County, Cleveland State University;

(5) If the employer's chief administrative office is located in Athens, Belmont, Gallia, Guernsey, Jackson, Lawrence, Meigs, Monroe, Morgan, Noble, Scioto, Vinton, or Washington County, Ohio University;

(6) If the employer's chief administrative office is located in Adams, Auglaize, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Greene, Hamilton, Highland, Logan, Mercer, Miami, Montgomery, Pike, Preble, Ross, Shelby, or Warren County, University of Cincinnati.

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## HISTORY

ACTION	DATE
Introduced	02-18-09

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