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OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 594
133rd General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Crossman and Baldrige

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SUMMARY

- Allows an Ohio Police and Fire Pension Fund or State Highway Patrol Retirement System member participating in a deferred retirement option plan (DROP) to continue participating in DROP beyond the allowable DROP period established in continuing law if the member's DROP end date occurs during the period of an emergency declaration.
- Waives the reemployment penalty for a state retirement system retiree who becomes reemployed by a public employer as a police officer, firefighter, or emergency medical worker if the retiree has been receiving a retirement allowance less than one year before an emergency declaration.
- Declares an emergency.

DETAILED ANALYSIS

Deferred retirement option plan extensions

Continuing law allows an Ohio Police and Fire Pension Fund (OP&F) or State Highway Patrol Retirement System (SHPRS) member who is retirement eligible to participate in a deferred retirement option plan (DROP) created by that system. DROP is an optional program that allows a participant to accumulate an additional benefit for retirement.¹ A DROP participant continues in active service receiving a salary but does not accrue retirement service credit. An OP&F participant must agree to end service after eight years, and a SHPRS participant must agree to end service at the earlier of eight years or on reaching age 60.²

¹ R.C. 742.43 to 742.447 and 5505.50 to 5505.59.

² R.C. 742.44 and 5505.51 and R.C. 742.441 and 5505.52, not in the bill.

Under the bill, if the date on which a DROP participant has agreed to end active service occurs during the period of an emergency declaration (see “**Emergency declaration,**” below), DROP participation is extended as follows:

- An OP&F participant may continue working and participating in DROP beyond the eight-year limit without forfeiting the participant’s pension benefits, employee contributions, and interest that have accrued to the participant’s credit under the DROP;
- A SHPRS participant may continue working and participating in DROP beyond the eight-year or age-60 limit without being subject to the requirement that SHPRS deem the participant’s service terminated on that date.³

The bill does not establish a new end date on which a DROP participant who continues in active service under the bill must end active service.

Under continuing law, a DROP participant’s pension benefits and employee contributions accrue to the participant’s credit during DROP participation and earn interest at a specified rate. On retiring, an eligible participant receives the DROP funds in a lump-sum payment or installments with interest.⁴ However, if a participant to whom the bill does not apply does not end service at the required time, DROP participation ceases and no additional amounts accrue to the participant’s DROP credit. An OP&F participant who fails to end service forfeits all amounts accrued to the participant’s DROP credit.⁵

Reemployment penalty waiver

Continuing law permits a retired state retirement system member to be reemployed in a position covered by a state retirement system. However, a retirant who has received a retirement allowance for less than two months must forfeit the retirement allowance for any month of reemployment during the two-month period.⁶

Under the bill, a retirant is not required to forfeit the retirant’s retirement allowance for any month of reemployment during the two-month period if the retirant meets all of the following criteria:

- The retirant has been receiving a retirement allowance for less than one year before the date an emergency declaration is made or issued (see “**Emergency declaration,**” below);
- The retirant had previously been employed as a police officer, firefighter, or emergency medical worker;

³ R.C. 742.44 and 5505.51, by reference to R.C. 742.444(C), not in the bill.

⁴ R.C. 742.443, 742.444, 5505.54, 5505.56, and 5505.57, not in the bill, and Ohio Administrative Code 742-4-09 and 5505-3-07.

⁵ R.C. 742.44 and 5505.51 and R.C. 742.444, not in the bill.

⁶ R.C. 145.38, 742.26, 3307.35, and 3309.341, not in the bill.

- The retirant becomes reemployed as a police officer, firefighter, or emergency medical worker.⁷

A retirant who holds an expired certificate to provide services as a police officer, firefighter, or emergency medical worker may be reemployed as a police officer, firefighter, or emergency medical worker under the bill if the certificate has been expired for less than one year before the date the emergency declaration is made or issued.⁸

An “emergency medical worker” is a first responder, emergency medical technician-basic, emergency medical technician-intermediate, or emergency medical technician-paramedic certified under the Emergency Medical Services Law.⁹

Emergency declaration

Under the bill, an “emergency declaration” is an order or regulation that is made or issued by any of the following to declare an emergency:

- The Governor;
- The President of the United States;
- The board of health of a city health district;
- The board of health of a general health district;
- A health commissioner appointed by a board of health of a general or city health district;
- The Department of Health;
- The Director of the U.S. Centers for Disease Control and Prevention or any other federal agency pursuant to federal law.¹⁰

Effective date

The bill declares that it is an emergency measure necessary to address urgent needs of the state arising from a COVID-19 outbreak. If passed as an emergency law, the bill takes effect immediately on the Governor’s signature.¹¹

⁷ R.C. 145.386(B), 742.261(B), 3307.355(B), and 3309.346(B), by reference to R.C. 145.38(B), 742.26(D), 3307.35(F), and 3309.341(C), not in the bill.

⁸ R.C. 145.386(C), 742.261(C), 3307.355(C), and 3309.346(C), by reference to R.C. Chapter 4765 and R.C. 109.77 and 4765.55, not in the bill.

⁹ R.C. 145.386(A), 742.261(A), 3307.355(A), and 3309.346(A), by reference to R.C. Chapter 4765.

¹⁰ R.C. 145.386, 742.261, 742.44, 3307.355, 3309.346, and 5505.51, by reference to R.C. 3701.13, 3707.34, 3709.20, and 3709.21, not in the bill, and 42 Code of Federal Regulations Part 70 or 71.

¹¹ Section 3.

HISTORY

Action	Date
Introduced	03-25-20
