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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 310
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Jones

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SUMMARY

- Changes the cost for a State Teachers Retirement System (STRS) member to purchase regular military service credit to the amount of employee and employer contributions on earnings the member would have earned as a teacher during the period of military service instead of an amount based on the actuarial liability resulting from the purchase.
- Eliminates the requirement that a STRS member pay interest on a purchase of service credit for interrupted teaching due to military service that is not completed within a certain period.
- Prohibits the STRS Board from charging a member any amount in addition to the amount of contributions to purchase regular military service credit or interest to purchase interrupted military service credit.

DETAILED ANALYSIS

Military service credit purchases

The bill makes changes to the cost for a State Teachers Retirement System (STRS) member to purchase military service credit. Under continuing law, STRS members may purchase retirement service credit for military service for which they have not contributed to STRS.¹ There are two kinds of military service for which a member may purchase service credit: military service before STRS membership and interrupted teaching due to military service.

Military service before membership

Under continuing law, an STRS member may purchase service credit for periods of regular military service or Ohio National Guard or reserve military service that occurred before

¹ R.C. 3307.751 and 3307.752.

STRS membership.² The member must apply to the STRS Board in a manner or form approved by the Board to purchase the credit.³

Under the bill, a member seeking to purchase the credit is not subject to the requirement that, for each year or portion of a year of credit a member purchases, the member pay an amount specified by the STRS Board that is equal to 100% of the actuarial liability to STRS resulting from the purchase. Instead, the bill requires a member, for each year or portion of a year of credit the member purchases and subject to Board rules, to pay the Board an amount equal to the sum of the employee and employer contributions that would have been paid by the member and the member's employer as if the member had been in active service as a teacher during the period of military service for which the member is purchasing credit. The Board must calculate the cost for each year of service credit separately.

Under the bill, the STRS Board is prohibited from requiring a member to pay any additional amount to STRS to purchase the service credit, including interest or an amount equal to any percentage of the actuarial liability resulting from the purchase.⁴

Continuing law requires the Board to adopt rules establishing criteria for determining eligibility for purchases of service credit and procedures for purchases of credit. The Board's determination is final.⁵

Interrupted teaching due to military service

Continuing law allows an STRS member to purchase service credit for military service that interrupted the member's STRS teaching service, provided the member was employed in an STRS position before the military service and returned to an STRS position within three months of completing the military service. To purchase credit, the member and the member's employer pay contributions on earnings the member would have earned if not in military service. The bill removes the STRS Board's authority to charge the member interest if the purchase is not completed within the lesser of five years or a period that is three times the member's period of military service. It prohibits the Board from charging a member interest to purchase the credit.⁶

² See pages 16 to 19 of [Purchasing Service Credit \(PDF\)](#), which may be accessed by conducting a keyword "Purchasing service credit" search on the State Teachers Retirement System website: strsoh.org.

³ R.C. 3307.70(A)(1).

⁴ R.C. 3307.70 and 3307.751.

⁵ R.C. 3307.70(E).

⁶ R.C. 3307.572 and see pages 19 to 21 of [Purchasing Service Credit \(PDF\)](#).

HISTORY

Action	Date
Introduced	10-30-23
