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Bill Analysis

Version: As Introduced

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SUMMARY

- Includes in the Public Employees Retirement System (PERS) law enforcement division a PERS member who, after the bill's effective date, becomes employed full time as a parole officer by the Department of Rehabilitation and Correction or the Department of Youth Services.
- Allows a PERS member who, on the bill's effective date, is employed as a parole officer to elect to participate in the PERS law enforcement division, rather than regular PERS, for the member's future service.
- Requires the establishment of supervision standards for parole and field officers.

DETAILED ANALYSIS

PERS law enforcement division

Under continuing law, the Public Employees Retirement System (PERS) has special retirement and benefit provisions for PERS members who are considered law enforcement officers.¹ These are officers whose primary duties are to preserve the peace, protect life and property, and enforce Ohio law. They include deputy sheriffs, township police officers, and university police officers. These officers are in the PERS law enforcement division (PERS-LE).²

Parole officers

The bill includes "parole officers" in PERS-LE. A "parole officer" is either of the following:

¹ R.C. 145.332, not in the bill.

² R.C. 145.01(ZZ).

- A PERS member employed full time by the Department of Rehabilitation and Correction in the Adult Parole Authority to supervise criminal offenders released from prison on parole or post-release control;
- A PERS member who is employed full time by the Department of Youth Services as a juvenile parole officer.

A member's participation in PERS-LE as a parole officer depends on when the member began employment as a parole officer in relation to the bill's effective date. Specifically:

- A member who starts employment as a parole officer on or after the bill's effective date is automatically included in PERS-LE;
- A member who, on the bill's effective date, is employed as a parole officer may elect to participate in PERS-LE rather than regular PERS.³

Election to participate and service credit

For a PERS member who is employed as a parole officer on the bill's effective date, the bill prescribes a procedure to elect to participate in PERS-LE, rather than regular PERS. To make an election, the member must notify PERS on a form provided by the PERS Board. PERS must receive the notice not later than 90 days after the bill's effective date. The election, once made, is irrevocable and causes the member to be considered a PERS law enforcement officer for future service as a parole officer.

The bill also addresses the treatment of service credit earned by a member before making the election. Except as described below, service credit earned before the first day of the first month following PERS' receipt of the notice of election to participate in PERS-LE is not considered PERS-LE service credit.

A member, however, may apply to PERS to have the member's service credit described above considered PERS-LE service credit. The member and the member's employer, subject to PERS Board rules, must pay PERS the difference between the contributions the member and the member's employer made to PERS and the contributions they would have paid if the member had been in PERS-LE. The Board must notify the member and the employer of the amount to be paid to purchase the credit. The Board cannot require the member or the employer to pay any additional amount to purchase the service credit, including interest or any percentage of the actuarial liability resulting from the purchase.⁴

Background – PERS law enforcement officers

A member who is employed as a parole officer on the bill's effective date and is close to retirement may find it more advantageous to remain in regular PERS than move to PERS-LE. This is because, in determining eligibility for retirement under the PERS-LE provisions, typically

³ R.C. 145.01(Y) and (Z), by reference to R.C. 2967.01 and 5139.18, not in the bill, and R.C. 145.336.

⁴ R.C. 145.336.

only law enforcement service credit is considered. A member with both regular service credit and law enforcement credit can retire under regular PERS but receives no additional benefit for the higher contributions made for law enforcement service.⁵

PERS law enforcement officers have higher employee and employer contribution rates than regular PERS members. The table below compares those contributions rates. The employee contribution is a percentage of the employee's salary. The employer contribution is an amount equal to a percentage of the employee's salary.⁶

Contribution rates		
PERS member	Employee	Employer
Regular PERS member	10.00%	14.00%
PERS law enforcement officer	13.00%	18.10%

Additionally, law enforcement officers have different eligibility requirements for age and service retirement than regular PERS members. For example, PERS law enforcement officers in Group C (for purposes of retirement eligibility, PERS members are placed into one of three groups) are eligible to retire with a full PERS pension at age 52 with at least 25 years of service credit, or age 64 with at least 15 years of service credit. Regular PERS members in Group C are eligible to retire with a full PERS pension at age 55 with at least 32 years of service credit, or age 67 with at least five years of service credit. The pension amount a member receives is determined based on the member's age, years of service, and final average salary.⁷

Federal Internal Revenue Code

While parole officers could qualify for the earlier retirement by participating in PERS-LE, it is not clear whether they would avoid a federal income tax penalty for earlier retirement, as do other PERS law enforcement officers. Under the federal Internal Revenue Code (IRC), a "qualified public safety employee" may retire and begin receiving distributions from a governmental plan at age 50, or after obtaining 25 years of service, without incurring an

⁵ R.C. 145.32, 145.33, and 145.332, not in the bill, and see [Law Enforcement/Public Safety Officers \(PDF\)](#), which may be accessed by conducting a keyword "law enforcement" search on the Public Employees Retirement System (PERS) website: opers.org.

⁶ R.C. 145.47, 145.48, and 145.49, not in the bill, and see [What is OPERS?](#), which may be accessed by conducting a keyword "what is OPERS" search on the PERS website: opers.org.

⁷ R.C. 145.32 and 145.332, not in the bill, and see page 1 of [Retiring from Public Employment \(PDF\)](#), which may be accessed by conducting a keyword "retiring public employment" search on the PERS website: opers.org.

additional 10% tax that otherwise applies to PERS members who receive distributions before age 55. The IRC defines “qualified public safety employee” as:

[A]ny employee of a State or political subdivision of a State who provides police protection, firefighting services, emergency medical services, or services as a corrections officer or as a forensic security employee providing for the care, custody, and control of forensic patients for any area within the jurisdiction of such State or political subdivision[.]⁸

Therefore, it is unclear whether parole officers would be considered “qualified public safety employees” under this definition for federal income tax purposes.

Supervision standards for parole and field officers

Not later than one year after the bill’s effective date, the Adult Parole Authority (APA) must establish supervision standards for parole and field officers. These standards must specify a “caseload” and a workload for parole and field officers. The caseload and workload standards must comport with industry standards set by the American Probation and Parole Association, except that an individual parole or field officer’s caseload cannot exceed 50 offenders per parole or field officer, regardless of the offenders’ classification.⁹

Not later than two years after the APA establishes the standards, the Department of Rehabilitation and Correction must ensure that the field services section has enough parole and field officers to comply with them, and that the officers have been trained to the extent required to comply with them.¹⁰

Definitions

The bill defines the following terms for purposes of its provisions described above:¹¹

- “Caseload” means the maximum number of persons paroled, conditionally pardoned, or released to community supervision who should be under the supervision of any parole or field officer;
- “Parole or field officer” means an adult parole, senior adult parole, or adult field officer, a juvenile parole, senior juvenile parole, or juvenile field officer, or a combination adult and juvenile parole or field officer, of the field services section.

⁸ 26 United States Code 72(t)(1), (2), and (10). See also page 35 of [IRS Publication 575 \(PDF\)](#), which may be accessed by conducting a keyword “Publication 575” search on the Internal Revenue Service website: [irs.gov](https://www.irs.gov).

⁹ R.C. 5149.04(F)(1).

¹⁰ R.C. 5149.04(F)(2).

¹¹ R.C. 5149.04(A).

HISTORY

Action	Date
Introduced	03-07-24
