



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Kailey M. Henry

S.B. 247

132nd General Assembly
(As Introduced)

Sen. Dolan

BILL SUMMARY

- Causes a Public Employees Retirement System (PERS) retirant's spouse, including a deceased member's surviving spouse, who is 85 or older and in 2017 was enrolled in a PERS health care plan to continue receiving any health care allowance from PERS that the spouse received in 2017.
- Increases the health care allowance the spouse receives each succeeding year by the amount of any increase in the allowance the retirant receives or deceased member would have received.

CONTENT AND OPERATION

PERS spousal allowance for health care coverage

The Public Employees Retirement System (PERS) provides a health care allowance to qualifying retirants for the purchase of health care coverage. Previously, PERS also provided a health care allowance to a qualified PERS retirant's spouse or deceased PERS member's surviving spouse (see "**Background**," below). Since PERS may, but is not required, to provide health care coverage, it can change eligibility for coverage or an allowance as it considers appropriate.¹

The bill requires PERS, unless it discontinues health care coverage for retirants, to cause a PERS retirant's spouse (including a deceased PERS member's surviving spouse) to continue receiving any health care allowance the spouse received from PERS in 2017 to pay or be reimbursed for health care premiums and other qualified health

¹ R.C. 145.58, not in the bill.

care expenses. Both of the following conditions must be met for the spouse to continue receiving the allowance:

- (1) On December 31, 2017, the spouse was 85 or older (see **COMMENT**);
- (2) The spouse was enrolled in a PERS health care plan in 2017.

Under the bill, each succeeding year the spouse receives the allowance plus any increase in the allowance the retirant receives or the deceased member would have received.²

Background

A retirant who receives a health care benefit from PERS may enroll the retirant's spouse and dependent children in the PERS health care plan. A deceased PERS member's surviving spouse and eligible dependent children may enroll in the PERS health care plan if before the member's death the member met applicable requirements for participation in the plan.³

Previously, PERS paid part of a spouse's monthly health care premium through a monthly allowance if the spouse was 55 or older.⁴ On January 1, 2016, PERS began phasing out the spousal allowance for health care coverage. Effective January 1, 2018, spouses, including surviving spouses, have to pay the full cost of coverage under the PERS health care plan. Spouses will have access to PERS health care coverage through at least the year 2020.⁵

COMMENT

The bill continues the health care allowance for certain spouses of PERS retirants and surviving spouses of deceased PERS members who are 85 and older. Because the bill creates a classification where certain spouses and surviving spouses receive the allowance and others do not, there may be an issue involving its constitutionality under the Equal Protection Clauses of the Ohio and U.S. Constitutions requiring similarly

² R.C. 145.585.

³ Public Employees Retirement System, *2018 Coverage Guide for Participants in OPERS Health Care*, <https://www.opers.org/pubs-archive/healthcare/coverage-guide/coverage-guide-2018.pdf>.

⁴ Public Employees Retirement System, *OPERS Health Care Report 2015*, <http://www.orsc.org/Assets/Reports/677.pdf>.

⁵ Public Employees Retirement System, *2016 Health Care Report*, https://www.opers.org/pubs-archive/healthcare/HealthCareReport_2016.pdf.

situated persons to be treated similarly.⁶ An equal protection analysis would likely focus on whether the bill's classification is rationally related to a legitimate government interest (as it does not appear to involve a suspect or quasi-suspect class or a fundamental right).⁷ Only a court could determine this issue.

HISTORY

ACTION	DATE
Introduced	01-02-18

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⁶ U.S. Const., amend XIV and Ohio Const., art. I, sec. 2.

⁷ *State ex. rel. Doersam v. Industrial Com. of Ohio*, 45 Ohio St.3d 115 (1989).

