

# Public pension changes clear Ohio Legislature

**Ann Sanner**  
Associated Press

COLUMBUS — A package of bills aimed at shoring up Ohio's five public pension funds with increased contributions among some workers and higher retirement ages cleared the state Legislature on Wednesday in a rare showing of bipartisanship during an election year.

The legislation will affect almost 1.8 million Ohioans who are covered by the five funds: Ohio Public Employee Retirement System, State Teachers Retirement System, School Employees Retirement System, Ohio Highway Patrol Retirement System and the Ohio Police and Fire Pension Fund.

Republican Gov. John Kasich will sign the package into law, his office said.

Ohio's pension funds are in dan-

ger of becoming insolvent if adjustments aren't made. Policymakers, retiree groups, government employers and others have wrestled over the fixes for four years.

The pension bills include requests by the funds to raise premiums, lower payouts and tighten eligibility requirements for affected teachers, police and other public workers.

After becoming law, the measures would take effect Jan. 7. Employee contribution rates would be gradually increased by increments from 10 percent of salary to 12.25 percent for those belonging to the Ohio Police and Fire Pension Fund, and from 10 percent to 14 percent for members of the State Teachers Retirement System.

Members of OPERS and the School Employees Retirement System would not see an increase in contributions.

The Ohio Highway Patrol Retirement System board could adjust member contributions from 10 percent to up to 14 percent of salary.

Republican Rep. Kirk Schuring, chairman of a legislative subcommittee that has been studying the pensions' fiscal health, called the bills the "most significant reform measures" in decades.

Schuring said while some may view the changes as painful, they will help preserve benefits for current and future retirees.

Republican Senate President Tom Niehaus and Senate Democratic Leader Eric Kearney cosponsored the bills, which passed the Senate in May.

The package had been awaiting House action since the spring. House Speaker William Batchelder, a Republican, had held the bills in committee over the summer as an

analysis commissioned by the non-partisan Ohio Retirement Study Council was completed. The review ultimately suggested a handful of changes but generally endorsed the bills.

The House made mostly minor tweaks to the bills and passed them with almost unanimous support. The Senate then agreed to the changes in unanimous votes on each measure.

Batchelder said one of the things that attracts people to public service is the state's pension system.

He noted current and future retirees and beneficiaries have an increased awareness of the challenges that other states have faced in ensuring pension obligations are met.

"As people read the paper and watch TV, they see these funds blowing up," Batchelder said. "And that will not happen in Ohio."

Accounting and performance audits of the five funds found that without adjustments to account for longer life spans, an influx of retirement-age baby boomers and economic challenges faced by government employers, the funds' long-term solvency over the next 30 years would be at risk.

The funds told state lawmakers they were losing varying amounts, including one estimate of \$1 million a day, as they awaited legislative action allowing them to adjust premiums and payments for retirees and other recommended changes.

Lawmakers returned to the Statehouse on Wednesday to tackle the pension fund changes after they had been on break for much of the summer. Leaders said they don't expect to come back to Columbus until after the November election.

# Legislature OKs changes for public pensions

KATE IRBY  
AND JOE GUILLEN  
*Plain Dealer Reporters*

COLUMBUS — Beginning in January, many Ohio public workers will face increased pension contribution rates and higher retirement-age requirements — changes included in a package of public-pension reforms that Ohio lawmakers approved Wednesday with bipartisan support.

The pension reform legislation — a package of five bills, one for each retirement system — is headed to Gov. John Kasich for his signature. A spokesman for Kasich, a Republican, said the governor will sign the bills.

All five bills received unanimous support in the Senate, and only one “no” vote was cast in the House of Representatives. Rep. Danny Bupp, a Republican from Adams County, voted against the bill affecting the State Teachers Retirement System.

Senate President Tom Niehaus said the changes are needed to ensure workers get the benefits they were promised.

“We know the changes are not popular, but they are necessary,” he said.

The changes will mean increased pension contributions down the line for teachers, police and firefighters. The bills also raise retirement eligibility ages, set new guidelines for cost-of-living adjustments and establish a new formula for calculating benefits. Each system will undergo a combination of adjustments

## PENSION

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### Workers' contributions will increase

Public pension funds have pushed for reform since 2009. Longer life spans and poor investment returns in recent years have contributed to the need for change.

Although Wednesday's passage marked a step forward in overhauling the funds' structure, legislative leaders said there is more work to be done.

Sen. Keith Faber, a Republican from Celina and the presumed Senate president next year, said further changes are needed to address concerns over disability benefits, so-called double dipping and the retirement age requirements. He said discussions on those issues are likely to happen in the next legislative session, which begins next year.

“I think most people believe that this is a good start, that this is not the end,” Faber said.

Republican House Speaker William G. Batchelder, of Medina, agreed, saying, “I expect we have a little bit more to do.” He added that he plans to host more hearings on pensions during the lame-duck session after the election.

Pension contribution rates will gradually increase for members of the State Teachers Retirement System from 10 percent to 14 percent, and for members of the Ohio Police and Fire Pension System, from 10 percent to 12.25 percent.

Batchelder acknowledged there have been complaints that

the new contribution rate for STRS is too high, but he said people should understand that members of that retirement system live longer than those in other systems.

“I used to stick my head in the office of the guy who manages the teachers and I'd say, ‘How many?’ and he'd tell me how many people over 100 were on the State Teachers Retirement System,” Batchelder said. “It was always over 100 people, and sometimes considerably over.”

The Senate quickly drafted and approved legislation on pension reform in May and pressured the House to do the same. The House chose a slower approach, listening to testimony throughout the summer and taking an independent review of Ohio pensions into account before the bills were brought to the House floor.

Niehaus, of Clermont County, said the Ohio legislature should have approved reforms much sooner, but he wanted to ensure it was done before the end of his term.

Since the boards cannot make changes to pensions without legislative approval, Niehaus explained, the funds would have had to make cuts elsewhere. That probably would have resulted in drastic increases in health care costs for retirees.

The Cleveland Police Patrolmen's Association opposed the bill reforming the Ohio Police and Fire Pension Fund. The union said the increased retirement age requirement would lead to older cops on the streets.

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