



EMPLOYER NOTICE

House Bill 520 – Summary of Impact to OPERS Members

WHO SHOULD READ THIS NOTICE

Fiscal Officers, HR contacts and any OPERS employer contact working with employee onboarding

SITUATION OVERVIEW

House Bill 520 was signed by the Governor on Jan. 4, 2017, and will become effective on April 6, 2017. While the bill includes provisions that will affect all five Ohio retirement systems, certain components of this bill will have a direct impact on OPERS members:

- Children, age 18 to 22, of a member who dies before retirement no longer must be attending an institution of learning or training in order to receive survivor benefits.
- Members refunding their accounts will now be able to receive their refund after a two month waiting period instead of the current three month waiting period.
- In some cases, beneficiaries are eligible for a combined survivor benefit from OPERS, the State Teachers Retirement System of Ohio and/or the School Employees Retirement System of Ohio. The most recent beneficiary designation among the three systems will be honored if an OPERS member also is a member of one or both of the other two systems and the member is eligible for a combined benefit.
- For a period of 90 days following the bill's enactment, certain members with service in both OPERS and the Ohio Police & Fire Pension Fund (OP&F) will be able to combine service and retire from OPERS even if the member has more service credit at OP&F.
- Five new classifications will be established for OPERS' Law Enforcement and Public Safety divisions:
 - Bureau of Criminal Identification and Investigation Investigator
 - Casino Control Commission Gaming Agent
 - Department of Taxation Investigator
 - Special Police Officer for a Port Authority, and
 - Special Police Officer for a Municipal Airport
- A new mitigating rate for the Alternative Retirement Plan will be set based upon an actuarial calculation. The ARP is a plan that full-time public university and college employees may choose in lieu of one our three main retirement plans.

The bill also includes a number of other corrections that are technical in nature and that modify provisions of the most-recent pension legislative changes.

WHAT YOU NEED TO DO

Employers should:

- Encourage employees with questions regarding survivor benefits for children under the age of 22 or retirement eligibility to contact the OPERS Member Services Center at 1-800-222-7377.
- Advise employees to review beneficiary designations on an annual basis or more frequently if important life changes have occurred.
- Complete Certifications of Final Payroll for refunds accurately and in a timely manner – The last day wages were earned is the final day of employment. Employers can submit this information efficiently through ECS.
- Reach out to OPERS Employer Services if one of the new classifications under the OPERS Law Enforcement (LE) or Public Safety (PS) divisions is applicable to your employee population. There may be new or different reporting if you do not currently have a LE or PS employer code.
 - More information will be forthcoming regarding how current eligible employees will be able to elect future contributions under the LE or PS divisions.
- Colleges/Universities should look for additional information regarding ARP mitigating rate in the near future. Information will be sent directly to the college/university population.

WHY THIS IS IMPORTANT

OPERS is committed to working toward improvements that streamline business practices and improve administrative efficiency, while providing common-sense improvements for its members.

CHANGES TO THE *EMPLOYER MANUAL*

There are no *Employer Manual* changes resulting from the information contained in this *Employer Notice*.

WHOM TO CONTACT FOR MORE INFORMATION

After you review this *Employer Notice*, contact your Employer Outreach representative with questions or comments at (888) 400-0965, or by email at employeroutreach@opers.org.

For a current listing of OPERS Board members, please visit www.opers.org

It is your responsibility to be certain that OPERS has your current physical and e-mail address on file. If OPERS is not made aware of address changes, we cannot guarantee that you will receive important information pertaining to OPERS public employers. This Employer Notice is written in plain language for use by public employers who are subject to coverage under the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney.