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To: Members of the Ohio Retirement Study Council
From: Jeffery A. Bernard, Senior Research Associate
Date: August 14, 2025 (corrected September 12, 2025)
Subject: Sub. H.B. 96 (Biennial Budget) and Vetoed Provisions

Am. Sub. H.B. 96 of the 136th General Assembly (biennial budget bill) contains a number of provisions relating to the state retirement systems. This memo details only the provisions of the budget bill pertaining to the state retirement systems.

Transfer of Administration of the Public Employees Deferred Compensation Program to the Board of the Ohio Public Employees Retirement System (PERS)

H.B. 96 abolishes the ODC Board and transfers the governance and administration of the ODC program to the PERS Board. The ORSC recommended approval of this primarily administrative change to the ODC program.

Exclusion of Precinct Election Officials from PERS Service Credit

H.B. 96 excludes from the definition of "public employee" a person "who is appointed to serve as a precinct election official under section 3501.22 of the Revised Code and received compensation for that service under section 3501.28 of the Revised Code during a calendar year." As a result, this type of temporary service as a poll worker would not be covered under PERS. The ORSC recommended approval of the provision.

Withholding of School District Income Tax

H.B. 96 includes a provision that would authorize a retirement system benefit recipient to request that a state retirement system withhold school district income taxes in addition to state and federal tax withholdings. This would be effective for the January 1, 2027, tax year.

STRS and SERS Employer "Pickup" (Vetoed)

In Ohio, both the employee and the employer are required to make contributions to the state retirement system in which they are a member. For employees, STRS requires a 14% employee contribution and SERS requires a 10% employee contribution. H.B. 96 prohibits a school district board of education from paying employee contributions to STRS on behalf of a superintendent or principal employed by the school district or to SERS on behalf of a treasurer employed by the school district. These arrangements are often referred to as employer "pick-ups." These requirements will apply to any collective bargaining agreements/contracts entered into after the effective date of this provision in the section. This provision was vetoed by the Governor.

Changes to the State Teachers Retirement System Board

H.B. 96 makes the following changes to the composition of the State Teachers Retirement Board:

Adds the following four members, to serve "as soon as practicable after the effective date of this section":

1) The Chancellor of Higher Education, or the Chancellor's designee;
2) One additional Treasurer of State's investment appointee;
3) One investment expert, appointed by the Speaker of the House of Representatives; and
4) One investment expert, appointed by the President of the Senate.

The following offices are abolished, according to the following schedule (the Act does not affect the terms of the members of STRS Board serving on the effective date of this change)[1]:

1) The contributing member whose term expires August 31, 2026, is abolished on that date;
2) The retired member whose term expires August 31, 2026, is abolished on that date;
3) The contributing member whose term expires August 31, 2027, is abolished on that date;
4) The contributing member whose term expires August 31, 2028, is abolished on that date.

When fully phased in (after August 31, 2028), the STRS Board will be composed of the following members (changes in **bold**):

1) The Director of Education and Workforce, or Director's designee;
2) **The Chancellor of Higher Education, or the Chancellor's designee**;
3) Two investment designee members appointed by the Treasurer of State (**increase of one**);
4) Four investment expert members, appointed by the following:
    a. One by the Governor;
    b. One jointly by the Speaker of the House of Representatives and President of the

[1] Section 733.90 of the Act.

Senate;

c. **One by the Speaker of the House of Representatives**;
d. **One by the Senate President**.

5) Two contributing members (**reduced by three**);
6) One retired teacher (**reduced by one**).

H.B. 96 also changes provisions that apply to the appointed members (number 3-4, above) of the STRS Board. Appointed members are prohibited from having contributions on deposit with STRS. Appointed members serve for four-year terms, but also at the pleasure of their appointing authority (the appointed members may be removed). Appointees are not subject to forfeiture of retirement benefits for serving on the STRS Board. Elected and appointed members are entitled to $200 for each regular board meeting, except that they may receive no more than $400 per month. Elected and appointed members are additionally entitled to health care benefits comparable to the employees of the State Teacher's Retirement System (i.e., not retiree health care).[2*]

H.B. 96 also provides that anyone with contributions on deposit with STRS is ineligible for the Chair or Vice-Chair position of the Board, meaning that the Chair and Vice-Chair positions will be held by the appointee positions under 3-4, above.

[2*] Corrected to specify that both appointed and elected members are entitled to the $200/$400 and health care benefits.