Ohio
Retirement
Study
Council

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H.B. 473 of the 136th General Assembly

Rep. Thomas

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ORSC Recommendation

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Summary of H.B. 473

H.B. 473 prohibits a public employer from paying employee contributions on an employee's behalf to a state retirement system, except that the contributions may be treated as employer contributions for favorable tax purposes. These arrangements are referred to as "pick-ups."

Background

With very few exceptions, Ohio's public employees are covered by one of the five state retirement systems: the Public Employees Retirement System (PERS), State Teachers Retirement System (STRS), School Employees Retirement System (SERS), Ohio Police and Fire Pension Fund (OP&F), and State Highway Patrol Retirement System. Employees and employers are required to contribute a portion of their salary (for employees) or an equivalent amount of salary (for employers) to their respective system. 2025 contribution rates are provided below.

Fund	Employees	Employers
PERS State and Local	10.00%	14.00%
PERS-LE	13.00%	18.10%
PERS-PS	12.00%	18.10%
STRS	14.00%	14.00%
SERS	10.00%	14.00%
OP&F Police	12.25%	19.50%
OP&F Fire	12.25%	24.00%
HPRS	14.00%	26.50%

Employers and employees are permitted to enter into arrangements under which the employer makes the payment of employee retirement contributions on behalf of the employee. This can be done in full or in part and is referred to as an employer "pick-up." The bill prohibits these arrangements and employees would be required to make the employee contribution to their retirement system.[1]

Actuarial Impact

The ORSC's independent consulting actuary sees "no actuarial impact on any of the retirement systems. Whether the member contributions are derived from employer funds or employee funds has no bearing on the level of member benefits and therefore

[1] The bill does **not** impact the favorable tax treatment of employee contributions to the retirement systems that are made pre-tax, which are also, and unhelpfully, referred to as "pick-ups."

no bearing on the actuarial position of the retirement funds.”[2]

ORSC Comments

As determined by the ORSC consulting actuary, HB 473 has no actuarial impact on any of the state retirement systems. In the two most recent bills that proposed prohibiting “pick-ups” (S.B. 5 of the 129th General Assembly and H.B. 96 of the 136th General Assembly), the ORSC was either silent (S.B. 5) or took a neutral stance on the issue (H.B. 96). ORSC has been neutral on this policy issue.

ORSC Recommendation

Consistent with prior ORSC action and reflecting the lack of actuarial impact of the bill on the retirement systems, the ORSC remains neutral on the “pick-up” policy discussed in H.B. 473.

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[2] William Fornia, “Review of Ohio Retirement Systems’ Proposed Bill HB 473,” (October 27, 2025).