

House Bill 202

On April 13, Rep. Richard Hollington introduced House Bill 202. This bill includes provisions dealing with reemployed public employees. Basically, it would require anyone who is receiving retirement benefits from one of the Ohio systems, including STRS Ohio, to forfeit \$1 of their retirement benefit for each \$2 earned above an annual threshold amount of \$14,160. This threshold amount, or “excess earnings base” as it is referred to in the bill, would be adjusted each year by the actual average increase, if any, in the consumer price index (CPI).

Here’s an example of how a reemployed retiree’s pension could be reduced: Assume a retiree is receiving a yearly pension of \$38,000. This individual returns to work in a public position covered by one of the Ohio retirement systems and receives an annual salary of \$35,000. This salary exceeds the threshold amount of \$14,160 by \$20,840. The retiree’s pension would be reduced by \$10,420 (one-half of the excess amount). The bill’s language does not detail how this new rule would be implemented, monitored or enforced.

The effective date of this bill is July 1, 2011.

There is not a lot of energy behind this bill, but we can expect that the Sub Bill on HB 69 will have some language addressing this issue. This might be a sign that his views didn’t make the sub bill.