



**County
Commissioners
Association of Ohio**

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MEMO

TO: SENATE STATE AND LOCAL GOVERNMENT COMMITTEE

FROM: SUZANNE DULANEY, CCAO EXECUTIVE DIRECTOR

SUBJECT: TESTIMONY IN SUPPORT OF SB 220

DATE: JANUARY 26, 2016

Chairman La Rose, Vice-Chairman Hottinger and Ranking Minority Member Thomas, my name is Suzanne Dulaney, CCAO Executive Director. CCAO sponsors a Deferred Compensation Program for county employees and it is in that capacity that I am here today.

Upon conducting the annual review of the program in 2014, our members who serve on our CCAO Deferred Compensation Advisory Committee that helps to oversee the program noted the absence of a tool that could be useful to our county employees as they use deferred compensation programs as a voluntary way to supplement their existing pension benefit. The missing tool is a Roth option. Unlike most deferred compensation investments, Roth contributions do not lower current taxable income. Instead, the withdrawals are tax free under certain conditions. Thus, Roth contributions are another way for employees to diversify investments and potentially reduce the amount of taxes they pay in retirement.

After consulting with our legal counsel, it was felt that before offering county employees a Roth option, it would be wise to seek express statutory authorization for both tax-deferred AND nontax-deferred contributions, as the statutes were written in a manner that appeared to presume contributions would be tax deferred. At this point, we also reached out to the Ohio Deferred Compensation Program and worked with them on joint language to make this statutory clarification for the state's program as well. We would like to take this opportunity to thank the Primary Sponsor, Senator Hottinger, and the Ohio Deferred Compensation program for their leadership and guidance throughout the drafting process of SB 220.

As a reminder, contributions to deferred contribution programs do not affect the obligation of government employers or employees relative to contributions to the state's public employee retirement system. Thus, this bill does not trigger any type of fiscal obligation for the state, counties or any other political subdivisions in Ohio.

Thank you in advance for your consideration, and I would be happy to answer any questions that you may have.



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