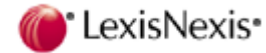


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'Double dip' legislation possible; Senate leader: Pension plans require action

Jim Siegel and Mark Niquette, THE COLUMBUS DISPATCH

While Democrats are treading lightly on the issue, Senate President Bill M. Harris said yesterday that the current state public-employee pension system is "not sustainable" and will require legislative action.

"We do not see how, in this economic climate, we can put additional pressures on taxpayers to bail out the retirement systems, who are struggling, in part, due to their own decisions and, in part, to things that are out of their control," the Ashland Republican said after an investigation by a consortium of Ohio's largest newspapers.

The report highlighted that the pension system encourages educators, particularly superintendents, to retire in their mid-50s and then get rehired for the same job, allowing them to collect both a paycheck and a pension at the same time.

The practice, known as "double dipping," faces increased scrutiny as the State Teachers Retirement System, like many of the state's public pensions, is looking for a taxpayer bailout to

remain solvent. The STRS fund now faces \$40 billion in unfunded liabilities.

One in four public-school leaders in Ohio's 614 districts collects both pensions and paychecks, and one in two superintendents of educational service centers does the same. The Ohio newspapers' report found that about 32,000 state and local employees collected more than \$1 billion in pension payouts last year on top of their government paychecks; three-fourths of that money went to public-school employees.

"We are concerned that some school districts and local governments, who are concerned about any additional costs to meet pension obligations, have not done themselves any favors by offering to pay all or some of their employees' contributions in addition to their employer contributions," Harris said. "That will need to be considered as we move forward."

Although double-dipping is not a major cost to the system, Harris said, it is an issue of fairness for taxpayers who do not have the luxury of retiring early and collecting two checks at once.

"To most, retirement means retirement, and I think there will be a lot of pressure to make changes to the law relating to retire-rehires, though I don't think this will solve the greater problem," Harris said.

Gov. Ted Strickland thinks the articles raise "legitimate questions" and provide information that is "worthy of additional research and discussion," spokeswoman Amanda Wurst said. But Strickland needs time to study the issue, she said.

"The governor looks forward to discussing these issues with legislative leaders, stakeholders and members of his cabinet," Wurst said.

House Speaker Armond Budish, D-Beachwood, said the costs associated with Ohio's public pension systems are an important issue. "The speaker believes that this is one of many long-term issues to examine as Ohio copes with the after-effects of the national recession," said spokesman Keary McCarthy.

Republican gubernatorial nominee John Kasich said the unfunded liabilities of state pensions are a problem and that the best solution is reviving the economy to strengthen the pension funds' investments.

"Other measures may be needed and should be pursued in a way that is fair to everyone involved -- retirees, public employees and the taxpayers," Kasich spokesman Rob Nichols said.

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