



Ohio Revised Code

Section 148.061 Tax treatment of deferred compensation.

Effective: April 6, 2023

Legislation: House Bill 501

(A) In addition to the program of deferred compensation that may be offered under this chapter, a board of township trustees may offer to all of the officers and employees of the township plans or programs for deferring compensation designed for favorable tax treatment of the compensation so deferred. A plan or program shall present a reasonable number of options to the township's officers and employees for the investment of the deferred funds that will assure the desired tax treatment of the funds.

A board of township trustees may establish a designated Roth account feature or any other feature in which an officer or employee of the township may make tax-deferred or nontax-deferred contributions to an eligible government plan in accordance with 26 U.S.C. 457.

(B) Both of the following apply to a deferred compensation plan or program established under this section:

(1) Any income deferred under a plan or program shall continue to be included as regular compensation for the purpose of computing the contributions to and benefits from each officer's or employee's retirement system.

(2) Any sums deferred shall not be included in the computation of any federal and state income taxes withheld on behalf of an officer or employee. Sums contributed to a Roth account feature or other feature to which nontax-deferred contributions are made shall be included in the computation of any federal and state income taxes withheld on behalf of an officer or employee.
