



**PRESS RELEASE**

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**POLICE & FIRE RETIREES BECOME PUBLIC-SERVICE MILLIONAIRES**

**COLUMBUS** – The Buckeye Institute for Public Policy Solutions today released **“Dipped in Gold: Upper-Management Police and Fire Retirees become Public-Service Millionaires.”** Through the Deferred Retirement Option Plan (DROP), public safety officials are eligible to retire on paper, yet continue to work for up to eight years while their pensions (along with three percent cost-of-living allowances and five percent interest payments) accumulate in untouchable accounts. When the officers exit DROP, it is not uncommon for them to collect lump sum payments totaling roughly \$1 million dollars. Since they are treated as if they are in year 9 of retirement when they exit DROP, many in upper management also collect yearly pension payments in excess of \$100,000 for the rest of their lives.

Since the Ohio Police & Fire Pension Fund (OP&F) is a highly secretive entity, the report details DROP payouts and pensions for hypothetical Columbus and Cincinnati police officers. Supposing the average DROP participant is a Columbus police officer, taxpayers would save nearly \$1.2 billion if the DROP program were eliminated and the retirement age were raised from 48 to 55. The report also suggests several other money-saving options such as terminating cost-of-living allowance increases during DROP, tying the interest payments to market rates, and disallowing participants to keep their required employee contributions to OP&F.

Mary McCleary, Buckeye Institute Policy Analyst, stated: “Making public servants millionaires when they retire is not the bargain you agreed to as a taxpayer. Ohioans bear the seventh highest state and local tax burden due to expensive programs like DROP. Private-sector taxpayers, many of whom have experienced job losses, pay freezes or cuts, and benefit reductions, cannot afford to finance the gold-plated compensation packages of their police officer and firefighter neighbors.”

The report can be viewed on **The Wire** at [www.buckeyeinstitute.org](http://www.buckeyeinstitute.org).

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