

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	5 - 0 - 2
<b>Yeas:</b>	Berger, Edwards C., Esquivel, Rosenbaum, Schaufler
<b>Nays:</b>	0
<b>Exc.:</b>	Holvey, Smith P.
<b>Prepared By:</b>	Theresa Van Winkle, Administrator
<b>Meeting Dates:</b>	2/5, 4/27

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**WHAT THE MEASURE DOES:** Removes the statutory requirement that the Public Employees Retirement System (PERS) perform a biennial review of retirement benefits provided by a public employer to police officers and firefighters if the employer provides retirement benefits under a different system. Establishes that the Public Employees Retirement Board shall execute such reviews at times as may be established by rule, at the expense of the public employer. Provides mechanisms to ensure that police officers and firefighters with an alternative retirement benefit plan receive comparable benefits to PERS employee classes (Tier One, Tier Two, and Oregon Public Service Retirement Plan).

**ISSUES DISCUSSED:**

- Original measure approved by Public Employees Retirement Board
- Mandatory review provision added in 2003 legislative session
- What triggers review of a retirement benefits plan
- Potential increase in costs to local jurisdictions
- Providing equal benefits to firefighters or police officers with alternative retirement benefit plans to equal employee classes under the Public Employees Retirement System
- What constitutes changes to a retirement benefit plan

**EFFECT OF COMMITTEE AMENDMENT:** Establishes that a public employer of police officers or firefighters is not required to provide benefits to their employees under the Public Employees Retirement System (PERS) if the Public Employees Retirement Board determines that the employer provides retirement benefits that are equal to or better than benefits that would be provided to equivalent PERS employee classes (Tier One, Tier Two, Oregon Public Service Retirement Plan). Establishes that if the public employer does not comply with this provision for any employee class, the board shall require those employees to become PERS members within 180 days after the determination is made, unless the public employer provides retirement benefits that are equal to or better than retirement benefits provided to the equal class of employees under PERS.

**BACKGROUND:** Employers who provide retirement plans for firefighters and police officers are currently required to have their plans reviewed by the Public Employees Retirement System (PERS) every two years to determine whether the employer is providing retirement benefits equal to or better than what is provided in the Oregon Public Service Retirement Plan. This mandatory review creates an unnecessary cost to employers, and is removed under the provisions of HB 2280 A.

The measure also ensures that police officers and firefighters with alternative retirement pension plans receive a comparable level of benefits as provided to PERS members. Under the measure, a public employer is not required to participate in PERS if the board determines that the employer provides retirement benefits that are equal to or better than benefits that are provided to equivalent PERS employee classes. If the employer does not provide such benefits, the board must require those employees to become PERS members within 180 days after the determination is made, unless the employer modifies the employees' current retirement plan to provide benefits that are equal to or better than benefits provided to the equal class of PERS members.

5/4/2007 1:11:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*