

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed
Vote: 4 - 1 - 0
Yeas: Avakian, Gordly, Monroe, Prozanski
Nays: Beyer
Exc.: 0
Prepared By: Anna Braun, Administrator
Meeting Dates: 5/21

WHAT THE MEASURE DOES: Exempts public employees from a break-in service determination under the Public Employees Retirement System (PERS) if they are subsequently reinstated after a successful challenge of a disciplinary or administrative action.

ISSUES DISCUSSED:

- Portland custodians who were illegally fired
- PERS Tier One and Tier Two verses Oregon Public Service Retirement Plan

EFFECT OF COMMITTEE AMENDMENT: Allows reinstatement if it occurs within one year.

BACKGROUND: HB 2284-B provides clarification to the Public Employees Retirement System (PERS) for situations in which members have been absent from employment long enough to incur a “break in service” due to disciplinary or other administrative action, but have been reinstated. Break in service is defined as not working in a qualified position for six consecutive calendar months or longer. Unpaid leave does count towards break in service, but paid leave (i.e. vacation, illness, or military leave) does not.

Under current statute, PERS can restore member contributions and salary information when an employee is reinstated under these circumstances, but cannot reverse a break in service. A Tier One or Tier Two member who has incurred a break in service cannot have their membership be restored to active membership under the original PERS plan. Instead, they become an active member of the Oregon Public Service Retirement Plan once they return to public service. HB 2284-B allows eligible employees to have their break in service eliminated, maintaining their membership in the Tier One or Tier Two pension plans.