

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: 3/7, 5/30

WHAT THE MEASURE DOES: Modifies the manner in which retirement credit is calculated under the Oregon Public Service Retirement Plan (OPSRP). Establishes that an OPSRP pension program member accrues one year of retirement for each full year of service and one-twelfth of a year of credit for each full month and each major fraction of a month. Repeals the break in service provisions established in the Public Employees Retirement System (PERS) reform package from the 2003 legislative session.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure.

BACKGROUND: Currently, Oregon Public Service Retirement Plan (OPSRP) members obtain one full year of retirement credit for each calendar year in which the member has at least 2,000 hours of service, with a prorated retirement credit calculated for members who work no less than 600 hours of service or more but fewer than 2,000 hours of service. OPSRP members who are school employees earn one full year of retirement credit for the calendar year if the member's hours of service are equal to or greater than the number of hours of service required of a full-time school employee employed in the same position or a comparable position by the participating public employer or employers during the calendar year, with a prorated retirement credit established in a similar fashion as for other OPSRP members. On the other hand, PERS chapter 258 (Tier One and Tier Two) members accrue retirement credit based on a monthly basis. Situations have arisen in which OPSRP members are considered as full-time employees, but have not accumulated enough service hours under the current system to receive a full year of retirement credit.

HB 2285-A equalizes the accrual of retirement credit by OPSRP members by changing the retirement credit calculation to be the same as for Tier One and Tier Two members. It also establishes provisions for school employees to ensure they receive a full year's worth of retirement credit if they are employed during the entire portion of an academic school year.

In addition, HB 2285-A repeals the break in service provisions established in the PERS reform package from the 2003 legislative session. A break in service occurs when an active Tier One or Tier Two PERS member performs no hours of service in a qualifying position for a period of six consecutive months or longer. Paid leave such as vacation, military duty, illness, or other authorized leave does not count towards a break in service. Currently, if a break in service is incurred, contributions will accrue under the OPSRP's pension program.

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