

REVENUE: Revenue statement issued
FISCAL: No fiscal impact

Action: Do Pass
Vote: 5 - 0 - 2
Yeas: Berger, Edwards C., Holvey, Rosenbaum, Schaufler
Nays: 0
Exc.: Esquivel, Smith P.
Prepared By: Theresa Van Winkle, Administrator
Meeting Dates: 2/5, 2/9

WHAT THE MEASURE DOES: Aligns statute relating to the payment of deferred compensation (Oregon Savings Growth Plan) to an alternate payee under judgment or order and to federal tax law. Clarifies that an order creating an Alternate Payee of an Oregon Savings Growth Plan participant may provide that the Alternative Payee may commence payments earlier than the participant would be eligible to commence payments. Clarifies tax reporting requirements for payments to Alternative Payees.

ISSUES DISCUSSED:

- Examples of how measure applies to real-life situations, i.e. divorce settlements

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under current statute relating to payment of deferred compensation (known as the Oregon Savings Growth Plan or OSGP) to an Alternate Payee under a judgment or order, the Alternative Payee's eligibility to commence payments is tied to the participant's eligibility. HB 2286 clarifies that the Alternate Payee can commence payments earlier than when the participant is eligible.

The measure also establishes consistency with current federal law in regards to the reporting of payments. Any payments made to an Alternative Payee are presently reported as a payment to the OSGP participant. HB 2286 will retain this requirement if the Alternative Payee is a child or dependent of the participant, but ascertains that payments to an Alternative Payee who is the spouse or former spouse of the participant would be reported as a payment to the Alternative Payee.