

**REVENUE:** No revenue impact

**FISCAL:** May have fiscal impact, statement not yet issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	7 - 0 - 0
<b>Yeas:</b>	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Smith P., Schaufler
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Theresa Van Winkle, Administrator
<b>Meeting Dates:</b>	4/26, 4/30

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**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. Clarifies that retirement credit cannot be accrued for any hour of service for which benefits are not funded by employer contributions and earnings on the fund. Establishes that an OPSRP member who is a school employee accrues six months of retirement credit if the member is employed for the entire portion of a school year that falls between January 1st and June 30th, and accrues six months of credit if the member is employed for the entire portion of a school year that falls between July 1st and December 31st. Applies to all service by OPSRP members, whether performed before, on or after the effective date of the measure.

**ISSUES DISCUSSED:**

- Full-time educators whose retirement benefits under the Oregon Public Service Retirement Plan due to the current retirement credit calculation formula
- Equality in calculating retirement credit for Public Employee Retirement System employee classes
- Support from both management and labor stakeholders

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the original bill language. Eliminates revisions to ORS 238.005 (definitions – Public Employees Retirement System), 238.300 (service retirement allowance), and 238.535 (service retirement allowance for judges) that were in the 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 arose 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 2451 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 years' worth of retirement credit if they are employed during the entire portion of an academic school year.

The measure also removes Oregon Health and Science employees and academic employees of community colleges from the definition of a "school employee" under OPSRP statutes.

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