

Enrolled
House Bill 2280

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Public Employees Retirement System)

CHAPTER

AN ACT

Relating to public employee retirement; creating new provisions; and amending ORS 237.620, 237.635 and 237.637.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 237.620 is amended to read:

237.620. *[(1) On or before July 1, 1973, all public employers of police officers and firefighters who are not participants in the Public Employees Retirement System shall become participants in the system with respect to the police officers and firefighters employed by them.]*

[(2) All police officers and firefighters in the employ of the public employer on the date the public employer becomes a participant in the system under subsection (1) of this section shall establish membership under the six-month service requirement of ORS 238.015.]

[(3) The participation of the public employer in the system under this section shall apply to services of its employee police officers and firefighters on and after the effective date of the public employer's participation in the system. The public employer also shall provide a prior service pension for its police officers and firefighters, within the limitations of ORS 238.225 (2) (1999 Edition), for continuous service to the public employer for a period not exceeding 20 years before the effective date of the public employer's participation in the system.]

[(4) Notwithstanding subsections (1) and (2) of this section, if a public employer provides retirement benefits to its police officers and firefighters that are equal to or better than the benefits that would be provided to them under the system, as determined at the expense of the public employer by the Public Employees Retirement Board, the public employer is not required to participate in the system with respect to its police officers and firefighters. Once every two years the Public Employees Retirement Board shall review the benefits provided by a public employer that provides retirement benefits to its police officers and firefighters other than through the Public Employees Retirement System to determine whether the public employer complies with the requirements of this subsection.]

(1) Except as provided in this section, all public employers of police officers or firefighters shall provide retirement benefits to those employees under the Public Employees Retirement System.

(2) Notwithstanding subsection (1) of this section, a public employer of police officers or firefighters need not provide retirement benefits to those employees under the Public Employees Retirement System if the Public Employees Retirement Board determines that the public employer provides retirement benefits to each of the following classes of employees that are equal to or better than the retirement benefits that would be provided to the equivalent classes of employees under the Public Employees Retirement System:

(a) Police officers or firefighters who are entitled to receive benefits only under ORS chapter 238 and who established membership in the system before January 1, 1996, as described in ORS 238.430 (2);

(b) Police officers or firefighters who are entitled to receive benefits only under ORS chapter 238 and who established membership in the system on or after January 1, 1996, and before August 29, 2003, as described in ORS 238A.025 (4); and

(c) Police officers or firefighters who establish membership in the system on or after August 29, 2003, and are entitled to benefits only under the Oregon Public Service Retirement Plan.

(3) At such times as may be established by board rule, the Public Employees Retirement Board shall review the retirement benefits provided by a public employer of police officers or firefighters that does not provide retirement benefits for those employees under the Public Employees Retirement System. The review must be conducted at the expense of the public employer. Based on the review, the board shall determine whether the public employer complies with the requirements of subsection (2) of this section. If the board determines that the public employer does not comply with the requirements of subsection (2) of this section for any class of employees described in subsection (2) of this section, the public employer must provide that class of employees with retirement benefits adequate to meet the requirements of subsection (2) of this section. If the public employer fails to provide those benefits, any employee within the class may bring an action in circuit court to compel compliance with the requirements of this section.

SECTION 2. The amendments to ORS 237.620 by section 1 of this 2007 Act do not affect the obligation of a public employer to provide a prior service pension for police officers and firefighters as required by ORS 237.620 (3), as in effect immediately before the effective date of this 2007 Act.

SECTION 3. ORS 237.635 is amended to read:

237.635. (1) Any public employer that provides retirement benefits to its police officers and firefighters other than by participation in the Public Employees Retirement System pursuant to the provisions of ORS 237.620 [(4)] shall provide increases to the police officers and firefighters of the public employer, both active and retired, that are equal to the increases in retirement benefits that are provided for in this 1991 Act for active and retired police officers or firefighters who are members of the Public Employees Retirement System, or shall provide to those police officers and firefighters increases in retirement benefits that are the actuarial equivalent of the increases in retirement benefits that are provided for in this 1991 Act for police officers or firefighters who are members of the Public Employees Retirement System. No other retirement benefit or other benefit provided by those public employers shall be decreased by the employer by reason of the increases mandated by this section.

(2) The increased benefits provided for in this section apply only to police officers or firefighters who establish membership before July 14, 1995, in a retirement plan or system offered by a public employer in lieu of membership in the Public Employees Retirement System pursuant to the provisions of ORS 237.620 [(4)].

SECTION 4. ORS 237.637 is amended to read:

237.637. Any public employer that provides retirement benefits to its police officers and firefighters other than by participation in the Public Employees Retirement System pursuant to the provisions of ORS 237.620 [(4)] shall provide increases to the police officers and firefighters of the public employer, both active and retired, that are equal to the increases in retirement benefits that are provided for in chapter 569, Oregon Laws 1995, for active and retired police officers or firefighters who are members of the Public Employees Retirement System, or the public employer shall provide to those police officers and firefighters increases in retirement benefits that are the actuarial equivalent of the increases in retirement benefits that are provided for in chapter 569, Oregon Laws 1995, for police officers or firefighters who are members of the Public Employees Retirement System. Increases provided under this section shall be reduced by the amount of any

benefit increase provided by ORS 237.635 in the same manner that increases in retirement benefits that are provided for in chapter 569, Oregon Laws 1995, for active and retired police officers or firefighters who are members of the Public Employees Retirement System are reduced to reflect amounts paid to those members under the provisions of chapter 796, Oregon Laws 1991. No other retirement benefit or other benefit provided by those public employers shall be decreased by the employer by reason of the increases mandated by this section.

Passed by House May 10, 2007

Repassed by House June 6, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate June 4, 2007

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President of Senate

Received by Governor:

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Approved:

.....M.,....., 2007

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Governor

Filed in Office of Secretary of State:

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Secretary of State