

**A-Engrossed**  
**House Bill 2280**

Ordered by the House May 7  
Including House Amendments dated May 7

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)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Eliminates requirement that Public Employees Retirement Board perform biennial review of retirement benefits provided by public employer to police officers and firefighters when public employer does not provide retirement benefits under Public Employees Retirement System.

**A BILL FOR AN ACT**

1  
2 Relating to public employee retirement; creating new provisions; and amending ORS 237.620, 237.635  
3 and 237.637.

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

5 **SECTION 1.** ORS 237.620 is amended to read:

6 *237.620. [(1) On or before July 1, 1973, all public employers of police officers and firefighters who*  
7 *are not participants in the Public Employees Retirement System shall become participants in the system*  
8 *with respect to the police officers and firefighters employed by them.]*

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

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

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

26 **(1) Except as provided in this section, all public employers of police officers or firefigh-**  
27 **ers shall provide retirement benefits to those employees under the Public Employees Re-**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **irement System.**

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

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

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

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

17 (3) At such times as may be established by board rule, the Public Employees Retirement  
18 Board shall review the retirement benefits provided by a public employer of police officers  
19 or firefighters that does not provide retirement benefits for those employees under the  
20 Public Employees Retirement System. The review must be conducted at the expense of the  
21 public employer. Based on the review, the board shall determine whether the public employer  
22 complies with the requirements of subsection (2) of this section. If the board determines that  
23 the public employer does not comply with the requirements of subsection (2) of this section  
24 for any class of employees described in subsection (2) of this section, the board shall require  
25 that those employees become members of the Public Employees Retirement System unless  
26 within 180 days after the determination is made the public employer provides retirement  
27 benefits to the class of employees that are equal to or better than the retirement benefits  
28 that would be provided to the equivalent class of employees under the Public Employees Re-  
29 tirement System.

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

34 **SECTION 3.** ORS 237.635 is amended to read:

35 237.635. (1) Any public employer that provides retirement benefits to its police officers and  
36 firefighters other than by participation in the Public Employees Retirement System pursuant to the  
37 provisions of ORS 237.620 [(4)] shall provide increases to the police officers and firefighters of the  
38 public employer, both active and retired, that are equal to the increases in retirement benefits that  
39 are provided for in this 1991 Act for active and retired police officers or firefighters who are mem-  
40 bers of the Public Employees Retirement System, or shall provide to those police officers and fire-  
41 fighters increases in retirement benefits that are the actuarial equivalent of the increases in  
42 retirement benefits that are provided for in this 1991 Act for police officers or firefighters who are  
43 members of the Public Employees Retirement System. No other retirement benefit or other benefit  
44 provided by those public employers shall be decreased by the employer by reason of the increases  
45 mandated by this section.

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

5 **SECTION 4.** ORS 237.637 is amended to read:

6 237.637. Any public employer that provides retirement benefits to its police officers and fire-  
7 fighters other than by participation in the Public Employees Retirement System pursuant to the  
8 provisions of ORS 237.620 [(4)] shall provide increases to the police officers and firefighters of the  
9 public employer, both active and retired, that are equal to the increases in retirement benefits that  
10 are provided for in chapter 569, Oregon Laws 1995, for active and retired police officers or fire-  
11 fighters who are members of the Public Employees Retirement System, or the public employer shall  
12 provide to those police officers and firefighters increases in retirement benefits that are the  
13 actuarial equivalent of the increases in retirement benefits that are provided for in chapter 569,  
14 Oregon Laws 1995, for police officers or firefighters who are members of the Public Employees Re-  
15 tirement System. Increases provided under this section shall be reduced by the amount of any  
16 benefit increase provided by ORS 237.635 in the same manner that increases in retirement benefits  
17 that are provided for in chapter 569, Oregon Laws 1995, for active and retired police officers or  
18 firefighters who are members of the Public Employees Retirement System are reduced to reflect  
19 amounts paid to those members under the provisions of chapter 796, Oregon Laws 1991. No other  
20 retirement benefit or other benefit provided by those public employers shall be decreased by the  
21 employer by reason of the increases mandated by this section.

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