

House Bill 2285

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 **as introduced**.

Prohibits retired member of Public Employees Retirement System who elected to receive double lump sum retirement benefit and who has been retired for six consecutive calendar months or less from being reemployed by public employer participating in system. Provides that such member who has been retired for more than six consecutive calendar months may be reemployed by participating public employer but may acquire benefits only under Oregon Public Service Retirement Plan.

A BILL FOR AN ACT

1
2 Relating to public employee retirement; creating new provisions; and amending ORS 238.078.

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

4 **SECTION 1.** ORS 238.078 is amended to read:

5 238.078. (1)(a) **Except as provided in subsection (3) of this section**, a retired member who has
6 been retired for more than six consecutive calendar months may be reemployed by a participating
7 public employer in the manner provided by this subsection.

8 (b) Any person reemployed as provided in this subsection shall resume making contributions to
9 the retirement fund, and the employer shall make contributions on behalf of the person as provided
10 in ORS 238.225. Payments of retirement allowance received by such person during separation from
11 the service shall not be repaid into the retirement fund after the person reenters public employment
12 except as provided in paragraph (c) of this subsection; but the amount of such payment shall be
13 deducted from such employee's reserve in the retirement fund and the remainder shall be credited
14 pro rata to the funds from which it was derived.

15 (c) Upon reentering public employment as provided in this subsection, the former retirement of
16 [*such*] **the** person and any election of option for payment of retirement benefits [*theretofore*] **previ-**
17 **ously** made by the person shall be canceled[; *and thereafter*] **and the person shall become an ac-**
18 **tive member of the system.** Upon retiring [*such*], **the** person may elect **for all creditable service**
19 **under this chapter** any option for payment of retirement benefits authorized by this chapter, except
20 that a person who elected to receive lump sum payment of benefits pursuant to ORS 238.305 (2) [*or*
21 (3)] at the time of former retirement may not elect any other option at the time of subsequent re-
22 tirement unless an amount equal to the lump sum and the interest that would have accumulated on
23 the sum has been repaid by the employee to the fund. Upon such subsequent retirement, any prior
24 service pension due the employee shall be derived from the unused portion of the prior service credit
25 reserve and shall be calculated on the basis of then attained age.

26 (2)(a) **Except as provided in subsection (3) of this section**, a retired member who has been
27 retired for [*less than*] six consecutive calendar months **or less** may be reemployed by a participating
28 public employer only upon immediate repayment in a lump sum by the member of the amount of
29 retirement benefits drawn. The member account of the member shall be reestablished just as it was

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 at the time of earlier retirement after the lump sum repayment is made.

2 **(b) Upon reentering public employment as provided in this subsection, the former re-**
 3 **irement of the person and any election of option for payment of retirement benefits previ-**
 4 **ously made by the person shall be canceled and the person shall become an active member**
 5 **of the system. Upon retiring, the person may elect for all creditable service under this**
 6 **chapter any option for payment of retirement benefits authorized by this chapter.**

7 **(3) A retired member who elects to receive a refund service retirement benefit under**
 8 **ORS 238.305 (3) and who has been retired for six consecutive calendar months or less may**
 9 **not be reemployed by a participating public employer. A retired member who elects to re-**
 10 **ceive a refund service retirement benefit under ORS 238.305 (3) and who has been retired for**
 11 **more than six consecutive calendar months:**

12 **(a) May be reemployed by a participating public employer;**

13 **(b) May not reestablish active membership under subsection (1) of this section; and**

14 **(c) Subject to the requirements of ORS chapter 238A, may establish membership in the**
 15 **Oregon Public Service Retirement Plan.**

16 [(3)] **(4) If a member of the system who retired before August 21, 1981, is reemployed, as pro-**
 17 **vided in subsection (1) or (2) of this section, beginning on or after August 21, 1981, the service re-**
 18 **irement allowance received upon subsequent retirement by the member shall be:**

19 **(a) For service before August 21, 1981, an allowance including a current service pension com-**
 20 **puted on the basis of ORS 237.147 (2) (1979 Replacement Part).**

21 **(b) For service on or after August 21, 1981, an allowance including a current service pension**
 22 **computed on the basis of ORS 238.300 (2).**

23 [(4)] **(5) A person may be reemployed by a public employer that is not participating in the sys-**
 24 **tem, or may be employed by a participating public employer in a position that is in a class of em-**
 25 **ployees that was not designated by the public employer under ORS 238.035 as a class of employees**
 26 **that become members of the system, without affecting the person's status as a retired member or the**
 27 **person's continued receipt of retirement benefits.**

28 [(5)] **(6) Subsection [(4)] (5) of this section does not apply to any member who retires under the**
 29 **provisions of ORS 238.280 (1) or (2).**

30 **SECTION 2. The amendments to ORS 238.078 by section 1 of this 2007 Act do not apply**
 31 **to a retired member of the Public Employees Retirement System who was reemployed before**
 32 **the effective date of this 2007 Act by a public employer participating in the system.**

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