

House Bill 2679

Sponsored by Representative BARKER; Representatives MACPHERSON, SCHAUFLER, Senator PROZANSKI

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**.

Allows member of individual account program of Oregon Public Service Retirement Plan to receive vested amounts in member's employee account and employer accounts over period that is equal to anticipated life span of member.

A BILL FOR AN ACT

1
2 Relating to public employee retirement; amending ORS 238A.400.

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

4 **SECTION 1.** ORS 238A.400 is amended to read:

5 238A.400. (1) Upon retirement on or after the earliest retirement date, as described in ORS
6 238A.165, a member of the individual account program shall receive in a lump sum the amounts in
7 the member's employee account, rollover account and employer account to the extent the member
8 is vested in those accounts under ORS 238A.320.

9 (2) In lieu of a lump sum payment under subsection (1) of this section, a member of the individ-
10 ual account program may elect to receive the amounts in the member's employee account and em-
11 ployer account, to the extent the member is vested in those accounts under ORS 238A.320, in
12 substantially equal installments paid over a period of 5, 10, 15 or 20 years, **or over a period that**
13 **is equal to the anticipated life span of the member as actuarially determined by the Public**
14 **Employees Retirement Board.** Installments may be made on a monthly, quarterly or annual basis.
15 In no event may the period selected by the member exceed the time allowed by the minimum dis-
16 tribution requirements described in subsection (4) of this section. The [*Public Employees*
17 *Retirement*] board shall by rule establish the manner in which installments will be adjusted to reflect
18 investment gains and losses on the unpaid balance during the payout period elected by the member
19 under this subsection. The board by rule may establish minimum monthly amounts payable under
20 this subsection. The board may require that a lump sum payment, or an installment schedule dif-
21 ferent than the schedules provided for in this subsection, be used to pay the vested amounts in the
22 member's accounts if those amounts are not adequate to generate the minimum monthly amounts
23 specified by the rule.

24 (3) A member of the individual account program electing to receive installments under sub-
25 section (2) of this section must designate a beneficiary or beneficiaries. In the event the member dies
26 before all amounts in the employee and vested employer accounts are paid, all remaining installment
27 payments shall be made to the beneficiary or beneficiaries designated by the member. A beneficiary
28 may elect to receive a lump sum distribution of the remaining amounts.

29 (4) A member who is entitled to receive retirement benefits under ORS chapter 238 may receive
30 vested amounts in the member's employee account, rollover account and employer account in the
31 manner provided by this section when the member retires for service under the provisions of ORS

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 chapter 238.

2 (5) Notwithstanding any other provision of ORS 238A.300 to 238A.415, the entire interest of a
3 member of the individual account program must be distributed over a time period commencing no
4 later than the latest retirement date set forth in ORS 238A.170, and must be distributed in a manner
5 that satisfies all other minimum distribution requirements of 26 U.S.C. 401(a)(9) and regulations im-
6 plementing that section, as in effect on [*August 29, 2003*] **the effective date of this 2007 Act**. The
7 board shall adopt rules implementing those minimum distribution requirements.

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