

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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**Action:** Do Pass

**Vote:** 10 - 0 - 0

**Yeas:** Barton, Cameron, Edwards C., Esquivel, Holvey, Kennemer, Matthews, Thatcher, Witt, Schaufler

**Nays:** 0

**Exc.:** 0

**Prepared By:** Theresa Van Winkle, Administrator

**Meeting Dates:** 4/8

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**WHAT THE MEASURE DOES:** Eliminates offset for workers' compensation benefits in calculating disability retirement allowance payable to a Tier Two member of the Public Employees Retirement System (PERS) or a member of the Oregon Public Service Retirement Plan (OPSRP). Establishes an operative date of January 1, 2010. Declares an emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Examples of how the offset is calculated into the disability payment
- Why the differential of calculating the offset exists between Public Employees Retirement System (PERS) Tier One and PERS Tier Two and Oregon Public Service Retirement Plan (OPSRP) members
- How the measure has no impact on the PERS Fund

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Public Employees Retirement System (PERS) monitors all Tier Two and Oregon Public Service Retirement Plan (OPSRP) Pension program members who are receiving PERS disability payments and temporary total disability or permanent total disability payments under the state's workers' compensation program. If the total amount of the benefit exceeds the Tier Two member's monthly salary at the time of disability, or exceeds 75 percent of the OPSRP member's monthly salary, the next PERS disability retirement allowance or benefit payment is reduced accordingly. The member is notified of the offset amount each month via a letter. If the disability payments have stopped before all offsets are made, the member is invoiced for any amount of overpayment.

HB 2704 aligns the treatment of Tier Two and OPSRP Pension program members' PERS disability payments with a Tier One member's disability retirement allowance, in which there is no statutory requirement to offset temporary total or permanent total disability workers' compensation payments. The measure's operative date of January 1, 2010 allows PERS the time to recalculate any disability benefit, and the recalculated retirement allowance or disability payment be effective in December 2009, which is payable on January 1, 2010.