

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass

Vote: 9 - 0 - 1

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

Nays: 0

Exc.: Kennemer

Prepared By: Theresa Van Winkle, Administrator

Meeting Dates: 5/22

WHAT THE MEASURE DOES: Permits collective bargaining unit and public employer to establish a retiree medical trust, voluntary employees' beneficiary association, health reimbursement arrangement or other health care agreement for health care expenses of employees or retirees. Exempts school districts subject to coverage under the Oregon Educators Benefit Board. Requires that agreements comply with Insurance Code. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Methods and programs for reducing employer and employees' health insurance costs

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: SB 821-A is intended to encourage workplace programs to assist employees in planning for retirement by using tax sheltered savings or other arrangements to help cover health care premiums or uninsured medical expenses. Current law has been interpreted to allow these programs for employees of local governments, but prohibits them for state employees.