

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

Action:	Do Pass as Amended and Be Printed Engrossed & Be Referred to Committee on Ways & Means
Vote:	5 - 0 - 0
Yeas:	Atkinson, Burdick, Ferrioli, Metsger, Devlin
Nays:	-
Exc.:	-
Prepared By:	Erin Seiler, Administrator
Meeting Dates:	5/22, 6/4

WHAT THE MEASURE DOES: Allows one member of the Public Employment Retirement System (PERS) Board to be a current or retired public employee of an appropriate bargaining unit. Allows a PERS member to request verification of retirement date not earlier than two years before earliest retirement age. Provides rulemaking authority to determine process and reasonable time frame for requesting and attaining data from public employees' public employers after verification request has been made to board. Specifies data the board is required to provide member. Provides procedure for a member to dispute data. Allows the board to recover overpayments or erroneous payments paid to or on account of a member based on verification data. Requires PERS member to receive retirement credit for certain retroactive payment of salary. Prohibits board from calculating benefits at less than specified in verification statement. Provides that retired members of the Oregon Public Service Retirement Plan are eligible for coverage under health insurance plans contracted by the board. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Provisions of the measure
- Provisions of the -5 amendments
- Certification of creditable data and establishment of a retirement income floor
- Accurate data and the ability to plan for retirement
- Dispute resolution options for employer and employee
- Frequency of errors in PERS data and retirement income statement
- Fiduciary responsibility of PERS Board to seek recovery of overpayments to members
- Employer responsibility when incorrect service data is reported

EFFECT OF COMMITTEE AMENDMENT: Maintains size of the PERS Board at five members. Allows one member of the board to be a current or retired public employee of an appropriate bargaining unit. Allows a member, not earlier than two years before earliest retirement age, to request verification of retirement data from the board. Provides rulemaking authority to determine process and reasonable time frame for requesting and attaining data from public employees' public employers after request has been made to the board. Specifies data the board is required to provide a member: creditable service, retirement credit, salary data reported by the member's employers for each calendar year, and the final average salary for the member derived from that data, if applicable, the regular account balance and total amount of unused sick leave. Provides procedure for a member to dispute data. Allows the board to recover overpayments or erroneous payments paid to or on account of a member based on verification data. Requires PERS member receive retirement credit for certain retroactive payment of salary. Establishes operative date for verification requirement on July 1, 2011. Retains provision allowing retired members of the Oregon Public Service Retirement Plan to be eligible for coverage under health insurance plans contracted by the board.

BACKGROUND: The PERS Board is comprised of five members: three people with experience in business management, pension management, or investing who are not members of the PERS system; one person who is either an employee of the state in a management position or a person who holds an elective office in the governing body of a participating public employer other than the state; and one person representing public employees. A retired PERS

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This summary has not been adopted or officially endorsed by action of the committee.

member of an appropriate bargaining unit cannot currently serve on the board; that position must be filled by an active public employee.

ORS 238.300 states how benefits are calculated for PERS members when they retirement from employment, identifying the factors that contribution to the calculation of the month retirement payments. Currently, the PERS Board is not required to provide members a statement indicating their employment data, nor provide an estimated benefit calculation before an individual retires. Public employee retirees receive a benefits statement no later then 90 day after retirement. Senate Bill 897-A would require the board to provide members, up to two years before the earliest retirement age, the opportunity to verify public employment creditable service data, for the purpose of establishing minimum estimated retirement benefits.