

# House Bill 2411

Sponsored by Representative GELSER (at the request of Susan Aronson)

## 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**.

Provides that membership of person in Public Employees Retirement System may be terminated by reason of inactivity only if Public Employees Retirement Board gives notice of impending loss of membership to person. Provides that notice be mailed by first class mail to last address known to board for member.

## A BILL FOR AN ACT

1  
2 Relating to termination of membership in the Public Employees Retirement System; creating new  
3 provisions; and amending ORS 238.095.

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

5 **SECTION 1.** ORS 238.095 is amended to read:

6 238.095. (1) An employee shall cease to be a member of the Public Employees Retirement System  
7 if the employee withdraws the member account, if any, of the member in the manner provided by  
8 ORS 238.265.

9 (2) Except as provided in subsection (3) of this section, an inactive member ceases to be a  
10 member of the system if:

11 (a) The member is not vested [*and*];

12 (b) **The member** is inactive for a period of five consecutive years; **and**

13 (c) **The Public Employees Retirement Board gives notice of impending loss of membership**  
14 **in the manner provided by subsection (6) of this section.**

15 (3) A school district employee does not cease to be a member of the system under subsection (2)  
16 of this section if:

17 (a) After completing a school year, the member is inactive for the next following five school  
18 years; and

19 (b) The member either is reemployed by a school district in a qualifying position at the begin-  
20 ning of the sixth school year, or reaches earliest service retirement age before the beginning of the  
21 sixth school year.

22 (4) Interest shall not accrue on the amount in the member account of the former member from  
23 the date that membership is terminated under subsection (2) of this section. Upon request by the  
24 former member, the Public Employees Retirement Board shall pay the amount in a member account  
25 to a former member upon the termination of the membership of the former member under subsection  
26 (2) of this section if the former member is separated from all service with employers who are treated  
27 as part of a participating public employer's controlled group under the federal laws and rules gov-  
28 erning the status of the system and the Public Employees Retirement Fund as a qualified govern-  
29 mental retirement plan and trust. The board may deduct, from the amount paid to a former member  
30 under this subsection, all reasonable costs incurred by the system in locating the member.

**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 (5) If the membership of a person in the system is terminated under subsection (2) of this section,  
2 and the person subsequently becomes an active member of the system, any amounts that were not  
3 paid to the person under subsection (4) of this section shall be credited with net earnings and losses.  
4 Crediting under this subsection commences upon the person becoming an active member of the sys-  
5 tem and continues as long as the person remains an active member.

6 **(6) The board shall give notice of impending loss of membership under subsection (2) of**  
7 **this section by mailing the notice to the member not less than three months nor more than**  
8 **six months before the expiration of the period specified in subsection (2)(b) of this section.**  
9 **The mailing must be made by first class mail to the last address known to the board for the**  
10 **member. The notice shall inform the member of the provisions of subsections (2) and (4) of**  
11 **this section.**

12 **SECTION 2. The amendments to ORS 238.095 by section 1 of this 2009 Act apply only to**  
13 **members of the Public Employees Retirement System who become inactive after the effec-**  
14 **tive date of this 2009 Act, and to members who are inactive on the effective date of this 2009**  
15 **Act and have been inactive for a period of four or fewer consecutive years.**