

House Bill 2873

Sponsored by COMMITTEE ON JUDICIARY

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 retirement benefits for police officers and firefighters that are not provided through Public Employees Retirement System are exempt from state, county and municipal taxes, other than state imposed personal income tax and inheritance tax.

A BILL FOR AN ACT

1
2 Relating to public employee retirement; amending ORS 237.620.

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

4 **SECTION 1.** ORS 237.620 is amended to read:

5 237.620. (1) Except as provided in this section, all public employers of police officers or fire-
6 fighters shall provide retirement benefits to those employees under the Public Employees Retirement
7 System.

8 (2) Notwithstanding subsection (1) of this section, a public employer of police officers or fire-
9 fighters need not provide retirement benefits to those employees under the Public Employees Re-
10 tirement System if the Public Employees Retirement Board determines that the public employer
11 provides retirement benefits to each of the following classes of employees that are equal to or better
12 than the retirement benefits that would be provided to the equivalent classes of employees under the
13 Public Employees Retirement System:

14 (a) Police officers or firefighters who are entitled to receive benefits only under ORS chapter
15 238 and who established membership in the system before January 1, 1996, as described in ORS
16 238.430 (2);

17 (b) Police officers or firefighters who are entitled to receive benefits only under ORS chapter
18 238 and who established membership in the system on or after January 1, 1996, and before August
19 29, 2003, as described in ORS 238A.025 (4); and

20 (c) Police officers or firefighters who establish membership in the system on or after August 29,
21 2003, and are entitled to benefits only under the Oregon Public Service Retirement Plan.

22 (3) At such times as may be established by board rule, the Public Employees Retirement Board
23 shall review the retirement benefits provided by a public employer of police officers or firefighters
24 that does not provide retirement benefits for those employees under the Public Employees Retire-
25 ment System. The review must be conducted at the expense of the public employer. Based on the
26 review, the board shall determine whether the public employer complies with the requirements of
27 subsection (2) of this section. If the board determines that the public employer does not comply with
28 the requirements of subsection (2) of this section for any class of employees described in subsection
29 (2) of this section, the public employer must provide that class of employees with retirement benefits
30 adequate to meet the requirements of subsection (2) of this section. If the public employer fails to
31 provide those benefits, any employee within the class may bring an action in circuit court to compel

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 compliance with the requirements of this section.

2 **(4) If a public employer of police officers or firefighters provides retirement benefits to**
3 **those employees through a plan other than the Public Employees Retirement System as**
4 **provided under this section, the benefits, returns of contributions, death benefits and any**
5 **other right accrued or accruing to any person under the plan is exempt from all state,**
6 **county and municipal taxes. This subsection does not apply to taxes imposed under ORS**
7 **chapter 118 or to state personal income taxation of retirement benefits.**

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