

A-Engrossed
Senate Bill 399

Ordered by the Senate May 1
Including Senate Amendments dated May 1

Sponsored by COMMITTEE ON COMMERCE AND WORKFORCE DEVELOPMENT

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.

Allows certain members of Public Employees Retirement System who participate in deferred compensation plan **and tax sheltered annuity** to request[, *within 60 days of effective date of Act,*] that payment of all or part of deferred amount be paid to Public Employees Retirement Board for purpose of restoring forfeited creditable service, or acquiring retirement credit [*for probationary period of employment*], or both.

A BILL FOR AN ACT

1
2 Relating to rollover contributions.

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

4 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS chapter 238.**

5 **SECTION 2. (1) Notwithstanding ORS 238.220, a member of the Public Employees Retirement System who is eligible to obtain restoration of forfeited creditable service under**
6 **ORS 238.115, or to purchase retirement credit under ORS 238.125, 238.135, 238.145, 238.156,**
7 **238.157, 238.162, 238.165, 238.175 or 526.052, and who participates in an eligible retirement plan**
8 **described in subsection (3) of this section, may use moneys transferred by way of a trustee-**
9 **to-trustee transfer from the eligible retirement plan to the Public Employees Retirement**
10 **Board for the purpose of obtaining restoration of the forfeited creditable service or to purchase the retirement credit. The board may not make any amount transferred under this**
11 **section available to the member, and may use the amount only for the purposes described**
12 **in this section. The amount transferred under this section may not exceed the amount**
13 **needed to obtain restoration of the forfeited creditable service or to purchase the retirement**
14 **credit.**
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17 **(2) If amounts transferred under this section are not sufficient to pay the full amount**
18 **necessary to obtain restoration of the forfeited creditable service or to purchase the retire-**
19 **ment credit, the member must pay the remaining amount that is needed to obtain restora-**
20 **tion of the forfeited creditable service or to purchase the retirement credit.**

21 **(3) The following are eligible retirement plans for the purposes of this section:**

22 **(a) A governmental deferred compensation plan described in section 457 of the Internal**
23 **Revenue Code; and**

24 **(b) A tax sheltered annuity described in section 403(b) of the Internal Revenue Code.**

25 **(4) The board shall adopt rules and establish procedures for determining whether a**
26 **member is allowed to obtain restoration of the forfeited creditable service or to purchase the**

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 retirement credit by means of a trustee-to-trustee transfer under this section. The rules and
2 procedures must ensure that transfers under this section do not adversely affect the status
3 of the system and the Public Employees Retirement Fund as a qualified governmental plan
4 and trust under federal income tax law.

5 **SECTION 3.** Section 2 of this 2009 Act becomes operative September 1, 2011.

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