

Senate Bill 950

Sponsored by COMMITTEE ON GENERAL GOVERNMENT, CONSUMER AND SMALL BUSINESS PROTECTION

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**.

Authorizes Public Employees Retirement Board to allow eligible state employee participating in state deferred compensation plan to defer compensation on after-tax basis.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to deferred compensation plans; creating new provisions; amending ORS 243.460; and de-
3 claring an emergency.

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

5 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS 243.401 to**
6 **243.507.**

7 **SECTION 2. (1) The Public Employees Retirement Board may allow an eligible state em-**
8 **ployee who is participating in the state deferred compensation plan to defer compensation**
9 **on an after-tax basis. The board shall establish a separate account for each employee that**
10 **defers compensation on an after-tax basis, and maintain separate records for those accounts.**

11 **(2) The Public Employees Retirement Board may allow an eligible state employee who is**
12 **participating in the state deferred compensation plan to convert compensation that was de-**
13 **ferred on a pretax basis to compensation that is deferred on an after-tax basis to the extent**
14 **allowed by federal law and subject to any requirements of federal law for the conversion.**

15 **SECTION 3. ORS 243.460 is amended to read:**

16 243.460. (1) The amount by which an eligible state employee's salary is reduced under ORS
17 243.440 shall continue to be included as regular compensation for the purpose of computing the re-
18 tirement, pension and Social Security benefits earned by the employee[, *but that*]. **If the amount is**
19 **deferred on a pretax basis, the** amount shall not be considered current taxable income for the
20 purpose of computing federal and state income taxes withheld on behalf of the employee.

21 (2) The state deferred compensation plan established by ORS 243.401 to 243.507 supplements all
22 other retirement and pension systems established by the State of Oregon, and participation by an
23 eligible state employee in the state deferred compensation plan shall not cause a reduction of any
24 retirement or pension benefits provided to the employee by law.

25 **SECTION 4. This 2011 Act being necessary for the immediate preservation of the public**
26 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
27 **on its passage.**

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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.