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# MEMORANDUM

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**To:** *Transportation and Economic Development Subcommittee*

**From:** *John Borden, Legislative Fiscal Office*  
*(503) 986-1842*

**Date:** May 7th, 2013

**Subject:** *HB 3243-A*  
*Public Hearing*

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House Bill 3243-A relates to vesting in the pension program of the Oregon Public Service Retirement Plan. The measure has an emergency clause and is effective on passage.

The measure was referred to Joint Committee on Ways and Means by prior reference from the House Committee on Business and Labor.

The measure and policy committee staff measure summary are available on the Oregon Legislative Information System (OLIS). The measure has no revenue impact and a minimal fiscal impact.

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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<b>Action:</b>	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	9 - 0 - 1
<b>Yeas:</b>	Barton, Fagan, Holvey, Kennemer, Matthews, Thatcher, Thompson, Witt, Doherty
<b>Nays:</b>	0
<b>Exc.:</b>	Weidner
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	3/18, 3/27

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**WHAT THE MEASURE DOES:** Allows certain deceased members of Public Employees Retirement System (PERS) to be considered vested for purposes under pension program of Oregon Public Service Retirement Plan. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Stabbing death of corrections officer Buddy Herron, who had stopped to help a motorist on his way to work
- Inability to purchase credits for past military service due to 2003 PERS reforms
- Carve out for one deceased PERS member
- Whether any member killed in the line of duty should be automatically vested
- Estimated one-time benefit to Herron family of \$1,541

**EFFECT OF COMMITTEE AMENDMENT:** Specifies that member must have been killed in line of duty between July 1 and December 31, 2011.

**BACKGROUND:** Under current law, a member of the Oregon Public Service Retirement Plan (OPSRP) becomes vested in the pension program when the member completes at least 600 hours of service in each of five calendar years or when an active member reaches the normal retirement age for the member. If a vested member dies before reaching retirement age, the PERS Board must pay the death benefit to the spouse or any other person who is constitutionally required to be treated as a spouse. The death benefit will be for the life of the spouse and will be the actuarial equivalent of half of the pension that would otherwise have been paid to the deceased member.

House Bill 3243-A establishes that members are to be considered vested for all purposes under the pension program if, at the time of death, they meet the following criteria:

- Killed in the line of duty between July 1 and December 31, 2011;
- Served as a police officer who was an active OPSRP member;
- Had not otherwise vested in the pension program;
- Completed at least 600 hours or service in each of three calendar years; and
- Application for death benefits was made within 60 days after the measure's effective date.

PERS statutes contain a broad definition of police officer, including but not limited to certain employees at the Department of Corrections, certain parole and probation officers, airport police, livestock police, employees of Department of Public Safety Standards and Training who are not clerical or secretarial, certain Department of Justice investigators, Oregon Lottery enforcement officers, and certain employees at youth correction/detention facilities.

3/27/2013 3:26:00 PM

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

**A-Engrossed  
House Bill 3243**

Ordered by the House March 28  
Including House Amendments dated March 28

Sponsored by Representative JENSON; Representative SMITH

**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 deceased members of Public Employees Retirement System to be considered vested for all purposes under pension program of Oregon Public Service Retirement Plan. Requires application within 60 days after effective date of Act.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

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Relating to vesting in the pension program of the Oregon Public Service Retirement Plan; and declaring an emergency.

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

**SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 238A.**

**SECTION 2. Notwithstanding ORS 238A.115, a deceased member of the system shall be considered vested for all purposes under the pension program if:**

**(1) The member was killed in the line of duty on or after July 1, 2011, and before December 31, 2011;**

**(2) At the time of death the member was a police officer who was an active member of the system;**

**(3) At the time of death the member had not otherwise vested in the pension program under ORS 238A.115;**

**(4) At the time of death, the member had completed at least 600 hours of service in each of three calendar years; and**

**(5) An application for benefits under ORS 238A.230 is made to the Public Employees Retirement Board within 60 days after the effective date of this 2013 Act.**

**SECTION 3. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect 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.