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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 14th, 2013

**Subject:** *HB 3243-A*  
*Work Session*

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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 had a public hearing in this Subcommittee on May 7<sup>th</sup>, 2013.

The Work Session packet, including measure, staff measure summary, and amendment are available on the Oregon Legislative Information System (OLIS). The measure has no revenue impact and a minimal fiscal impact.

## Amendment

There is a –A2 amendment to the measure that has the employer of the member certify to the Public Employees Retirement Board that the member was killed in the line of duty on or after July 1, 2011, and before December 31, 2011.”

**Motion #1: Move the –A2 amendment to HB 3243.**

## Measure as Modified

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

**Motion #2: Move HB 3243 to the full committee with a “do pass” recommendation, as modified.**

Chair to assign carriers:

Full: \_\_\_\_\_  
2<sup>nd</sup> Chamber: \_\_\_\_\_

Joint Committee on Ways and Means

Carrier – House: Rep.

Carrier – Senate: Sen.

**Revenue:** No Revenue Impact

**Fiscal:** Minimal fiscal impact

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**Action:**

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** John F. Borden, Legislative Fiscal Office

**Meeting Date:** [Full Committee Meeting Date]

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**WHAT THE MEASURE DOES:** The measure 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.

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 of service in each of three calendar years; and
- Application for death benefits was made within 60 days after the measure's effective date.

**ISSUES DISCUSSED:**

- Discussion of the death of Department of Corrections Officer Buddy Herron.
- Discussion of HB 3487
- Estimated one-time benefit to the Herron family of \$1,541.
- Symbolic importance of the measure

**EFFECT OF COMMITTEE AMENDMENT:** –A2 amendment to the measure adds language that the employer of the member must certify to the Public Employees Retirement Board that the member was killed in the line of duty.

**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.

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.

HB 3243-A2  
(LC 3721)  
5/13/13 (MNJ/ps)

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 3243**

- 1 Delete lines 8 and 9 of the printed A-engrossed bill and insert:  
2 “(1) The employer of the member certifies to the Public Employees Re-  
3 tirement Board that the member was killed in the line of duty on or after  
4 July 1, 2011, and before December 31, 2011;”  
5 In line 16, delete “Public Employees Re-”.  
6 In line 17, delete “tirement”.  
7 \_\_\_\_\_

**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**

1  
2 Relating to vesting in the pension program of the Oregon Public Service Retirement Plan; 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 2013 Act is added to and made a part of ORS chapter 238A.**

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

8 (1) **The member was killed in the line of duty on or after July 1, 2011, and before De-**  
9 **cember 31, 2011;**

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

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

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

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

18 **SECTION 3. This 2013 Act being necessary for the immediate preservation of the public**  
19 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
20 **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.