
MEMORANDUM

Legislative Fiscal Office
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To: *General Government Subcommittee*

From: *John Borden, Legislative Fiscal Office*
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Date: May 23rd, 2013

Subject: *HB 3487*
Work Session

House Bill 3487 is related 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 allows police officer and firefighter members of Public Employees Retirement System killed in the line of duty to be considered vested under pension program of Oregon Public Service Retirement Plan (OPRS).

The measure had a public hearing in this Subcommittee on May 15th, 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 –2 amendment to the measure broadens to measure from just police officer and firefighter members to include any deceased member of PERS. The amendment also has the employer of the member certify to PERS that the member was killed in the course and scope of the member's employment and that at the time of death the member was not otherwise vested in OPSRP. The amendment would apply the provisions prospectively on or after the effective date of the measure.

With this amendment, the measure would apply prospectively to any non-vested OPSRP member killed in the course and scope of their employment as certified to PERS by their employer.

Motion #1: Move the –2 amendment to HB 3487.

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 3487 to the full committee with a “do pass” recommendation, as modified.

Chair to assign carriers:

Full: _____
2nd Chamber: _____

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue: No Revenue Impact

Fiscal: Minimal fiscal impact

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: John F. Borden, Legislative Fiscal Office

Meeting Date: May 23rd, 2013

WHAT THE MEASURE DOES: Allows police officer and firefighter members of Public Employees Retirement System killed in the line of duty to be considered vested under pension program of Oregon Public Service Retirement Plan (OPSRP). Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Difference between HB 3487 and HB 3243-B
- Purpose of -2 amendment
- Measure would apply prospectively to any non-vested OPSRP member killed in the course and scope of their employment as certified to PERS by their employer.
- Minimal fiscal impact

EFFECT OF COMMITTEE AMENDMENT: –2 amendment broadens to measure from just police officer and firefighter members to include any deceased member of PERS - OPSRP. The amendment also has the employer of the member certify to PERS that the member was killed in the course and scope of the member's employment. Lastly, at the time of death the member is not to be otherwise vested in OPSRP. The amendment would apply the provisions prospectively on or after the effective date of the measure.

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 Public Employees Retirement System (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.

HB 3487-2
(LC 3877)
5/21/13 (MNJ/ps)

**PROPOSED AMENDMENTS TO
HOUSE BILL 3487**

1 Delete lines 6 through 15 of the printed bill and insert:

2 **“SECTION 2. Notwithstanding ORS 238A.115, a deceased member**
3 **of the Public Employees Retirement System shall be considered vested**
4 **for all purposes under the pension program if:**

5 **“(1) At the time of death the member was an active member of the**
6 **system;**

7 **“(2) The employer of the member certifies to the Public Employees**
8 **Retirement Board that the member was killed in the course and scope**
9 **of the member’s employment; and**

10 **“(3) At the time of death the member was not otherwise vested in**
11 **the pension program under ORS 238A.115.**

12 **“SECTION 3. Section 2 of this 2013 Act applies only to a member**
13 **of the Public Employees Retirement System who is killed in the course**
14 **and scope of the member’s employment on or after the effective date**
15 **of this 2013 Act.”.**

16

77th OREGON LEGISLATIVE ASSEMBLY--2013 Regular Session

House Bill 3487

Sponsored by Representatives MATTHEWS, BARTON, JENSON, SMITH, THOMPSON, WITT

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.

Allows police officer and firefighter members of Public Employees Retirement System killed in line of duty to be considered vested for all purposes under pension program of Oregon Public Service Retirement Plan.

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 Public Employees**
7 **Retirement System shall be considered vested for all purposes under the pension program if:**
8 **(1) At the time of death the member was a police officer or a firefighter who was an**
9 **active member of the system;**
10 **(2) The member was killed in the line of duty; and**
11 **(3) At the time of death the member was not otherwise vested in the pension program**
12 **under ORS 238A.115.**
13 **SECTION 3. Section 2 of this 2013 Act applies only to members of the Public Employees**
14 **Retirement System who are killed in the line of duty on or after the effective date of this**
15 **2013 Act.**
16 **SECTION 4. This 2013 Act being necessary for the immediate preservation of the public**
17 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
18 **on its passage.**
19

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.

LC 3877