

77TH OREGON LEGISLATIVE ASSEMBLY  
2013 REGULAR SESSION  
STAFF MEASURE SUMMARY  
SENATE FINANCE AND REVENUE COMMITTEE  
DRAFT

MEASURE: SB 857-15  
CARRIER:

**REVENUE:** No Revenue Impact

**FISCAL:** Statement Issued

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**Action:**

**Vote:**

**Yeas:**

**Nays:**

**Exc.:**

**Prepared By:** Warner, Economist

**Meeting Dates:** June 27, 28, 29

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**WHAT THE BILL DOES:** Modifies cost-of-living adjustment under the Public Employees Retirement System (PERS). Applies 1.25% cost of living adjustment to the first \$60,000 of annual benefits and 0.15% to benefits above \$60,000. Requires PERS Board to periodically report on purchasing power of pensions. Modifies actuarial equivalency factor tables for certain "inactive" members. Calculates actuarial equivalency based on annuity rates published by the Pension Benefit Guaranty Corporation. Exempts police officers and firefighters and those with 24 years service from the new calculation. Some service must be performed prior to 2004 to be eligible for the exemption. Provides for expedited judicial review. Takes effect upon passage.

**ISSUES DISCUSSED:**

- Links to revenue package contained in HB 2456
- Retirees affected by changes.
- Different examples of those who fall under the inactive category.
- Savings to the system in combination with SB 822.
- Implementation date of changes and impact on timing of retirement decisions.

**EFFECT OF COMMITTEE AMENDMENTS:** Replaces the bill.

**BACKGROUND:** SB 857 was developed as part of an overall financial package in combination with HB 2456. The goal of the package is to increase the flow of revenue for operations for education and other public services.

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