

**REVENUE: No revenue impact**

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

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**Action:** Do Pass and Rescind the Subsequent Referral to the Committee on Ways and Means

**Vote:** 5 - 0 - 0

**Yeas:** Beyer, Burdick, Ferrioli, Starr, Rosenbaum

**Nays:** 0

**Exc.:** 0

**Prepared By:** Lori Brocker, Administrator

**Meeting Dates:** 2/27, 3/20

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**WHAT THE MEASURE DOES:** Specifies requirements for participation in Optional Retirement Plan (ORP) by administrative or academic employees of Oregon University System. Creates separate tier for employees contributing to ORP hired on or after July 1, 2014. Specifies contribution levels made by State Board of Higher Education for participating employee hired on or after July 1, 2014. Provides for limited employer match to employee contribution. Deletes language defining parameters of selection of investment and annuity providers. States that provisions do not affect collective bargaining agreement. Declares an emergency, effective on passage.

**ISSUES DISCUSSED:**

- Description of Optional Retirement Plan (ORP)
- Differences between defined contribution and defined benefit plans
- Fluctuations in rates of contribution
- Floor for employer contribution
- Impact on current or future employees
- ORP eligibility and measure intent

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** In 1995, the Oregon University System (OUS) sought and received authority to provide an Optional Retirement Plan (ORP) to OUS faculty and university employees. Pursuant to Senate Bill 242 (2012), OUS convened a committee to review the ORP. The committee included representatives of public university management and represented and unrepresented employees. Many of the committee's recommendations for updating provisions related to the ORP are contained in Senate Bill 269 and include: removing restrictions on the selection of annuity or investment providers, revising eligibility requirements for employees who may not be employed a full year, and creating a new tier for participating employees.

3/22/2013 9:43:00 AM

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