

# House Bill 3312

Sponsored by Representative SPRENGER (at the request of Oregon School Boards Association)

## 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**.

Requires member of Public Employees Retirement System to contribute \_\_\_\_\_ percent of salary to benefit funding account. Provides for amounts in account to be used to fund certain benefits. Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to public employee retirement; and declaring an emergency.

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

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

5 **SECTION 2. (1) In addition to other employee contributions required under ORS chapters**  
6 **238 and 238A, a member of the Public Employees Retirement System shall make an employee**  
7 **contribution of \_\_\_\_\_ percent of the member's salary to the benefit funding account es-**  
8 **tablished under section 3 of this 2013 Act.**

9 **(2) Contributions required under this section shall be withheld from an employee's salary.**

10 **(3) Employee contributions made by a member under this section shall be credited by the**  
11 **Public Employees Retirement Board to the benefit funding account established for the**  
12 **member under section 3 of this 2013 Act.**

13 **(4) An employer may not agree to pay any part of the employee contribution required**  
14 **under this section.**

15 **SECTION 3. (1) Upon any contributions made by a member under section 2 of this 2013**  
16 **Act, the Public Employees Retirement Board shall establish a benefit funding account for the**  
17 **member, separate and distinct from the member's regular account. The account shall consist**  
18 **of the employee contributions made by the member under section 2 of this 2013 Act.**

19 **(2) Each account created under this section shall be adjusted at least annually in ac-**  
20 **cordance with rules adopted by the board to reflect any net earnings or losses on those**  
21 **contributions and to pay the reasonable administrative costs of maintaining the account.**

22 **(3) The amounts in the benefit funding account created under this section may be used**  
23 **only to pay benefits provided under this chapter.**

24 **(4) Except as provided in subsection (3) of this section, a member has no right to any of**  
25 **the amounts in the benefit funding account created under this section.**

26 **(5) If the amounts in a benefit funding account created under this section cannot be used**  
27 **to pay for benefits provided under this chapter, the amounts in the account shall be applied**  
28 **by the board to offset employer contributions of the employers of the member for whom the**  
29 **account was created that would otherwise be due under ORS 238.225.**

30 **SECTION 4. Section 5 of this 2013 Act is added to and made a part of ORS chapter 238A.**

31 **SECTION 5. (1) In addition to other employee contributions required under this chapter,**

**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.

1 a member of the Public Employees Retirement System shall make an employee contribution  
 2 of \_\_\_\_\_ percent of the member's salary to the benefit funding account established under  
 3 section 6 of this 2013 Act.

4 (2) Contributions required under this section shall be withheld from an employee's salary.

5 (3) Employee contributions made by a member under this section shall be credited by the  
 6 Public Employees Retirement Board to the benefit funding account established for the  
 7 member under section 6 of this 2013 Act.

8 (4) An employer may not agree to pay any part of the employee contribution required  
 9 under this section.

10 **SECTION 6.** (1) Upon any contributions made by a member under section 5 of this 2013  
 11 Act, the Public Employees Retirement Board shall establish a benefit funding account for the  
 12 member, separate and distinct from the individual account created under ORS 238A.350. The  
 13 account shall consist of the employee contributions made by the member under section 5 of  
 14 this 2013 Act.

15 (2) Each account created under this section shall be adjusted at least annually in ac-  
 16 cordance with rules adopted by the board to reflect any net earnings or losses on those  
 17 contributions and to pay the reasonable administrative costs of maintaining the account.

18 (3) The amounts in the benefit funding account created under this section may be used  
 19 only to pay the cost of the member's pension under the pension program.

20 (4) Except as provided in subsection (3) of this section, a member has no right to any of  
 21 the amounts in the benefit funding account created under this section.

22 (5) If the amounts in a benefit funding account created under this section cannot be used  
 23 to pay for the cost of a member's pension under the pension program, the amounts in the  
 24 account shall be applied by the board to offset employer contributions of the employers of  
 25 the member for whom the account was created that would otherwise be due under ORS  
 26 238.225 and 238A.220.

27 **SECTION 7.** The contributions required by sections 2 and 5 of this 2013 Act must first  
 28 be made for salary paid for the month of \_\_\_\_\_, 2013.

29 **SECTION 8.** (1) Jurisdiction is conferred on the Supreme Court to determine in the  
 30 manner provided by this section whether this 2013 Act breaches any contract between  
 31 members of the Public Employees Retirement System and their employers or violates any  
 32 constitutional provision, including but not limited to impairment of contract rights of mem-  
 33 bers of the Public Employees Retirement System under Article I, section 21, of the Oregon  
 34 Constitution, or Article I, section 10, clause 1, of the United States Constitution.

35 (2) A person who is or who will be adversely affected by this 2013 Act may institute a  
 36 proceeding for review by filing with the Supreme Court a petition that meets the following  
 37 requirements:

38 (a) The petition must be filed within 60 days after the effective date of this 2013 Act.

39 (b) The petition must include the following:

40 (A) A statement of the basis of the challenge; and

41 (B) A statement and supporting affidavit showing how the petitioner is or will be ad-  
 42 versely affected.

43 (3) The petitioner shall serve a copy of the petition by registered or certified mail upon  
 44 the Public Employees Retirement Board, the Attorney General and the Governor.

45 (4) Proceedings for review under this section shall be given priority over all other mat-

1   **ters before the Supreme Court.**

2       **(5) The Supreme Court shall allow public employers participating in the Public Employees**  
3   **Retirement System to intervene in any proceeding under this section.**

4       **(6) In the event the Supreme Court determines that there are factual issues in the peti-**  
5   **tion, the Supreme Court may appoint a special master to hear evidence and to prepare re-**  
6   **commended findings of fact.**

7       **SECTION 9. This 2013 Act being necessary for the immediate preservation of the public**  
8   **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
9   **on its passage.**

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