

# House Bill 3444

Sponsored by Representative CAMERON; Representatives FREEMAN, GILLIAM, HANNA, KRIEGER, RICHARDSON, THATCHER, WEIDNER, Senators FERRIOLI, GEORGE, KNOPP

## 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**.

Provides that if public body agrees to pay or provide benefit to retired employees other than payments required or provided for in statutes, public body must create separate account for funding of those benefits and make annual contributions to account in amounts necessary to amortize liability for benefits in 25 years or less.

Eliminates provision prohibiting local government and health care insurer from creating group solely for purpose of rating or of establishing premium for health care insurance coverage of retired employees and dependents.

## A BILL FOR AN ACT

1  
2 Relating to public employee retirement; creating new provisions; and amending ORS 243.303.

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

4 **SECTION 1. (1) As used in this section, "public body" has the meaning given that term**  
5 **in ORS 174.109.**

6 **(2) If a public body agrees to pay or provide any benefit to a retired employee of the**  
7 **public body other than the payments required or provided for in statutes governing retire-**  
8 **ment benefits for retired public employees, the public body must create a separate account**  
9 **for the funding of those benefits and make annual contributions to the account in amounts**  
10 **necessary to amortize the liability for those benefits within a period of not more than 25**  
11 **years.**

12 **(3) The provisions of this section apply to agreements to pay or provide:**

13 **(a) Health insurance after retirement of an employee;**

14 **(b) Contributions to retirement accounts, annuities or other accounts established for the**  
15 **purpose of providing benefits after retirement;**

16 **(c) Periodic payments to a retired employee; or**

17 **(d) Any other benefit that is intended to provide retirement benefits in addition to the**  
18 **benefits provided by law.**

19 **SECTION 2. ORS 243.303 is amended to read:**

20 243.303. (1) As used in this section:

21 (a) "Health care" means medical, surgical, hospital or any other remedial care recognized by  
22 state law and related services and supplies and includes comparable benefits for persons who rely  
23 on spiritual means of healing.

24 (b) "Local government" means any city, county, school district or other special district in this  
25 state.

26 (c) "Retired employee" means a former officer or employee of a local government who is retired  
27 for service or disability, and who received or is receiving retirement benefits, under the Public  
28 Employees Retirement System or any other retirement system or plan applicable to officers and

**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 employees of the local government.

2 (2) The governing body of any local government that contracts for or otherwise makes available  
 3 health care insurance coverage for officers and employees of the local government shall, insofar as  
 4 and to the extent possible, make that coverage available for any retired employee of the local gov-  
 5 ernment who elects within 60 days after the effective date of retirement to participate in that cov-  
 6 erage and, at the option of the retired employee, for the spouse of the retired employee and any  
 7 unmarried children under 18 years of age. The health care insurance coverage shall be made avail-  
 8 able for a retired employee until the retired employee becomes eligible for federal Medicare cover-  
 9 age, for the spouse of a retired employee until the spouse becomes eligible for federal Medicare  
 10 coverage and for a child until the child arrives at majority, and may, but need not, be made avail-  
 11 able thereafter. The governing body may prescribe reasonable terms and conditions of eligibility and  
 12 coverage, not inconsistent with this section, for making the health care insurance coverage avail-  
 13 able. The local government may pay none of the cost of making that coverage available or may  
 14 agree, by collective bargaining agreement or otherwise, to pay part or all of that cost.

15 *[(3) A local government and a health care insurer may not create a group solely for the purpose*  
 16 *of rating or of establishing a premium for health care insurance coverage of retired employees and their*  
 17 *dependents that is separate from the group for health care insurance coverage of officers and employees*  
 18 *of the local government and their dependents. Nothing in this subsection prevents a local government*  
 19 *from allocating rates or premiums differently among retired employees and their dependents and offi-*  
 20 *cers and employees of the local government and their dependents once the rating or premium is estab-*  
 21 *lished.]*

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