

SENATE AMENDMENTS TO SENATE BILL 857

By COMMITTEE ON FINANCE AND REVENUE

June 29

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating new provisions;
2 amending ORS 238.360 and 238A.210;”.

3 Delete lines 4 through 30 and delete page 2 and insert:
4

“COST OF LIVING ADJUSTMENTS

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6

7 “**SECTION 1.** ORS 238.360, as amended by sections 1 and 3, chapter 53, Oregon Laws 2013
8 (Enrolled Senate Bill 822), is amended to read:

9 “238.360. (1) On July 1 of each year, the Public Employees Retirement Board shall increase the
10 yearly allowance that a member or member’s beneficiary receives or is entitled to receive, as pro-
11 vided in [*subsections (2) and (3)*] **subsection (2)** of this section. The increase is first payable with
12 the allowance that the member or the member’s beneficiary receives or is entitled to receive on
13 August 1.

14 “(2)(a) If the member’s or member’s beneficiary’s yearly allowance [*for the previous year totaled*
15 *\$20,000*] **is \$60,000** or less, the allowance shall be increased by [*two*] **1.25** percent.

16 “[*(b) If the member’s or member’s beneficiary’s yearly allowance for the previous year totaled more*
17 *than \$20,000 but not more than \$40,000, the allowance shall be increased by \$400 plus 1.5 percent of*
18 *the amount of the yearly allowance exceeding \$20,000.*]

19 “[*(c) If the member’s or member’s beneficiary’s yearly allowance for the previous year totaled more*
20 *than \$40,000 but not more than \$60,000, the allowance shall be increased by \$700 plus one percent of*
21 *the amount of the yearly allowance exceeding \$40,000.*]

22 “[*(d)*] **(b)** If the member’s or member’s beneficiary’s yearly allowance [*for the previous year to-*
23 *taled*] **is** more than \$60,000, the allowance shall be increased by [*\$900 plus .25*] **\$750 plus 0.15** per-
24 cent of the amount of the yearly allowance exceeding \$60,000.

25 “[*(3) If a member or member’s beneficiary has been receiving an allowance for less than 12 months*
26 *on July 1 of any year, the board shall calculate the increase under subsection (2) of this section on the*
27 *basis of the yearly allowance the member or member’s beneficiary would have received if the member*
28 *or member’s beneficiary had received the monthly allowance for 12 months.*]

29 “[*(4)*] **(3)** Any increase in the allowance shall be paid from contributions of the public employer
30 under ORS 238.225.

31 “**(4)** As used in this section, ‘yearly allowance’ means the monthly allowance that a
32 member or member’s beneficiary is entitled to on July 1 of the year in which the board is
33 calculating the increase under subsection (1) of this section, multiplied by 12.

34 “**SECTION 2.** The amendments to ORS 238.360 by section 1 of this 2013 Act apply to all
35 increases to allowances made under ORS 238.360 on and after July 1, 2014.

1 “**SECTION 3.** ORS 238A.210, as amended by sections 5 and 7, chapter 53, Oregon Laws 2013
2 (Enrolled Senate Bill 822), is amended to read:

3 “238A.210. (1) On July 1 of each year, the board shall increase every pension payable under ORS
4 238A.180, 238A.185 and 238A.190, every disability benefit under ORS 238A.235 and every death ben-
5 efit payable under ORS 238A.230 as provided in [subsections (2) and (3)] **subsection (2)** of this sec-
6 tion. The increase shall be made for the payments payable on August 1 and thereafter.

7 “(2)(a) If a person’s yearly pension or benefit [for the previous year totaled \$20,000] **is \$60,000**
8 or less, the pension or benefit shall be increased by [two] **1.25** percent.

9 “[(b) If a person’s yearly pension or benefit for the previous year totaled more than \$20,000 but
10 not more than \$40,000, the pension or benefit shall be increased by \$400 plus 1.5 percent of the amount
11 of the yearly pension or benefit exceeding \$20,000.]

12 “[(c) If a person’s yearly pension or benefit for the previous year totaled more than \$40,000 but not
13 more than \$60,000, the pension or benefit shall be increased by \$700 plus one percent of the amount
14 of the yearly pension or benefit exceeding \$40,000.]

15 “[(d)] **(b)** If a person’s yearly pension or benefit [for the previous year totaled] **is** more than
16 \$60,000, the pension or benefit shall be increased by [\$900 plus .25] **\$750 plus 0.15** percent of the
17 amount of the yearly pension or benefit exceeding \$60,000.

18 “[(3) If a person has been receiving a pension or benefit for less than 12 months on July 1 of any
19 year, the board shall calculate the increase under subsection (2) of this section on the basis of the
20 yearly allowance the person would have received if the person had received the pension or benefit for
21 12 months.]

22 “**(3) As used in this section, ‘yearly pension or benefit’ means the monthly pension or**
23 **benefit that a person is entitled to on July 1 of the year in which the board is calculating the**
24 **increase under subsection (1) of this section, multiplied by 12.**

25 “**SECTION 4.** The amendments to ORS 238A.210 by section 3 of this 2013 Act apply to all
26 increases to pensions or benefits made under ORS 238A.210 on and after July 1, 2014.

27 “**SECTION 5.** (1) The amendments to ORS 238.360 and 238A.210 by sections 1 and 3 of this
28 2013 Act become operative on July 1, 2014.

29 “(2) The Public Employees Retirement Board may take any action before the operative
30 date specified in subsection (1) of this section to enable the board, on and after the operative
31 date specified in subsection (1) of this section, to exercise all the duties, functions and pow-
32 ers conferred on the board by the amendments to ORS 238.360 and 238A.210 by sections 1 and
33 3 of this 2013 Act.

34 “**SECTION 6.** Section 7 of this 2013 Act is added to and made a part of ORS chapter 238.

35 “**SECTION 7.** At least once every five years, the Public Employees Retirement Board
36 shall analyze the impact of increases or decreases in the cost of living on the purchasing
37 power of pensions payable under the Public Employees Retirement System and report to an
38 appropriate committee or interim committee of the Legislative Assembly on:

39 “(1) The results of the analysis; and

40 “(2) Recommendations relating to the cost-of-living adjustment under the system.

41 “**SECTION 8.** The Public Employees Retirement Board shall issue the first report under
42 section 7 of this 2013 Act on or before September 1, 2020.

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44 “**ACTUARIAL EQUIVALENCY FACTOR TABLES FOR CERTAIN MEMBERS**
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1 **“SECTION 9. Sections 10 and 11 of this 2013 Act are added to and made a part of ORS**
2 **chapter 238.**

3 **“SECTION 10. (1) In computing the service retirement allowance under ORS 238.300 (1)**
4 **and (2)(b)(A), the Public Employees Retirement Board shall use the actuarial equivalency**
5 **factor tables adopted under ORS 238.607 for a member who is an active member on the ef-**
6 **fective date of this 2013 Act.**

7 **“(2) In computing the service retirement allowance under ORS 238.300 (1) and (2)(b)(A),**
8 **the Public Employees Retirement Board shall use the actuarial equivalency factor tables**
9 **adopted under ORS 238.607 for a member who:**

10 **“(a) On the member’s effective date of retirement, had at least 20 years of membership,**
11 **as defined in ORS 238.300 (2)(c);**

12 **“(b) Retires as a police officer or firefighter; and**

13 **“(c) Performed some period of service in a qualifying position on or after January 1, 2004,**
14 **and before the effective date of this 2013 Act.**

15 **“(3) In computing the service retirement allowance under ORS 238.300 (1) and (2)(b)(A),**
16 **the Public Employees Retirement Board shall use the actuarial equivalency factor tables**
17 **adopted under ORS 238.607 for a member who:**

18 **“(a) On the member’s effective date of retirement, had at least 24 years of membership,**
19 **as defined in ORS 238.300 (2)(c);**

20 **“(b) Retires as other than a police officer or firefighter; and**

21 **“(c) Performed some period of service in a qualifying position on or after January 1, 2004,**
22 **and before the effective date of this 2013 Act.**

23 **“(4) In computing the service retirement allowance under ORS 238.300 (1) and (2)(b)(A)**
24 **for a member who does not meet the requirements of subsections (1) to (3) of this section,**
25 **the board shall use the actuarial equivalency factor tables adopted under section 11 of this**
26 **2013 Act.**

27 **“SECTION 11. (1) At the time the Public Employees Retirement Board adopts actuarial**
28 **equivalency factor tables under ORS 238.607, the board shall adopt actuarial equivalency**
29 **factor tables for the purpose of computing the service retirement allowance under ORS**
30 **238.300 (1) and (2)(b)(A) for a member who does not meet the requirements of section 10 (1)**
31 **to (3) of this 2013 Act. The tables may be adopted in conjunction with the system evaluation**
32 **required by ORS 238.605. Tables adopted under this section must use the best actuarial in-**
33 **formation on mortality available at the time the board adopts the tables, as provided by the**
34 **actuary engaged by the board.**

35 **“(2) The board shall determine the annual interest rate to be used for tables adopted**
36 **under this section based on the current immediate and deferred annuity rates as published**
37 **from time to time by the Pension Benefit Guaranty Corporation at 29 C.F.R. part 4044, Ap-**
38 **pendix B.**

39 **“(3) The tables adopted under subsection (2) of this section shall be used as provided in**
40 **ORS 238.607 (1)(a) and (c).**

41 **“(4) The board may not defer or delay implementation of the actuarial equivalency factor**
42 **tables adopted under this section.**

43 **“SECTION 12. Notwithstanding section 11 (1) of this 2013 Act, the Public Employees Re-**
44 **tirement Board shall first adopt actuarial equivalency factor tables under section 11 of this**
45 **2013 Act as soon as possible after the effective date of this 2013 Act.**

