

**PROPOSED AMENDMENTS TO
SENATE BILL 857**

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

3 Delete lines 4 through 30 and delete page 2 and insert:
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5 **“COST OF LIVING ADJUSTMENTS**

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

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

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

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

22 “[*(c) If the member’s or member’s beneficiary’s yearly allowance for the*

1 *previous year totaled more than \$40,000 but not more than \$60,000, the allow-*
2 *ance shall be increased by \$700 plus one percent of the amount of the yearly*
3 *allowance exceeding \$40,000.]*

4 “[*d*] (b) If the member’s or member’s beneficiary’s yearly allowance [*for*
5 *the previous year totaled*] **is** more than \$60,000, the allowance shall be in-
6 creased by \$900 plus [.25] **0.15** percent of the amount of the yearly allowance
7 exceeding \$60,000.

8 “[*3*] *If a member or member’s beneficiary has been receiving an allowance*
9 *for less than 12 months on July 1 of any year, the board shall calculate the*
10 *increase under subsection (2) of this section on the basis of the yearly allow-*
11 *ance the member or member’s beneficiary would have received if the member*
12 *or member’s beneficiary had received the monthly allowance for 12 months.]*

13 “[*4*] (3) Any increase in the allowance shall be paid from contributions
14 of the public employer under ORS 238.225.

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

19 “**SECTION 2. The amendments to ORS 238.360 by section 1 of this**
20 **2013 Act apply to all increases to allowances made under ORS 238.360**
21 **on and after July 1, 2014.**

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

24 “238A.210. (1) On July 1 of each year, the board shall increase every
25 pension payable under ORS 238A.180, 238A.185 and 238A.190, every disability
26 benefit under ORS 238A.235 and every death benefit payable under ORS
27 238A.230 as provided in [*subsections (2) and (3)*] **subsection (2)** of this sec-
28 tion. The increase shall be made for the payments payable on August 1 and
29 thereafter.

30 “(2)(a) If a person’s yearly pension or benefit [*for the previous year totaled*

1 \$20,000] is **\$60,000** or less, the pension or benefit shall be increased by [two]
2 **1.25** percent.

3 “[b) If a person’s yearly pension or benefit for the previous year totaled
4 more than \$20,000 but not more than \$40,000, the pension or benefit shall be
5 increased by \$400 plus 1.5 percent of the amount of the yearly pension or ben-
6 efit exceeding \$20,000.]

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

11 “[d) (b) If a person’s yearly pension or benefit [for the previous year to-
12 taled] is more than \$60,000, the pension or benefit shall be increased by \$900
13 plus [.25] **0.15** percent of the amount of the yearly pension or benefit ex-
14 ceeding \$60,000.

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

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

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

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

29 “(2) The Public Employees Retirement Board may take any action
30 before the operative date specified in subsection (1) of this section to

1 enable the board, on and after the operative date specified in sub-
2 section (1) of this section, to exercise all the duties, functions and
3 powers conferred on the board by the amendments to ORS 238.360 and
4 238A.210 by sections 1 and 3 of this 2013 Act.

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6 **“EMPLOYER CONTRIBUTION RATES**

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8 **“SECTION 6. (1) As soon as possible after the effective date of this**
9 **2013 Act, the Public Employees Retirement Board shall recalculate the**
10 **contribution rates of all employers, pursuant to ORS 238.225, to reflect**
11 **the provisions of this 2013 Act.**

12 **“(2) The board shall issue corrected contribution rate orders to**
13 **employers affected by recalculated rates under this section within 90**
14 **days after the effective date of this 2013 Act. The corrected rates are**
15 **effective July 1, 2013.**

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17 **“JUDICIAL REVIEW**

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19 **“SECTION 7. (1) Jurisdiction is conferred on the Supreme Court to**
20 **determine in the manner provided by this section whether this 2013**
21 **Act breaches any contract between members of the Public Employees**
22 **Retirement System and their employers, violates any constitutional**
23 **provision, including but not limited to impairment of contract rights**
24 **of members of the Public Employees Retirement System under Article**
25 **I, section 21, of the Oregon Constitution, or Article I, section 10,**
26 **clause 1, of the United States Constitution, or is invalid for any other**
27 **reason.**

28 **“(2) A person who is adversely affected by this 2013 Act or who will**
29 **be adversely affected by this 2013 Act may institute a proceeding for**
30 **review by filing with the Supreme Court a petition that meets the**

1 following requirements:

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

4 “(b) The petition must include the following:

5 “(A) A statement of the basis of the challenge; and

6 “(B) A statement and supporting affidavit showing how the
7 petitioner is adversely affected.

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

11 “(4) Proceedings for review under this section shall be given priority
12 over all other matters before the Supreme Court.

13 “(5) The Supreme Court shall allow public employers participating
14 in the Public Employees Retirement System to intervene in any pro-
15 ceeding under this section.

16 “(6) In the event the Supreme Court determines that there are
17 factual issues in the petition, the Supreme Court may appoint a special
18 master to hear evidence and to prepare recommended findings of fact.

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20 “ACT DOES NOT CREATE CONTRACT RIGHTS

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22 “SECTION 8. This 2013 Act does not constitute a statutory con-
23 tractual promise.

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25 “SEVERABILITY

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27 “SECTION 9. It is the intent of the Legislative Assembly that all
28 parts of this 2013 Act are independent and that if any part of this 2013
29 Act is held unconstitutional, all remaining parts shall remain in force.

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