SB 857-6 (LC 4050) 6/27/13 (MNJ/ps)

## PROPOSED AMENDMENTS TO SENATE BILL 857

On page 1 of the printed bill, delete lines 4 through 30 and delete page 1 2 and insert:  $\mathbf{2}$ 3 **"ACTUARIAL EQUIVALENCY FACTOR TABLES FOR CERTAIN** 4 **MEMBERS**  $\mathbf{5}$ 6 "SECTION 1. Section 2 of this 2013 Act is added to and made a part 7 of ORS chapter 238. 8 "SECTION 2. (1) This section applies only to a member who: 9 "(a) First established membership in the system before July 1, 2003, 10 as described in ORS 238.300 (2)(b)(A); 11 "(b) Was an inactive member for 36 consecutive months at any time 12preceding the member's effective date of retirement; and 13 "(c) Did not complete at least 24 consecutive months as an active 14 member after being an inactive member for 36 consecutive months as 15described in paragraph (b) of this subsection. 16 "(2) At the time the Public Employees Retirement Board adopts 17 actuarial equivalency factor tables under ORS 238.607, the board shall 18 adopt actuarial equivalency factor tables for the purpose of computing 19 the service retirement allowance under ORS 238.300 (1) and (2)(b)(A) 20for a member described in subsection (1) of this section. The tables 21may be adopted in conjunction with the system evaluation required 22

by ORS 238.605. Tables adopted under this section must use the best
actuarial information on mortality available at the time the board
adopts the tables, as provided by the actuary engaged by the board.

"(3) In adopting tables under this section, the board shall use the
assumed interest rate determined by the board, minus four percentage
points.

"(4) The tables adopted under subsection (2) of this section shall be
used as provided in ORS 238.607 (1)(a) and (c).

9 "(5) The board may not defer or delay implementation of the 10 actuarial equivalency factor tables adopted under this section.

"SECTION 3. Notwithstanding section 2 (2) of this 2013 Act, the Public Employees Retirement Board shall first adopt actuarial equivalency factor tables under section 2 of this 2013 Act as soon as possible after the effective date of this 2013 Act.

"SECTION 4. (1) The tables adopted under section 3 of this 2013 Act
 become effective on September 1, 2013.

"(2) The tables adopted under sections 2 and 3 of this 2013 Act apply
only to members of the Public Employees Retirement System whose
effective date of retirement is after September 1, 2013.

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**"EMPLOYER CONTRIBUTION RATES** 

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"SECTION 5. (1) As soon as possible after the effective date of this
 2013 Act, the Public Employees Retirement Board shall recalculate the
 contribution rates of all employers, pursuant to ORS 238.225, to reflect
 the provisions of this 2013 Act.

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

## **"JUDICIAL REVIEW**

"SECTION 6. (1) Jurisdiction is conferred on the Supreme Court to 3 determine in the manner provided by this section whether this 2013 4 Act breaches any contract between members of the Public Employees  $\mathbf{5}$ Retirement System and their employers, violates any constitutional 6 provision, including but not limited to impairment of contract rights 7 of members of the Public Employees Retirement System under Article 8 I, section 21, of the Oregon Constitution, or Article I, section 10, 9 clause 1, of the United States Constitution, or is invalid for any other 10 reason. 11

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

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

18 **"(b) The petition must include the following:** 

19 "(A) A statement of the basis of the challenge; and

20 "(B) A statement and supporting affidavit showing how the 21 petitioner is adversely affected.

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

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

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

30 "(6) In the event the Supreme Court determines that there are

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factual issues in the petition, the Supreme Court may appoint a special 1 master to hear evidence and to prepare recommended findings of fact.  $\mathbf{2}$ 3 **"ACT DOES NOT CREATE CONTRACT RIGHTS** 4 5 "SECTION 7. This 2013 Act does not constitute a statutory con-6 tractual promise. 7 8 **"SEVERABILITY** 9 10 "SECTION 8. It is the intent of the Legislative Assembly that all 11 parts of this 2013 Act are independent and that if any part of this 2013 12Act is held unconstitutional, all remaining parts shall remain in force. 13 14 **"CAPTIONS** 1516 "SECTION 9. The unit captions used in this 2013 Act are provided 17 only for the convenience of the reader and do not become part of the 18 statutory law of this state or express any legislative intent in the 19 enactment of this 2013 Act. 2021**"EMERGENCY CLAUSE** 2223"SECTION 10. This 2013 Act being necessary for the immediate 24preservation of the public peace, health and safety, an emergency is 25declared to exist, and this 2013 Act takes effect on its passage.". 2627