

**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 238.305, 238.360 and 238.607;”.

3 After line 2, insert:

4 “Whereas it is the policy of the State of Oregon to provide career public
5 employees with adequate and secure retirement benefits at a reasonable, af-
6 fordable and stable cost to taxpayers; and

7 “Whereas since Public Employee Retirement System (PERS) reform leg-
8 islation was enacted in 2003, the cost of PERS to taxpayers has continued
9 to increase; and

10 “Whereas unless steps are taken to reform and stabilize PERS, the costs
11 of paying for retirement benefits will continue to grow; and

12 “Whereas escalating pension costs threaten the stability of the PERS
13 Fund, the ability of PERS to meet its obligations to retired members and the
14 security of benefits intended for members who have not yet retired; and

15 “Whereas the long-term stability and viability of the PERS Fund depends
16 on the ability of public employers and taxpayers to pay the costs of the
17 system; and

18 “Whereas unless immediate steps are taken to reform and stabilize PERS,
19 escalating pension costs will undermine the financial stability of PERS, force
20 massive cutbacks in essential government services, undermine the ability of
21 the state to adequately fund public education at all levels, eliminate the jobs
22 of many public employees and destroy the public’s confidence and trust in

1 the governmental institutions of the state; and

2 “Whereas this 2013 Act is intended to reform and stabilize PERS, ensure
3 that retirement benefits will be consistent with the goals and intent of the
4 Legislative Assembly and protect accrued benefits and the contractual rights
5 of PERS members; and

6 “Whereas the benefit calculation formula specified in ORS 238.300 (1) and
7 (2)(b)(A) and commonly referred to as the Money Match benefit calculation
8 method is a major contributing cause of the escalating cost of PERS benefits
9 and, as administered by the Public Employees Retirement Board, has resulted
10 in and will continue to produce excessive windfall benefits for some PERS
11 members that substantially exceed the benefits that the Legislative Assembly
12 intended and substantially exceed the benefits that were promised to PERS
13 members, and that are unreasonably excessive and irrational; and

14 “Whereas the benefit calculation formula specified in ORS 238.300 (1) and
15 (2)(a) and commonly referred to as the Full Formula benefit calculation
16 method provides an adequate retirement benefit and was and is intended by
17 the Legislative Assembly to be the dominant benefit calculation method used
18 to calculate the retirement benefits of most PERS members; and

19 “Whereas the Money Match benefit calculation method was originally
20 enacted in 1969 and was intended to protect the accrued benefits and settled
21 expectations of one or two PERS members whose retirement benefits were
22 adversely affected by the Legislative Assembly’s adoption of a new benefit
23 calculation method in 1967, but began to produce excessive, windfall benefits
24 for some PERS members in the late 1990s due to the board’s use of outdated
25 actuarial conversion factors and excessive earnings crediting to member ac-
26 counts; and

27 “Whereas the Money Match benefit calculation method requires the board
28 to determine a member’s monthly service retirement allowance by first cal-
29 culating a ‘refund annuity which shall be the actuarial equivalent of accu-
30 mulated contributions, if any, by the member and interest thereon credited

1 at the time of retirement,’ and then calculating a pension which is ‘the
2 actuarial equivalent of the annuity provided by the accumulated contribu-
3 tions of the member;’ and

4 “Whereas the board’s calculation of the Money Match benefit described
5 above results in a service retirement allowance that has a greater value than
6 double the accumulated contributions of the member because the board uses
7 an unrealistically high interest rate when performing the required actuarial
8 calculation; and

9 “Whereas under ORS 238.607 and ORS 238.630 (2)(f), the board is required
10 once every two calendar years to adopt the actuarial equivalency factor ta-
11 bles necessary for computing the payments to be made to members and their
12 beneficiaries and alternate payees as provided by law, including the annual
13 interest rate to be used for conversion to an actuarially equivalent monthly
14 service retirement allowance under the Money Match benefit calculation
15 method; and

16 “Whereas accurate actuarial equivalency factor tables, including the an-
17 nual interest rate, must be adopted, and actuarial equivalency factors must
18 be adjusted as assumptions and conditions change to ensure that retirees
19 receive no more than the benefits provided by law, and that the public
20 employer’s actual cost fairly match the actual cost of providing those re-
21 tirement benefits as reasonably anticipated; and

22 “Whereas the Legislative Assembly has concluded that the board has not
23 exercised its authority to establish an annual interest rate, as part of the
24 actuarial equivalency factor tables, that ensures that a retiree’s monthly
25 service retirement allowance under the Money Match benefit calculation
26 method is the actuarial equivalent of twice the accumulated contribution, if
27 any, of the member and interest thereon credited at the time of retirement,
28 as required by ORS 238.300; and

29 “Whereas this 2013 Act is intended to redirect the board’s future admin-
30 istration of its authority to establish actuarial equivalency factor tables, and

1 in particular the annual interest rate, to ensure that all retirement allow-
2 ances meet the statutory requirement of actuarial equivalence, the ongoing
3 stability and sustainability of PERS and the ability of the State and local
4 governments to continue to provide essential services to taxpayers; and

5 “Whereas ORS 238.360 requires that the Legislative Assembly provide a
6 cost-of-living increase on monthly service retirement allowances provided to
7 PERS retirees, but leaves the amount of any such increase to the discretion
8 of the Legislative Assembly; and

9 “Whereas the calculation of the Money Match benefit using actuarial
10 equivalency factors includes a built-in cost-of-living escalator in the monthly
11 benefit through application of the annual interest rate; and

12 “Whereas this 2013 Act is intended to alter the cost of living adjustment
13 to be paid to retirees whose monthly service retirement allowance is calcu-
14 lated under the Money Match benefit calculation method during periods
15 when, in the Legislative Assembly’s judgment, the fund and the system are
16 not sufficiently stabilized, to ensure the ongoing stability and sustainability
17 of PERS and the ability of the state and local governments to continue to
18 provide essential services to taxpayers; now, therefore,”.

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

20

21 **“COST-OF-LIVING ADJUSTMENT**

22

23 **“SECTION 1.** ORS 238.360, as amended by sections 1 and 3, chapter 53,
24 Oregon Laws 2013, is amended to read:

25 “238.360. (1) On July 1 of each year, the Public Employees Retirement
26 Board shall increase the yearly allowance that a member or member’s bene-
27 ficiary receives or is entitled to receive, as provided in subsections (2) [*and*
28 (3)] **to (4)** of this section. The increase is first payable with the allowance
29 that the member or the member’s beneficiary receives or is entitled to receive
30 on August 1.

1 “(2) For a member who retired before January 1, 1990, who is at
2 least 75 years of age on the effective date of this 2013 Act or who is
3 not receiving or entitled to receive a pension equivalent to the
4 member’s accumulated contributions under ORS 238.300 (2)(b)(A):

5 “(a) If the member’s or member’s beneficiary’s yearly allowance for the
6 previous year totaled \$20,000 or less, the allowance shall be increased by two
7 percent.

8 “(b) If the member’s or member’s beneficiary’s yearly allowance for the
9 previous year totaled more than \$20,000 but not more than \$40,000, the al-
10 lowance shall be increased by \$400 plus 1.5 percent of the amount of the
11 yearly allowance exceeding \$20,000.

12 “(c) If the member’s or member’s beneficiary’s yearly allowance for the
13 previous year totaled more than \$40,000 but not more than \$60,000, the al-
14 lowance shall be increased by \$700 plus one percent of the amount of the
15 yearly allowance exceeding \$40,000.

16 “(d) If the member’s or member’s beneficiary’s yearly allowance for the
17 previous year totaled more than \$60,000, the allowance shall be increased by
18 \$900 plus [25] 0.25 percent of the amount of the yearly allowance exceeding
19 \$60,000.

20 “(3) Except as provided in subsection (6) of this section, for a
21 member who retired on or after January 1, 1990, is less than 75 years
22 of age on the effective date of this 2013 Act and is receiving or entitled
23 to receive a pension equivalent to the member’s accumulated contri-
24 butions under ORS 238.300 (2)(b)(A), the member’s or member’s
25 beneficiary’s allowance shall be increased by 0.6 percent.

26 “[(3)] (4) If a member or member’s beneficiary has been receiving an al-
27 lowance for less than 12 months on July 1 of any year, the board shall cal-
28 culate the increase under [subsection (2)] subsections (2) and (3) of this
29 section on the basis of the yearly allowance the member or member’s bene-
30 ficiary would have received if the member or member’s beneficiary had re-

1 ceived the monthly allowance for 12 months.

2 “[4] (5) Any increase in the allowance shall be paid from contributions
3 of the public employer under ORS 238.225.

4 “(6)(a) In conjunction with the biennial system evaluation required
5 by ORS 238.605, the actuary retained by the board shall determine the
6 system-wide normal cost employer contribution rate and any unfunded
7 actuarial liability of the system, excluding amounts in employer side
8 accounts, that would result if the increases to allowances provided in
9 subsection (2) of this section were applied to all retired members re-
10 gardless of date of retirement, age or pension calculation.

11 “(b) Notwithstanding subsection (3) of this section, if applying the
12 increases provided in subsection (2) of this section to all retired
13 members would result in a system-wide normal cost employer contri-
14 bution rate of less than 14 percent of payroll and an unfunded
15 actuarial liability of not more than \$___, excluding amounts in em-
16 ployer side accounts, then for the two-year period beginning January
17 1 of the year following the system evaluation, the board shall increase
18 every member’s or member’s beneficiary’s yearly allowance as pro-
19 vided in subsection (2) of this section, regardless of a member’s date
20 of retirement, age or pension calculation.

21 “SECTION 2. The amendments to ORS 238.360 by section 1 of this
22 2013 Act apply to adjustments to allowances made under ORS 238.360
23 on and after July 1, 2014.

24 “SECTION 3. (1) The amendments to ORS 238.360 by section 1 of this
25 2013 Act become operative on July 1, 2014.

26 “(2) The Public Employees Retirement Board may take any action
27 before the operative date specified in subsection (1) of this section to
28 enable the board, on and after the operative date specified in sub-
29 section (1) of this section, to exercise all the duties, functions and
30 powers conferred on the board by the amendments to ORS 238.360 by

1 section 1 of this 2013 Act.

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

4 **“SECTION 5.** During the 24-month period immediately following the
5 effective date of this 2013 Act, any member who retired on or after
6 January 1, 1990, is less than 75 years of age on the effective date of this
7 2013 Act and is receiving or entitled to receive a pension equivalent to
8 the member’s accumulated contributions under ORS 238.300 (2)(b)(A)
9 may, upon request to the Public Employees Retirement Board, elect
10 to have the member’s service retirement allowance recalculated under
11 ORS 238.300 (1) and (2)(a). An election under this section is irrevocable
12 and constitutes a binding waiver and release as to any provision of
13 ORS 238.300 that is inconsistent with that election. The election shall
14 be retroactive to the member’s initial effective date of retirement and
15 the board shall recover any resulting overpayments as provided in ORS
16 238.715.

17

18 **“ACTUARIAL EQUIVALENCY FACTOR TABLES**

19

20 **“SECTION 6.** ORS 238.607 is amended to read:

21 “238.607. (1) Once every two calendar years, the Public Employees Re-
22 tirement Board shall adopt actuarial equivalency factor tables for the pur-
23 pose of computing the payments to be made to members and their
24 beneficiaries, alternate payees and judge members and their spouses and
25 beneficiaries. The tables may be adopted in conjunction with the system
26 evaluation required by ORS 238.605. Tables adopted under this section must
27 use the best actuarial information on mortality available at the time the
28 board adopts the tables, as provided by the actuary engaged by the board.
29 **The board shall determine the annual interest rate to be used for ta-**
30 **bles adopted under this section based on the current immediate and**

1 **deferred annuity rates as published from time to time by the Pension**
2 **Benefit Guaranty Corporation at 29 C.F.R. part 4044, Appendix B.**
3 Actuarial equivalency factor tables adopted under this section become effec-
4 tive on January 1 of the calendar year following adoption of the tables by
5 the board. All computations of payments must use the actuarial equivalency
6 factor tables that are in effect on:

7 “(a) The effective date of retirement for any member, judge member or
8 alternate payee;

9 “(b) The date that the first payment is due for any death beneficiary; or

10 “(c) The date that the first payment is due for any recalculation of pay-
11 ments that is not attributable to error, including but not limited to recalcu-
12 lations under ORS 238.465 (2).

13 “(2) The board may not defer or delay implementation of the actuarial
14 equivalency factor tables adopted under this section.

15 **“SECTION 7. The Public Employees Retirement Board shall first**
16 **adopt actuarial equivalency factor tables under ORS 238.607 using an**
17 **annual interest rate based on the current immediate and deferred an-**
18 **nuity rates as published from time to time by the Pension Benefit**
19 **Guaranty Corporation at 29 C.F.R. part 4044, Appendix B, no later than**
20 **January 1, 2014. The tables adopted under this section shall be used to**
21 **compute the retirement allowances of members and their benefici-**
22 **aries, alternate payees and judge members and their spouses and ben-**
23 **eficiaries with effective dates of retirement on and after the effective**
24 **date of this 2013 Act and before January 1, 2016.**

25 **“SECTION 8. ORS 238.305 is amended to read:**

26 “238.305. (1) Not later than 60 days after the first benefit payment is made
27 to a retired member of the Public Employees Retirement System, the member
28 may elect to convert the allowance described by ORS 238.300 as payable after
29 retirement into a service retirement annuity of equivalent actuarial value
30 of one of the optional forms named below. The election of Option 2, 2A, 3

1 or 3A shall be effective immediately upon the member's retirement.

2 "Option 1. (a) A life annuity (nonrefund) payable during the member's life
3 only, which shall be the actuarial equivalent of accumulated contributions
4 by the member and interest thereon credited at the time of retirement (if
5 death occurs before the first payment is due, the member account shall be
6 treated as though death had occurred before retirement); (b) a life pension
7 (nonrefund) provided by the contributions of employers as provided in ORS
8 238.300 (2); (c) an additional nonrefund pension for prior service credit, in-
9 cluding military service, credited to the member at the time of first becoming
10 a member of the system, as elsewhere provided in this chapter, which pension
11 shall be provided by the contributions of the employer; or

12 "Option 2. A reduced service retirement allowance payable during the
13 member's life, with the provision that it continue after death for the life of
14 the beneficiary the member nominates by written designation duly acknowl-
15 edged and filed with the Public Employees Retirement Board at the time of
16 election, should the beneficiary survive the member; or

17 "Option 2A. A reduced service retirement allowance payable during the
18 member's life which, unless modified under subsection (6) of this section,
19 continues after death for the life of the beneficiary the member nominates
20 by written designation duly acknowledged and filed with the board at the
21 time of election, should the beneficiary survive the member; or

22 "Option 3. A reduced service retirement allowance payable during the
23 member's life, with the provision that it continue after death at one-half the
24 rate paid to the member and be paid for the life of the beneficiary the
25 member nominates by written designation duly acknowledged and filed with
26 the board at the time of election, should the beneficiary survive the member;
27 or

28 "Option 3A. A reduced service retirement allowance payable during the
29 member's life which, unless modified under subsection (6) of this section,
30 continues after death at one-half the rate paid to the member and is paid for

1 the life of the beneficiary the member nominates by written designation duly
2 acknowledged and filed with the board at the time of election, should the
3 beneficiary survive the member; or

4 “Option 4. A reduced service retirement allowance payable during the
5 member’s life, with the provisions that if the member dies before a total of
6 180 monthly payments is made, the remainder of the 180 monthly payments
7 shall be paid monthly to the beneficiary the member nominates by written
8 designation duly acknowledged and filed with the board at any time before
9 the member’s death; and that if the member designates no beneficiary to re-
10 ceive the monthly payments or no such beneficiary is able to receive the
11 monthly payments, an amount equal to the actuarial value, on the date of
12 the member’s death, of the total of the monthly payments not made to the
13 member shall be paid according to ORS 238.390 for disposal of an amount
14 credited to the member account of a member at the time of death; and that
15 if the beneficiary receiving monthly payments dies before the total number
16 of monthly payments to which the beneficiary is entitled is made, an amount
17 equal to the actuarial value, on the date of the beneficiary’s death, of the
18 total of the monthly payments not made to the member and beneficiary shall
19 be paid according to ORS 238.390 for disposal of an amount credited to the
20 member account of a member at the time of death and as if the beneficiary
21 had been a member.

22 “(2) Not later than 60 days after the first benefit payment is made to a
23 retired member of the system, the member may elect, in lieu of the allowance
24 described by ORS 238.300 as payable after retirement, a service retirement
25 benefit consisting of:

26 “(a) A refund of accumulated contributions by the member and interest
27 thereon credited at the time of refund; and

28 “(b) A life pension (nonrefund) provided by the contributions of employers
29 as provided in ORS 237.147 (2) (1979 Replacement Part), and an additional
30 life pension (nonrefund) for prior service credit as provided in ORS 238.300

1 (3). At the same time as making the election under this subsection, the
2 member may elect to convert the pensions described by this paragraph into
3 a service retirement annuity of equivalent actuarial value of one of the op-
4 tional forms named as Option 2, 2A, 3 or 3A under subsection (1) of this
5 section.

6 “(3) **If a retired member of the system was an active member on the**
7 **effective date of this 2013 Act, then** not later than 60 days after the first
8 benefit payment is made to [*a retired member of the system*] **the member**, the
9 member may elect in lieu of the allowance described by ORS 238.300 a refund
10 service retirement benefit consisting of:

11 “(a) A refund of accumulated contributions by the member and interest
12 thereon credited at the time of retirement;

13 “(b) An amount that matches the amount of accumulated contributions
14 by the member and interest thereon, provided by the contributions of em-
15 ployers; and

16 “(c) Interest on the amounts described in paragraphs (a) and (b) of this
17 subsection from the effective date of retirement until the amounts are paid.

18 “(4)(a) If the member elects to receive the service retirement benefit de-
19 scribed in subsection (2) or (3) of this section, the member shall elect at the
20 same time to receive the refund described in subsection (2)(a) or (3) of this
21 section in one lump sum payment or in more than one but not more than five
22 installment payments. If the member elects installment payments:

23 “(A) The amount to be paid by employer contributions under subsection
24 (3)(b) of this section shall be transferred to the individual account of the
25 member in the Public Employees Retirement Fund as of the effective date
26 of retirement.

27 “(B) The installment payments shall be paid once each year for the num-
28 ber of consecutive years equal to the number of installment payments
29 elected.

30 “(C) The amount of each installment payment shall be designated by the

1 member at the time of making the election, but the last installment payment
2 shall be the unrefunded balance remaining in the member account of the
3 member in the fund.

4 “(D) The member account of the member in the fund shall be maintained
5 until the last installment payment is paid. The board shall establish proce-
6 dures for computing and crediting interest annually on the unrefunded bal-
7 ance of the member account.

8 “(E) A yearly installment payment shall be paid on the anniversary of the
9 date of the first installment payment.

10 “(F) The member is considered to have elected to transfer any balance in
11 the variable account of the member to the regular account of the member.

12 “(G) If the member dies before payment of all installment payments, the
13 unrefunded balance in the member account of the member plus interest to
14 date of disbursement is payable as provided in ORS 238.390 (4).

15 “(b) If a member elects to receive the refund service retirement benefit
16 described in subsection (3) of this section, and does not elect to receive those
17 amounts in installments under the provisions of this subsection, all rights
18 of the member in the system shall terminate upon the payment of the
19 amounts provided for in subsection (3) of this section, except as provided in
20 paragraph (c) of this subsection. If a member elects to receive the refund
21 service retirement benefit described in subsection (3) of this section, and also
22 elects to receive those amounts in installments under the provisions of this
23 subsection, all rights of the member in the system shall terminate upon the
24 making of the first payment, except as provided in paragraph (c) of this
25 subsection.

26 “(c) A member who elects to receive the refund service retirement benefit
27 described in subsection (3) of this section, and any eligible spouse or de-
28 pendent of the member, shall continue to be eligible for insurance under ORS
29 238.410, and for any premium payments the member may be entitled to under
30 ORS 238.415 and 238.420.

1 “(5) The designation of a beneficiary, the election of an option or any
2 other election or designation under subsection (1), (2), (3) or (4) of this sec-
3 tion may be changed by the member within 60 days after the date of the first
4 benefit payment, except that the designation of a beneficiary under Option
5 4 may be changed by the member at any time before the member’s death.

6 “(6) If a retired member has elected to receive a service retirement al-
7 lowance under Option 2A or Option 3A as provided in subsection (1) of this
8 section, and if the beneficiary under that option dies after the expiration of
9 the time within which the member could change the election of an option
10 or if the beneficiary is the spouse of the member and the marriage relation-
11 ship is terminated as provided by law after the expiration of the time within
12 which the member could change the election of an option, the member may
13 elect to receive, in lieu of the optional form of allowance previously elected,
14 the allowance that the member would have received on the effective date of
15 retirement under Option 1 as provided in subsection (1) of this section and
16 adjusted by the actual amount of any cost-of-living or other post-retirement
17 adjustments made to the original allowance since the effective date of re-
18 tirement. Notice of election under this subsection must be in a form approved
19 by the board. If an election is made under this subsection, the Option 1
20 payment amount is applicable to the first full month after the death of the
21 beneficiary, or the first full month after entry of the judgment of divorce,
22 and payable the first day of the month thereafter. If the increased amount
23 is not paid in any month in which the increased amount is due, the board
24 shall make a lump sum payment to the retired member that is equal to the
25 difference between the amount paid to the member for that month and the
26 amount that should have been paid under the provisions of this subsection.

27 “(7) Notwithstanding any other provision of this section, any member of
28 the system who retired before October 3, 1989, and elected to receive a ser-
29 vice retirement allowance under either Option 2 or 3 as provided in sub-
30 section (1) of this section shall be entitled to receive a service retirement

1 allowance equal to that which the member would have received on the ef-
2 fective date of retirement under Option 1 as provided in subsection (1) of this
3 section and adjusted by the actual amount of any cost-of-living or other
4 post-retirement adjustments made to the original allowance since the effec-
5 tive date of retirement if:

6 “(a) The member has attained 80 years of age;

7 “(b) The person designated by the member as the member’s beneficiary
8 has predeceased the member; and

9 “(c) The member gives written notice to the board of the death of the
10 member’s beneficiary.

11 “(8) Notwithstanding any other provision of this section, any member of
12 the system who retired before October 3, 1989, who elected to receive a re-
13 fund of accumulated employee contributions and a life pension or pensions
14 under subsection (2) of this section, and who elected to convert the life
15 pension or pensions provided for in subsection (2) of this section into a ser-
16 vice retirement annuity under Option 2 or 3 under subsection (1) of this
17 section, shall be entitled to receive a life pension or pensions equal to that
18 which the member would have received on the effective date of retirement
19 under subsection (2) of this section and adjusted by the actual amount of any
20 cost-of-living or other post-retirement adjustments made to the original life
21 pension or pensions since the effective date of retirement if:

22 “(a) The member has attained 80 years of age;

23 “(b) The person designated by the member as the member’s beneficiary
24 has predeceased the member; and

25 “(c) The member gives written notice to the board of the death of the
26 member’s beneficiary.

27 “(9) The service retirement allowance provided in subsection (7) or (8) of
28 this section shall be applicable to the first full month after the death of the
29 member’s beneficiary, or the first full month after the member attains 80
30 years of age, whichever is later.

1 “(10) The board may deny an election to convert a service retirement al-
2 lowance under this section, a change of beneficiary under this section or a
3 change in benefit options under this section if that denial is required to
4 maintain the status of the system and the Public Employees Retirement Fund
5 as a qualified governmental retirement plan and trust under the Internal
6 Revenue Code and under regulations adopted pursuant to the Internal Reve-
7 nue Code.

8 **“SECTION 9. Section 10 of this 2013 Act is added to and made a part**
9 **of ORS chapter 238.**

10 **“SECTION 10. (1) For a member who had 20 years of creditable**
11 **service on the effective date of this 2013 Act and who was an active**
12 **member of the system on January 1, 2004, the Public Employees Re-**
13 **irement Board shall use the annual interest rate used by the board**
14 **under ORS 238.255 to calculate the member’s service retirement al-**
15 **lowance under ORS 238.300 (1) and (2)(b)(A).**

16 **“(2) For a member of the system who had less than 20 years of**
17 **creditable service on the effective date of this 2013 Act or who ceased**
18 **to be an active member before January 1, 2004, the board shall used**
19 **the annual interest rate determined under ORS 238.607 to calculate the**
20 **member’s service retirement allowance under ORS 238.300 (1) and**
21 **(2)(b)(A).**

22 **“SECTION 11. Section 10 of this 2013 Act applies only to members**
23 **of the Public Employees Retirement System whose effective date of**
24 **retirement is on or after the effective date of this 2013 Act.**

25

26

“EMPLOYER CONTRIBUTION RATES

27

28 **“SECTION 12. (1) As soon as possible after the effective date of this**
29 **2013 Act, the Public Employees Retirement Board shall recalculate the**
30 **contribution rates of all employers, pursuant to ORS 238.225, to reflect**

1 the provisions of this 2013 Act.

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

6

7

“JUDICIAL REVIEW

8

9 “SECTION 13. (1) Jurisdiction is conferred on the Supreme Court
10 to determine in the manner provided by this section whether this 2013
11 Act breaches any contract between members of the Public Employees
12 Retirement System and their employers, violates any constitutional
13 provision, including but not limited to impairment of contract rights
14 of members of the Public Employees Retirement System under Article
15 I, section 21, of the Oregon Constitution, or Article I, section 10,
16 clause 1, of the United States Constitution, or is invalid for any other
17 reason.

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

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

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

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

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

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

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

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

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

9

10 “ACT DOES NOT CREATE CONTRACT RIGHTS

11

12 “SECTION 14. This 2013 Act does not constitute a statutory con-
13 tractual promise.

14

15 “CAPTIONS

16

17 “SECTION 15. The unit captions used in this 2013 Act are provided
18 only for the convenience of the reader and do not become part of the
19 statutory law of this state or express any legislative intent in the
20 enactment of this 2013 Act.

21

22 “EMERGENCY CLAUSE

23

24 “SECTION 16. This 2013 Act being necessary for the immediate
25 preservation of the public peace, health and safety, an emergency is
26 declared to exist, and this 2013 Act takes effect on its passage.”.

27
