

# D R A F T

## SUMMARY

Authorizes Public Employees Retirement Board to establish procedures for recovering administrative costs from participating public employers for providing to those employers information or services needed to report in compliance with generally accepted accounting principles.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to public employer pension reporting standards used to comply with generally accepted accounting principles; amending ORS 238.610; and declaring an emergency.

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

**SECTION 1.** ORS 238.610 is amended to read:

238.610. (1)(a) The administrative expenses of the Public Employees Retirement System shall be paid from interest earned by the Public Employees Retirement Fund; provided, that if such interest be insufficient the expense in excess thereof shall be paid from the contributions which this chapter and ORS 238A.220 and 238A.240 require participating employers to pay into the Public Employees Retirement Fund. The Public Employees Retirement Board by rule may establish procedures for recovering administrative costs from members for services provided in estimating retirement benefit amounts and processing payments if the board determines that the services requested by an individual member result in extraordinary costs to the system.

**(b) The board may adopt rules establishing procedures for recovering administrative costs from participating public employers for providing to those employers information or services needed to report in**

**compliance with generally accepted accounting principles. Administrative costs recovered under this paragraph may be recovered only from interest earned on employer contributions made under ORS 238.225 or 238A.220.**

(2) In order to facilitate financing the establishment and administration of the system the board may designate fiscal periods and may provide that extraordinary expenses incurred during one such period, such as expenses for equipment and actuarial studies, may, for purposes of equitably distributing part of the burden of the expenses, be apportioned to subsequent fiscal periods in such manner as to the board seems equitable.

(3) For each fiscal period designated by the board there shall be deducted from the interest earned by the fund, the administrative expenses of the system for that period; provided, that if such interest be insufficient for such purpose, the excess expense shall be paid by deducting from the account of each employer participating in the system that fraction of the administrative expense of the system for that period which the employer's total contribution to the fund for the period is of the sum of all the employers' contributions to the fund for the period.

(4) Amounts payable as refunds and retirement allowances shall not for any purpose be deemed expenses of the board and shall not be included in its biennial departmental budget.

**SECTION 2. This 2014 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect on its passage.**