

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2960**

1 On page 1 of the printed bill, delete lines 4 through 27 and delete pages  
2 2 through 6 and insert:

3 **“SECTION 1. Oregon Sick Time and Retirement Savings Board. (1)**  
4 **The Oregon Sick Time and Retirement Savings Board is established in**  
5 **the office of the State Treasurer. The board consists of seven members**  
6 **as follows:**

7 **“(a) The State Treasurer or the designee of the State Treasurer.**

8 **“(b) Four members appointed by the Governor as follows:**

9 **“(A) One representative of employers.**

10 **“(B) One member with experience in the field of investments.**

11 **“(C) One representative of an association representing employees.**

12 **“(D) One representative from the Employment Department.**

13 **“(c) A member of the Senate appointed by the President of the**  
14 **Senate to be a nonvoting advisory member of the board.**

15 **“(d) A member of the House of Representatives appointed by the**  
16 **Speaker of the House of Representatives to be a nonvoting advisory**  
17 **member of the board.**

18 **“(2) Members of the board appointed by the Governor must be**  
19 **confirmed by the Senate in the manner prescribed in ORS 171.562 and**  
20 **171.565.**

21 **“(3) The term of office of each member of the board appointed by**  
22 **the Governor is four years, but a member serves at the pleasure of the**

1 Governor. A member is eligible for reappointment. If there is a va-  
2 cancy for any cause, the Governor shall make an appointment to be-  
3 come immediately effective for the unexpired term.

4 “(4) Each legislative member serves at the pleasure of the appoint-  
5 ing authority and may serve as long as the member remains in the  
6 chamber of the Legislative Assembly from which the member was ap-  
7 pointed.

8 “(5) The State Treasurer or the designee appointed to the board  
9 under subsection (1) of this section shall serve as chairperson of the  
10 board.

11 “(6) A majority of the voting members of the board constitutes a  
12 quorum for the transaction of business.

13 “(7) A member of the board appointed by the Governor is entitled  
14 to compensation and expenses as provided in ORS 292.495. A legisla-  
15 tive member shall receive compensation and expenses as provided in  
16 ORS 171.072.

17 “(8) The office of the State Treasurer shall provide staff support to  
18 the board.

19 “SECTION 2. Rules defining sick time. The Director of the Em-  
20 ployment Department shall adopt rules necessary to define and enforce  
21 the circumstances under which a participant may withdraw funds  
22 from the plan developed under section 3 of this 2015 Act for employee  
23 leave related to reimbursement for wages for sick time away from  
24 work.

25 “SECTION 3. Powers and duties of Oregon Sick Time and Retire-  
26 ment Savings Board. (1) The Oregon Sick Time and Retirement  
27 Savings Board shall develop a defined contribution retirement plan  
28 that allows for the minimum possible penalties for withdrawals of  
29 funds for reimbursement of sick time for persons employed for com-  
30 pensation in this state and shall conduct a market and legal analysis

1 of the plan.

2 “(2) The board shall have the following powers:

3 “(a) To establish, implement and maintain the plan developed under  
4 this section.

5 “(b) To adopt rules for the general administration of the plan as  
6 provided in section 5 of this 2015 Act.

7 “(c) To direct the investment of the funds contributed to accounts  
8 in the plan consistent with the investment restrictions established by  
9 the board. The investment restrictions must be consistent with the  
10 objectives of the plan, and the board shall exercise the judgment and  
11 care then prevailing that persons of prudence, discretion and intelli-  
12 gence exercise in the management of their own affairs with due regard  
13 to the probable income and level of risk from certain types of invest-  
14 ments of money, in accordance with the policies established by the  
15 board.

16 “(d) To collect application, account or administrative fees to defray  
17 the costs of administering the plan.

18 “(e) To make and enter into contracts, agreements or arrange-  
19 ments, and to retain, employ and contract for any of the following  
20 considered necessary or desirable, for carrying out the purposes set  
21 forth in sections 1 to 9 of this 2015 Act:

22 “(A) Services of private and public financial institutions, deposito-  
23 ries, consultants, investment advisers, investment administrators and  
24 third-party plan administrators.

25 “(B) Research, technical and other services.

26 “(C) Services of other state agencies to assist the board in its du-  
27 ties.

28 “(f) To develop and implement an outreach plan to gain input and  
29 disseminate information regarding the plan, sick time and retirement  
30 savings in general.

1       **“SECTION 4. Requirements for Oregon Sick Time and Retirement**  
2 **Savings Plan.** (1) The plan developed and established by the Oregon  
3 Sick Time and Retirement Savings Board under section 3 of this 2015  
4 Act must:

5       **“(a) Allow eligible individuals employed for compensation in this**  
6 **state to contribute to an account established under the plan through**  
7 **payroll deduction.**

8       **“(b) Require an employer to offer its employees the opportunity to**  
9 **contribute to the plan through payroll deductions unless the employer**  
10 **offers alternative sick time and retirement savings plans to its em-**  
11 **ployees that meet requirements prescribed by the board by rule.**

12       **“(c) Provide for automatic enrollment of employees in the plan and**  
13 **allow employees to opt out of the plan.**

14       **“(d) Have a default contribution rate not to exceed five percent set**  
15 **by the board by rule.**

16       **“(e) Offer default escalation of contribution levels that can be in-**  
17 **creased or decreased by the account owner within the limits allowed**  
18 **by the Internal Revenue Code.**

19       **“(f) Provide for contributions to the plan to be deposited directly**  
20 **with the investment administrator for the plan.**

21       **“(g) Whenever possible, use existing employer and public**  
22 **infrastructure to facilitate contributions to the plan.**

23       **“(h) Whenever possible, qualify for the favorable federal tax treat-**  
24 **ment ordinarily accorded to individual retirement accounts.**

25       **“(i) Whenever possible, allow account owners to withdraw funds**  
26 **from the account with minimum penalty for reimbursement of sick**  
27 **time as defined by the Employment Department under section 2 of this**  
28 **2015 Act.**

29       **“(j) Comply with applicable laws and regulations.**

30       **“(k) Not require employer contributions to employee accounts.**

1       “(L) Require the maintenance of separate records and accounting  
2 for each employee account.

3       “(m) Provide for reports on the status of employee accounts to be  
4 provided to employees at least annually.

5       “(n) Allow for account owners to maintain an account regardless  
6 of place of employment and to roll over funds into other retirement  
7 accounts.

8       “(o) Pool accounts established under the plan for investment.

9       “(p) Be professionally managed.

10       “(q) Provide that the State of Oregon and employers that partic-  
11 ipate in the plan have no proprietary interest in the contributions to  
12 or earnings on amounts contributed to accounts established under the  
13 plan.

14       “(r) Provide that the Oregon Sick Time and Retirement Savings  
15 Board is the trustee of all contributions and earnings on amounts  
16 contributed to accounts established under the plan.

17       “(s) Not impose any duties under the Employee Retirement Income  
18 Security Act of 1974, 29 U.S.C. 1001 et seq., on employers.

19       “(t) Keep administration fees in the plan low.

20       “(u) Ensure that the earnings on contributions of account owners  
21 are exempt from state income taxation until the moneys are disbursed  
22 to the account owner.

23       “(v) Ensure that the earnings on contributions of account owners  
24 are exempt from federal income taxation until the moneys are dis-  
25 bursed to the account owner.

26       “(w) Allow the use of private sector partnerships to administer and  
27 invest the contributions to the plan under the supervision and guid-  
28 ance of the board.

29       “(2) The plan, the board, each board member and the State of  
30 Oregon may not guarantee any rate of return or any interest rate on

1 any contribution to an account. The plan, the board, each board  
2 member and the State of Oregon may not be liable for any loss in-  
3 curred by any person as a result of participating in the plan.

4 **“SECTION 5. Rules for Oregon Sick Time and Retirement Savings**  
5 **Plan.** The Oregon Sick Time and Retirement Savings Board shall adopt  
6 rules that:

7 “(1) Establish the process for enrollment in the plan developed un-  
8 der section 3 of this 2015 Act, including procedures for automatic en-  
9 rollment of employees and for employees to opt out of the plan.

10 “(2) Establish the process for account owners to make the default  
11 contributions to plan accounts and to adjust the contribution levels.

12 “(3) Establish the process for allowing employees to opt out of en-  
13 rollment in the plan.

14 “(4) Establish the process for account owners to make nonpayroll  
15 contributions to plan accounts.

16 “(5) Set minimum, maximum and default contribution levels in ac-  
17 cordance with limits established by the Internal Revenue Code.

18 “(6) Establish the process for withdrawals from plan accounts for  
19 sick time or retirement.

20 “(7) Establish the process and requirements for an employer to ob-  
21 tain an exemption from offering the plan if the employer offers alter-  
22 native sick time and retirement savings plans to its employees that  
23 meet requirements prescribed by the board by rule.

24 **“SECTION 6. Confidentiality of account information.** Individual  
25 account information for accounts under the plan developed under  
26 section 3 of this 2015 Act, including but not limited to names, ad-  
27 dresses, telephone numbers, personal identification information,  
28 amounts contributed and earnings on amounts contributed, is confi-  
29 dential and must be maintained as confidential:

30 “(1) Except to the extent necessary to administer the plan developed

1 under section 3 of this 2015 Act in a manner consistent with sections  
2 1 to 9 of this 2015 Act, the tax laws of this state and the Internal  
3 Revenue Code; or

4 “(2) Unless the person who provides the information or is the sub-  
5 ject of the information expressly agrees in writing that the informa-  
6 tion may be disclosed.

7 “SECTION 7. Oregon Sick Time and Retirement Savings Plan Ad-  
8 ministrative Fund. (1) The Oregon Sick Time and Retirement Savings  
9 Plan Administrative Fund is established in the State Treasury, sepa-  
10 rate and distinct from the General Fund. Interest earned by the  
11 Oregon Sick Time and Retirement Savings Plan Administrative Fund  
12 shall be credited to the fund. Moneys in the fund are continuously  
13 appropriated to the Oregon Sick Time and Retirement Savings Board.

14 “(2) The Oregon Sick Time and Retirement Savings Plan Adminis-  
15 trative Fund consists of:

16 “(a) Moneys appropriated to the fund by the Legislative Assembly;

17 “(b) Moneys transferred to the fund from the federal government,  
18 other state agencies or local governments;

19 “(c) Moneys from the payment of fees and the payment of other  
20 moneys due the board;

21 “(d) Any gifts or donations made to the State of Oregon for deposit  
22 in the fund; and

23 “(e) Earnings on moneys in the fund.

24 “(3) The board may use the moneys in the fund to pay the admin-  
25 istrative costs and expenses of the board and the plan developed under  
26 section 3 of this 2015 Act and for any other purpose described in  
27 sections 1 to 9 of this 2015 Act.

28 “SECTION 8. Prerequisites to establishment of Oregon Sick Time  
29 and Retirement Savings Plan. Before establishing a plan developed  
30 under section 3 of this 2015 Act, the Oregon Sick Time and Retirement

1 **Savings Board shall:**

2 **“(1) Obtain legal advice regarding the applicability of the Employee**  
3 **Retirement Income Security Act of 1974, 29 U.S.C. 1001 et seq., and the**  
4 **Internal Revenue Code to the plan.**

5 **“(2) Conduct a market analysis to determine:**

6 **“(a) The feasibility of the plan.**

7 **“(b) Whether and to what extent plans with the characteristics de-**  
8 **scribed in section 3 of this 2015 Act currently exist in the private**  
9 **market.**

10 **“(3) Investigate whether employers that are not required to partic-**  
11 **ipate in the plan can make the plan available to their employees.**

12 **“(4) Investigate whether employers may voluntarily contribute to**  
13 **the plan without converting the plan into an employee benefit plan**  
14 **under the Employee Retirement Income Security Act of 1974.**

15 **“(5) Investigate how to allow individuals who are not automatically**  
16 **enrolled in the plan to opt in to the plan and make contributions to**  
17 **an account, either through payroll contributions or another method**  
18 **of contribution.**

19 **“SECTION 9. Annual reports. The Oregon Sick Time and Retire-**  
20 **ment Savings Board shall report in each calendar year to the Governor**  
21 **and to an appropriate committee or interim committee of the Legis-**  
22 **lative Assembly detailing the board’s activities.**

23 **“SECTION 10. The Oregon Sick Time and Retirement Savings Board**  
24 **shall report to an appropriate committee or interim committee of the**  
25 **Legislative Assembly on or before December 31, 2016. The report must**  
26 **include:**

27 **“(1) The results of the market analysis sought by the board under**  
28 **section 8 of this 2015 Act.**

29 **“(2) The findings from legal advice obtained by the board under**  
30 **section 8 of this 2015 Act.**



1       **“(3) An analysis of potential costs to employers, including admin-**  
2 **istrative costs, associated with providing automatic payroll deductions**  
3 **for participation in the plan developed under section 3 of this 2015 Act,**  
4 **and recommendations on how to eliminate or reduce those costs**  
5 **through incentives, tax credits or other means.**

6       **“(4) A draft of the request for proposals to solicit bids from plan**  
7 **administrators.**

8       **“(5) A timeline for implementation of the plan developed under**  
9 **section 3 of this 2015 Act.**

10       **“(6) An overview of any contracts entered into by the board in the**  
11 **performance of its duties.**

12       **“SECTION 11. (1) Except as provided in subsection (2) of this sec-**  
13 **tion, the Oregon Sick Time and Retirement Savings Board shall es-**  
14 **tablish the sick time and retirement savings plan developed under**  
15 **section 3 of this 2015 Act so that individuals may begin making con-**  
16 **tributions to the plan no later than July 1, 2017.**

17       **“(2) If the board determines that the plan developed by the board**  
18 **under section 3 of this 2015 Act would qualify as an employee benefit**  
19 **plan under the Employee Retirement Income Security Act of 1974, 29**  
20 **U.S.C. 1001 et seq., the board may not establish the plan.**

21       **“SECTION 12. (1) The Governor, the President of the Senate and the**  
22 **Speaker of the House of Representatives shall first make appointments**  
23 **to the Oregon Sick Time and Retirement Savings Board for terms of**  
24 **office beginning on September 1, 2015.**

25       **“(2) Notwithstanding the term of office specified by section 1 of this**  
26 **2015 Act, of the members first appointed to the Oregon Sick Time and**  
27 **Retirement Savings Board by the Governor:**

28       **“(a) One shall serve for a term ending August 31, 2017.**

29       **“(b) One shall serve for a term ending August 31, 2018.**

30       **“(c) Two shall serve for terms ending August 31, 2019.**

1       **“SECTION 13. The section captions used in this 2015 Act are pro-**  
2 **vided only for the convenience of the reader and do not become part**  
3 **of the statutory law of this state or express any legislative intent in**  
4 **the enactment of this 2015 Act.**

5       **“SECTION 14. This 2015 Act being necessary for the immediate**  
6 **preservation of the public peace, health and safety, an emergency is**  
7 **declared to exist, and this 2015 Act takes effect on its passage.”.**

8

---