

SB 791 STAFF MEASURE SUMMARY

Senate Committee On Workforce

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Meeting Dates: 3/6

WHAT THE MEASURE DOES:

Eliminates the limitation of hours a public employer may reemploy any retired member of the Public Employees Retirement System in any calendar year without suspension of the member's retirement benefits. Establishes six-month waiting period after member's retirement before public employer may reemploy member. Clarifies that such employment does not affect the status of a person as a retired member of the PERS system and a recipient of retirement benefits.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

Oregon's Public Employees Retirement System (PERS) enables public employers to provide their employees with retirement benefits. State government, public schools, community colleges, and many local governments (cities, counties, and special districts) participate in PERS. Public employers currently participating in PERS cover about 95 percent of all public employees in Oregon.

Under current law, if a retired member wishes to re-enter the workforce, the retiree's PERS benefit could be affected based on the plan under which the member retired, who employs the member, and how many hours the retiree works per year. Any retiree who works for a private sector or non-PERS covered employer may work unlimited hours without any impact on the retiree's level of retirement benefit. In general, a Tier One or Tier Two retired member working for a participating public employer can continue to receive retirement benefits as long as the period or periods of employment with one or more participating public employers does not total 1,040 hours or more in a calendar year. Retirement benefit payments will cease for a retiree under the Oregon Public Service Retirement Plan (OPSRP) if the retiree is employed in a qualifying position by a participating employer or work a total of more than 600 hours in a calendar year for one or more participating employers.

The Legislative Assembly has adopted more than a dozen exceptions to the restrictions on hours for categories of Tier One/Tier Two members with no consistent policy direction. Consequently, a complicated framework has been built that allows certain members to "double dip" by continuing to work and still receive retirement benefits, while other members who do not fit one of these exceptions must limit their public employment after retirement.

Senate Bill 791 eliminates those restrictions for all PERS members and adds a six-month waiting period before a public employer may hire retired member,