

## **SB 214 -2 STAFF MEASURE SUMMARY**

### **Senate Committee On Workforce**

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**Prepared By:** Debra Maryanov, LPRO Analyst

**Meeting Dates:** 3/6, 4/10

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#### **WHAT THE MEASURE DOES:**

Provides that post-doctoral scholar employed by a public university or the Oregon Health and Science University (OHSU) beginning on or after Act's effective date is not eligible to become a member of Public Employees Retirement System (PERS), Oregon Public Service Retirement Plan (OPSRP), or Optional Retirement Plan (ORP). Provides that OHSU may not offer alternative retirement program to post-doctoral scholar beginning employment on or after the effective date of Act. Defines post-doctoral scholar.

#### **ISSUES DISCUSSED:**

- Impact of post-doctoral scholar membership in PERS on competitiveness of university and research grants
- Reduced likelihood of post-doctoral scholars to vest in PERS because of limited duration positions
- Need for amendment to ensure post-doctoral scholars can become PERS member after electing ORP

#### **EFFECT OF AMENDMENT:**

-2 Changes standard for classification from “person” to “position.” Clarifies that post-doctoral scholar hired after program completion by an Oregon public university as tenure-track faculty or researcher may opt into either Oregon Public Employees Retirement System (PERS) or the Oregon Retirement Plan (ORP). Scholars who elect PERS may retain prior investments in ORP.

#### **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.

Post-doctoral research programs provide scholars with short-term experience, training, and mentoring before they transition to permanent employment in higher education or the private sector. Post-doctoral scholar positions generally do not exceed three years. In Oregon, post-doctoral scholars are classified as state employees. With few exceptions, state employees who work at least 600 hours in the calendar year are eligible to participate in the PERS or the ORP.

Employee contributions to the PERS and OPSRP Individual Account Program (IAP) vest immediately. Pension benefits under the PERS, OPSRP, and ORP systems require a five-year vesting period. Because post-doctoral research positions typically do not last five years, few, if any, post-doctoral scholars fully vest in PERS or ORP. However, a post-doctoral scholar who returns to qualifying employment within five years retains the opportunity to vest by completing five years of qualifying employment. ORS 238.095(2). In either event, the universities' contributions to the pension program on behalf of post-doctoral scholars remains in the PERS and OPSRP benefit pools when those employees leave the universities.

Senate Bill 214 excludes post-doctoral scholars beginning employment at public universities on or after the date of this Act from eligibility for membership in PERS or ORP. New post-doctoral scholars remain eligible to participate in the universities' separate elective retirement plans.