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**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Ways and Means Full Committee

From: General Government Subcommittee

Re: SB 201 Relating to salary of employees of universities with a governing board under the Oregon Public Service Retirement Plan

Senator Johnson: "SB 201 is a narrowly defined revision to Public Employees Retirement System statute.

A small group of public university employees hired on or after August 29, 2003 and working out-of-state have had Oregon Public Service Retirement Plan contributions made on their behalf by universities. These payments were based on the employees' total compensation. Universities recently learned that under this PERS retirement plan that employee salary not taxable in Oregon is ineligible for determining PERS contributions and benefits. This measure allows these select employees' total compensation to be considered Oregon taxable income for purposes of a PERS benefits.

Going forward, employees hired on or after January 1, 2017 are notified that only compensation taxable in Oregon will count for PERS benefit purposes. Eligible employees are given the option to participate in a non-PERS Optional Retirement Plan or default into PERS.

The General Government Subcommittee recommends SB 201 be reported out do pass."