

## **SB 712 A STAFF MEASURE SUMMARY**

### **Joint Committee On Ways and Means**

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**Prepared By:** John Borden, Budget Analyst

**Meeting Dates:** 6/19, 6/21

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

Modifies formula for calculating hours of service credit of Oregon Public Service Retirement Plan member for vesting purposes and retirement credits by including time that member received workers' compensation disability payments in certain circumstances. Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

- Benefit difference under measure between Tier One/Tier Two members and OPSRP members
- 2003 PERS reform legislation and reason for the measure
- Policy committee public testimony
- Minimal fiscal impact
- Reason for emergency clause

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

No amendment.

#### **BACKGROUND:**

The 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 participate in PERS, including approximately 925 employers and covering about 95% of all public employees in Oregon. PERS has approximately 347,000 members, including 168,000 active, 43,000 inactive, and 136,000 retired. Approximately 32% of members are currently eligible to retire with full benefits based on age or years of service.

Under current law, Tier One and Tier Two PERS members who return to qualifying employment following disability leave for a duty-related injury under the workers' compensation system are eligible for PERS service credit for that period. Oregon Public Service Retirement Plan (OPSRP) members in the same circumstances are not eligible for PERS service credit for that period.

SB 712 provides that an OPSRP member who returns to qualifying employment after receiving disability payments for an injury or disease sustained while in actual performance of duty and not intentionally self-inflicted shall receive hours of service credit for vesting purposes and retirement credit for the period of those payments.