

**SB 214 A STAFF MEASURE SUMMARY****Carrier:** Sen. Manning Jr**Joint Committee On Ways and Means****Action Date:** 06/16/17**Action:** Do pass with amendments. (Printed A-Eng.)**Senate Vote****Yeas:** 12 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters**House Vote****Yeas:** 11 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith G, Smith Warner, Stark, Whisnant, Williamson**Fiscal:** No fiscal impact**Revenue:** No revenue impact**Prepared By:** John Borden, Budget Analyst**WHAT THE MEASURE DOES:**

Establishes a definition of a post-doctoral scholar position classification for public universities and the Oregon Health and Science University; beginning on or after the measure's effective date a post-doctoral scholar is not eligible to become a member of Public Employees Retirement System (PERS) or the Oregon Public Service Retirement Plan (OPSRP). Establishes an alternative retirement benefit under an Optional Retirement Plan. Provides for post-doctoral scholar and employer contributions to an Optional Retirement Plan. Provides for vesting of a post-doctoral position in an Optional Retirement Plan. Provides an irrevocable option for a post-doctoral scholar to re-elect to become a PERS member or continue participating in an Optional Retirement Plan upon being hired by a public university, if hired as a tenure-track faculty position or researcher. The measure is prospective and only applies to post-doctoral scholars on or after the effective date of the measure.

**ISSUES DISCUSSED:**

- Merits of measure
- Comparative cost of Oregon's post-doctoral scholars
- Optional Retirement Plan
- One-time irrevocable option to become PERS member, if hired into a tenure-track faculty position or researcher

**EFFECT OF AMENDMENT:**

Replaces the measure.

**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

This Summary has not been adopted or officially endorsed by action of the committee.

**SB 214 A STAFF MEASURE SUMMARY**

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.

SB 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.