

House Bill 3035

Sponsored by Representatives WILSON, DOHERTY

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Public Employees Retirement Board to immediately initiate or resume payment of certain increased benefits under Public Employees Retirement System if recipient shows that benefits were reduced or not increased because recipient failed to provide required statement due to physical illness of recipient or recipient's spouse. Directs board to reimburse recipient for reduced or unincreased benefits.

A BILL FOR AN ACT

1
2 Relating to payments under the Public Employees Retirement System subject to Oregon personal
3 income tax; amending ORS 238.374 and 238.376.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 238.374 is amended to read:

6 238.374. (1) A person applying for payments under this chapter shall *[give]* **provide** a written
7 statement to the Public Employees Retirement Board that indicates whether the payments will be
8 subject to Oregon personal income tax under ORS 316.127 (9). If the person fails to provide the
9 statement required by this subsection, or the statement indicates that the payments will not be
10 subject to Oregon personal income tax under ORS 316.127 (9), the board may not pay the person the
11 increased benefits provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995.

12 (2) If a person is receiving payments under this chapter that have not been increased under
13 chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, by reason of the provisions of
14 subsection (1) of this section, and thereafter the payments become subject to Oregon personal in-
15 come tax under ORS 316.127 (9), the person shall promptly notify the Public Employees Retirement
16 Board by written statement that the payments are subject to Oregon personal income tax under ORS
17 316.127 (9).

18 (3)(a) If a person is receiving payments under this chapter that have not been increased under
19 chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, by reason of the provisions of
20 subsection (1) of this section, and the board receives notice under subsection (2) of this section that
21 payments to the person under this chapter are subject to Oregon personal income tax under ORS
22 316.127 (9), or determines under ORS 238.378 that payments to the person under this chapter are
23 subject to Oregon personal income tax under ORS 316.127 (9), the board shall initiate payment of
24 the increased benefits provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws
25 1995. **Except as provided in paragraph (b) of this subsection**, the increase in benefits becomes
26 effective on the first day of the calendar year following receipt of notice by the board.

27 **(b) If a person is receiving payments under this chapter that have not been increased**
28 **under chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, because the person**
29 **failed to provide a written statement to the board under subsection (1) or (2) of this section,**
30 **the person may submit evidence to the board that the person failed to provide the statement**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 **because the person or the person's spouse was physically ill. If the board finds the evidence**
 2 **sufficient, the board shall immediately initiate payment of the increased benefits provided**
 3 **by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, and shall reimburse the**
 4 **person in the amount of any increase in benefits that the person would have received if the**
 5 **person had provided the written statement to the board in a timely manner.**

6 **SECTION 2.** ORS 238.376 is amended to read:

7 238.376. (1) If a person is receiving payments under this chapter, and after the payments com-
 8 mence the payments cease to be subject to Oregon personal income tax under ORS 316.127 (9), the
 9 person shall promptly notify the Public Employees Retirement Board by written statement that the
 10 payments are no longer subject to Oregon personal income tax under ORS 316.127 (9). The board
 11 shall reduce any benefits payable to the person by the amount by which the benefits were increased
 12 under chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. The reduction in benefits
 13 becomes effective on the first day of the calendar year following receipt of notice by the board.

14 (2) If a person is receiving payments under this chapter that have been reduced because the
 15 payments are not subject to Oregon personal income tax under ORS 316.127 (9), and thereafter the
 16 payments become subject to Oregon personal income tax under ORS 316.127 (9), the person shall
 17 promptly notify the board by written statement that the payments are once again subject to Oregon
 18 personal income tax under ORS 316.127 (9).

19 (3)(a) If a person is receiving payments under this chapter that have been reduced because the
 20 payments are not subject to Oregon personal income tax under ORS 316.127 (9), and the board re-
 21 ceives notice under subsection (2) of this section that payments to the person under this chapter are
 22 once again subject to Oregon personal income tax under ORS 316.127 (9), or determines under ORS
 23 238.378 that payments to the person under this chapter are once again subject to Oregon personal
 24 income tax under ORS 316.127 (9), the board shall resume payment of the increased benefits provided
 25 by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. **Except as provided in**
 26 **paragraph (b) of this subsection,** the increase in benefits becomes effective on the first day of the
 27 calendar year following receipt of notice by the board.

28 **(b) If a person's benefits have not been increased under paragraph (a) of this subsection**
 29 **because the person failed to provide a written statement to the board under subsection (2)**
 30 **of this section, the person may submit evidence to the board that the person failed to provide**
 31 **the statement because the person or the person's spouse was physically ill. If the board finds**
 32 **the evidence sufficient, the board shall immediately resume payment of the increased bene-**
 33 **fits provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, and shall**
 34 **reimburse the person in the amount of any increase in benefits that the person would have**
 35 **received if the person had provided the written statement to the board in a timely manner.**

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