

# House Bill 3037

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**.

Makes certain increases in benefits occurring when Public Employees Retirement Board learns that payments are subject to Oregon personal income tax effective on first day of month after receipt of notice, rather than first day of calendar year after receipt of notice.

## A BILL FOR AN ACT

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

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

5 **SECTION 1.** ORS 238.376 is amended to read:

6 238.376. (1) If a person is receiving payments under this chapter, and after the payments com-  
7 mence the payments cease to be subject to Oregon personal income tax under ORS 316.127 (9), the  
8 person shall promptly notify the Public Employees Retirement Board by written statement that the  
9 payments are no longer subject to Oregon personal income tax under ORS 316.127 (9). The board  
10 shall reduce any benefits payable to the person by the amount by which the benefits were increased  
11 under chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. The reduction in benefits  
12 becomes effective on the first day of the calendar year following receipt of notice by the board.

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

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

27 **SECTION 2.** The amendments to ORS 238.376 by section 1 of this 2017 Act apply only to  
28 notices that payments are subject to Oregon personal income tax received by the Public  
29 Employees Retirement Board on or after the effective date of this 2017 Act.  
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**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.