

Senate Bill 811

Sponsored by COMMITTEE ON WORKFORCE

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**.

Provides that employees of Oregon State Hospital qualify as police officers under Public Employees Retirement System.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to members of the Public Employees Retirement System employed by the Oregon State
3 Hospital; creating new provisions; amending ORS 238.005; and declaring an emergency.

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

5 **SECTION 1.** ORS 238.005 is amended to read:

6 238.005. For purposes of this chapter:

7 (1) "Active member" means a member who is presently employed by a participating public em-
8 ployer in a qualifying position and who has completed the six-month period of service required by
9 ORS 238.015.

10 (2) "Annuity" means payments for life derived from contributions made by a member as provided
11 in this chapter.

12 (3) "Board" means the Public Employees Retirement Board.

13 (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on De-
14 cember 31 following.

15 (5) "Continuous service" means service not interrupted for more than five years, except that
16 such continuous service shall be computed without regard to interruptions in the case of:

17 (a) An employee who had returned to the service of the employer as of January 1, 1945, and
18 who remained in that employment until having established membership in the Public Employees
19 Retirement System.

20 (b) An employee who was in the armed services on January 1, 1945, and returned to the service
21 of the employer within one year of the date of being otherwise than dishonorably discharged and
22 remained in that employment until having established membership in the Public Employees Retire-
23 ment System.

24 (6) "Creditable service" means any period of time during which an active member is being paid
25 a salary by a participating public employer and for which benefits under this chapter are funded by
26 employer contributions and earnings on the fund. For purposes of computing years of "creditable
27 service," full months and major fractions of a month shall be considered to be one-twelfth of a year
28 and shall be added to all full years. "Creditable service" includes all retirement credit received by
29 a member.

30 (7) "Earliest service retirement age" means the age attained by a member when the member
31 could first make application for retirement under the provisions of ORS 238.280.

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 (8) "Employee" includes, in addition to employees, public officers, but does not include:
- 2 (a) Persons engaged as independent contractors.
- 3 (b) Seasonal, emergency or casual workers whose periods of employment with any public em-
- 4 ployer or public employers do not total 600 hours in any calendar year.
- 5 (c) Persons provided sheltered employment or made-work by a public employer in an employment
- 6 or industries program maintained for the benefit of such persons.
- 7 (d) Persons employed and paid from federal funds received under a federal program intended
- 8 primarily to alleviate unemployment. However, any such person shall be considered an "employee"
- 9 if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects
- 10 to have the person so considered by an irrevocable written notice to the board.
- 11 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-
- 12 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph
- 13 shall be deemed to have been in effect since the inception of the system.
- 14 (9) "Final average salary" means whichever of the following is greater:
- 15 (a) The average salary per calendar year paid by one or more participating public employers to
- 16 an employee who is an active member of the system in three of the calendar years of membership
- 17 before the effective date of retirement of the employee, in which three years the employee was paid
- 18 the highest salary. The three calendar years in which the employee was paid the largest total salary
- 19 may include calendar years in which the employee was employed for less than a full calendar year.
- 20 If the number of calendar years of active membership before the effective date of retirement of the
- 21 employee is three or fewer, the final average salary for the employee is the average salary per cal-
- 22 endar year paid by one or more participating public employers to the employee in all of those years,
- 23 without regard to whether the employee was employed for the full calendar year.
- 24 (b) One-third of the total salary paid by a participating public employer to an employee who is
- 25 an active member of the system in the last 36 calendar months of active membership before the ef-
- 26 fective date of retirement of the employee.
- 27 (10) "Firefighter" does not include a volunteer firefighter, but does include:
- 28 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and
- 29 (b) An employee of the State Forestry Department who is certified by the State Forester as a
- 30 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
- 31 fires as described in ORS 477.064.
- 32 (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-
- 33 lowing.
- 34 (12) "Fund" means the Public Employees Retirement Fund.
- 35 (13) "Inactive member" means a member who is not employed in a qualifying position, whose
- 36 membership has not been terminated in the manner described by ORS 238.095 and who is not retired
- 37 for service or disability.
- 38 (14) "Institution of higher education" means a public university listed in ORS 352.002, the
- 39 Oregon Health and Science University and a community college, as defined in ORS 341.005.
- 40 (15) "Member" means a person who has established membership in the system and whose mem-
- 41 bership has not been terminated as described in ORS 238.095. "Member" includes active, inactive
- 42 and retired members.
- 43 (16) "Member account" means the regular account and the variable account.
- 44 (17) "Normal retirement age" means:
- 45 (a) For a person who establishes membership in the system before January 1, 1996, as described

1 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
2 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

3 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
4 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
5 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
6 firefighter.

7 (18) "Pension" means annual payments for life derived from contributions by one or more public
8 employers.

9 (19) "Police officer" includes:

10 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
11 whose duties, as assigned by the Director of the Department of Corrections, include the custody of
12 persons committed to the custody of or transferred to the Department of Corrections and employees
13 of the Department of Corrections who were classified as police officers on or before July 27, 1989,
14 whether or not such classification was authorized by law.

15 (b) Employees of the Department of State Police who are classified as police officers by the
16 Superintendent of State Police.

17 (c) Employees of the Oregon Liquor Control Commission who are classified as regulatory spe-
18 cialists by the administrator of the commission.

19 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified
20 by the sheriff, are the regular duties of police officers or corrections officers.

21 (e) Police chiefs and police personnel of a city who are classified as police officers by the
22 council or other governing body of the city.

23 (f) Police officers who are commissioned by a university under ORS 352.121 or 353.125 and who
24 are classified as police officers by the university.

25 (g) Parole and probation officers employed by the Department of Corrections, parole and pro-
26 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
27 probation officers, as defined in ORS 181A.355, who are classified as police officers for the purposes
28 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
29 cers as police officers for the purposes of this chapter, and the employees so classified are repres-
30 ented by a labor organization, any proposal by the county to change that classification or to cease
31 to classify adult parole and probation officers as police officers for the purposes of this chapter is
32 a mandatory subject of bargaining.

33 (h) Police officers appointed under ORS 276.021 or 276.023.

34 (i) Employees of the Port of Portland who are classified as airport police by the Board of Com-
35 missioners of the Port of Portland.

36 (j) Employees of the State Department of Agriculture who are classified as livestock police of-
37 ficers by the Director of Agriculture.

38 (k) Employees of the Department of Public Safety Standards and Training who are classified by
39 the department as other than secretarial or clerical personnel.

40 (L) Investigators of the Criminal Justice Division of the Department of Justice.

41 (m) Corrections officers as defined in ORS 181A.355.

42 (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the
43 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

44 (o) The Director of the Department of Corrections.

45 (p) An employee who for seven consecutive years has been classified as a police officer as de-

1 fined by this section, and who is employed or transferred by the Department of Corrections to fill
 2 a position designated by the Director of the Department of Corrections as being eligible for police
 3 officer status.

4 (q) An employee of the Department of Corrections classified as a police officer on or prior to
 5 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
 6 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
 7 tem implemented pursuant to ORS 240.190 does not affect police officer status.

8 (r) Employees of a school district who are appointed and duly sworn members of a law
 9 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
 10 police officers commissioned by the district.

11 (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,
 12 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
 13 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the
 14 Department of Corrections or the Oregon Youth Authority.

15 (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
 16 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
 17 in such facilities.

18 (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and pro-
 19 bation officers.

20 (v) Employees of the Department of Human Services who are prohibited from striking under ORS
 21 243.726 and whose duties include the care of residents of residential facilities, as defined in ORS
 22 443.400, that house individuals with intellectual or developmental disabilities.

23 **(w) Employees of the Oregon State Hospital who are:**

24 **(A) Prohibited from striking under ORS 243.726; or**

25 **(B) Employed as registered nurses or licensed practical nurses.**

26 (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)
 27 to (6) (1999 Edition).

28 (21) "Public employer" means the state, one of its agencies, any city, county, or municipal or
 29 public corporation, any political subdivision of the state or any instrumentality thereof, or an agency
 30 created by one or more such governmental organizations to provide governmental services. For
 31 purposes of this chapter, such agency created by one or more governmental organizations is a gov-
 32 ernmental instrumentality and a legal entity with power to enter into contracts, hold property and
 33 sue and be sued.

34 (22) "Qualifying position" means one or more jobs with one or more participating public em-
 35 ployers in which an employee performs 600 or more hours of service in a calendar year, excluding
 36 any service in a job for which a participating public employer does not provide benefits under this
 37 chapter pursuant to an application made under ORS 238.035.

38 (23) "Regular account" means the account established for each active and inactive member un-
 39 der ORS 238.250.

40 (24) "Retired member" means a member who is retired for service or disability.

41 (25) "Retirement credit" means a period of time that is treated as creditable service for the
 42 purposes of this chapter.

43 (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public
 44 employer in return for services to the employer, plus the monetary value, as determined by the
 45 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and

1 other advantages the employer furnishes the employee in return for services.

2 (b) "Salary" includes but is not limited to:

3 (A) Payments of employee and employer money into a deferred compensation plan, which are
4 deemed salary paid in each month of deferral;

5 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
6 paid in each month of participation;

7 (C) Retroactive payments described in ORS 238.008; and

8 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
9 652.190.

10 (c) "Salary" or "other advantages" does not include:

11 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
12 employer;

13 (B) Payments for insurance coverage by an employer on behalf of employee or employee and
14 dependents, for which the employee has no cash option;

15 (C) Payments made on account of an employee's death;

16 (D) Any lump sum payment for accumulated unused sick leave;

17 (E) Any accelerated payment of an employment contract for a future period or an advance
18 against future wages;

19 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement
20 gratuitous payment;

21 (G) Payments for periods of leave of absence after the date the employer and employee have
22 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for
23 sick leave and vacation;

24 (H) Payments for instructional services rendered to public universities listed in ORS 352.002 or
25 the Oregon Health and Science University when such services are in excess of full-time employment
26 subject to this chapter. A person employed under a contract for less than 12 months is subject to
27 this subparagraph only for the months to which the contract pertains; or

28 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an
29 employee.

30 (27) "School year" means the period beginning July 1 and ending June 30 next following.

31 (28) "System" means the Public Employees Retirement System.

32 (29) "Variable account" means the account established for a member who participates in the
33 Variable Annuity Account under ORS 238.260.

34 (30) "Vested" means being an active member of the system in each of five calendar years.

35 (31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600
36 hours of service per year.

37 **SECTION 2. (1) The amendments to ORS 238.005 by section 1 of this 2017 Act become**
38 **operative on June 30, 2017.**

39 **(2) The amendments to ORS 238.005 by section 1 of this 2017 Act apply only to a person:**

40 **(a) Who is employed by the Oregon State Hospital on the operative date specified in**
41 **subsection (1) of this section as a person who is prohibited from striking under ORS 243.726**
42 **or as a registered nurse or licensed practical nurse; or**

43 **(b) Who becomes employed by the Oregon State Hospital after the operative date speci-**
44 **fied in subsection (1) of this section as a person who is prohibited from striking under ORS**
45 **243.726 or as a registered nurse or licensed practical nurse.**

1 **(3) A person who is employed by the Oregon State Hospital under subsection (2)(a) of this**
 2 **section is entitled to service under the Public Employees Retirement System as a police of-**
 3 **ficer only for service performed on or after the operative date specified in subsection (1) of**
 4 **this section as an employee of the Oregon State Hospital who is prohibited from striking**
 5 **under ORS 243.726 or who is employed as a registered nurse or licensed practical nurse.**

6 **SECTION 3.** ORS 238.005, as amended by section 1 of this 2017 Act, is amended to read:

7 238.005. For purposes of this chapter:

8 (1) "Active member" means a member who is presently employed by a participating public em-
 9 ployer in a qualifying position and who has completed the six-month period of service required by
 10 ORS 238.015.

11 (2) "Annuity" means payments for life derived from contributions made by a member as provided
 12 in this chapter.

13 (3) "Board" means the Public Employees Retirement Board.

14 (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on De-
 15 cember 31 following.

16 (5) "Continuous service" means service not interrupted for more than five years, except that
 17 such continuous service shall be computed without regard to interruptions in the case of:

18 (a) An employee who had returned to the service of the employer as of January 1, 1945, and
 19 who remained in that employment until having established membership in the Public Employees
 20 Retirement System.

21 (b) An employee who was in the armed services on January 1, 1945, and returned to the service
 22 of the employer within one year of the date of being otherwise than dishonorably discharged and
 23 remained in that employment until having established membership in the Public Employees Retire-
 24 ment System.

25 (6) "Creditable service" means any period of time during which an active member is being paid
 26 a salary by a participating public employer and for which benefits under this chapter are funded by
 27 employer contributions and earnings on the fund. For purposes of computing years of "creditable
 28 service," full months and major fractions of a month shall be considered to be one-twelfth of a year
 29 and shall be added to all full years. "Creditable service" includes all retirement credit received by
 30 a member.

31 (7) "Earliest service retirement age" means the age attained by a member when the member
 32 could first make application for retirement under the provisions of ORS 238.280.

33 (8) "Employee" includes, in addition to employees, public officers, but does not include:

34 (a) Persons engaged as independent contractors.

35 (b) Seasonal, emergency or casual workers whose periods of employment with any public em-
 36 ployer or public employers do not total 600 hours in any calendar year.

37 (c) Persons provided sheltered employment or made-work by a public employer in an employment
 38 or industries program maintained for the benefit of such persons.

39 (d) Persons employed and paid from federal funds received under a federal program intended
 40 primarily to alleviate unemployment. However, any such person shall be considered an "employee"
 41 if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects
 42 to have the person so considered by an irrevocable written notice to the board.

43 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-
 44 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph
 45 shall be deemed to have been in effect since the inception of the system.

1 (9) "Final average salary" means whichever of the following is greater:

2 (a) The average salary per calendar year paid by one or more participating public employers to
3 an employee who is an active member of the system in three of the calendar years of membership
4 before the effective date of retirement of the employee, in which three years the employee was paid
5 the highest salary. The three calendar years in which the employee was paid the largest total salary
6 may include calendar years in which the employee was employed for less than a full calendar year.
7 If the number of calendar years of active membership before the effective date of retirement of the
8 employee is three or fewer, the final average salary for the employee is the average salary per cal-
9 endar year paid by one or more participating public employers to the employee in all of those years,
10 without regard to whether the employee was employed for the full calendar year.

11 (b) One-third of the total salary paid by a participating public employer to an employee who is
12 an active member of the system in the last 36 calendar months of active membership before the ef-
13 fective date of retirement of the employee.

14 (10) "Firefighter" does not include a volunteer firefighter, but does include:

15 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and

16 (b) An employee of the State Forestry Department who is certified by the State Forester as a
17 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
18 fires as described in ORS 477.064.

19 (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-
20 lowing.

21 (12) "Fund" means the Public Employees Retirement Fund.

22 (13) "Inactive member" means a member who is not employed in a qualifying position, whose
23 membership has not been terminated in the manner described by ORS 238.095 and who is not retired
24 for service or disability.

25 (14) "Institution of higher education" means a public university listed in ORS 352.002, the
26 Oregon Health and Science University and a community college, as defined in ORS 341.005.

27 (15) "Member" means a person who has established membership in the system and whose mem-
28 bership has not been terminated as described in ORS 238.095. "Member" includes active, inactive
29 and retired members.

30 (16) "Member account" means the regular account and the variable account.

31 (17) "Normal retirement age" means:

32 (a) For a person who establishes membership in the system before January 1, 1996, as described
33 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
34 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

35 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
36 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
37 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
38 firefighter.

39 (18) "Pension" means annual payments for life derived from contributions by one or more public
40 employers.

41 (19) "Police officer" includes:

42 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
43 whose duties, as assigned by the Director of the Department of Corrections, include the custody of
44 persons committed to the custody of or transferred to the Department of Corrections and employees
45 of the Department of Corrections who were classified as police officers on or before July 27, 1989,

1 whether or not such classification was authorized by law.

2 (b) Employees of the Department of State Police who are classified as police officers by the
3 Superintendent of State Police.

4 (c) Employees of the Oregon Liquor Control Commission who are classified as regulatory spe-
5 cialists by the administrator of the commission.

6 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified
7 by the sheriff, are the regular duties of police officers or corrections officers.

8 (e) Police chiefs and police personnel of a city who are classified as police officers by the
9 council or other governing body of the city.

10 (f) Police officers who are commissioned by a university under ORS 352.121 or 353.125 and who
11 are classified as police officers by the university.

12 (g) Parole and probation officers employed by the Department of Corrections, parole and pro-
13 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
14 probation officers, as defined in ORS 181A.355, who are classified as police officers for the purposes
15 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
16 cers as police officers for the purposes of this chapter, and the employees so classified are repres-
17 ented by a labor organization, any proposal by the county to change that classification or to cease
18 to classify adult parole and probation officers as police officers for the purposes of this chapter is
19 a mandatory subject of bargaining.

20 (h) Police officers appointed under ORS 276.021 or 276.023.

21 (i) Employees of the Port of Portland who are classified as airport police by the Board of Com-
22 missioners of the Port of Portland.

23 (j) Employees of the State Department of Agriculture who are classified as livestock police of-
24 ficers by the Director of Agriculture.

25 (k) Employees of the Department of Public Safety Standards and Training who are classified by
26 the department as other than secretarial or clerical personnel.

27 (L) Investigators of the Criminal Justice Division of the Department of Justice.

28 (m) Corrections officers as defined in ORS 181A.355.

29 (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the
30 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

31 (o) The Director of the Department of Corrections.

32 (p) An employee who for seven consecutive years has been classified as a police officer as de-
33 fined by this section, and who is employed or transferred by the Department of Corrections to fill
34 a position designated by the Director of the Department of Corrections as being eligible for police
35 officer status.

36 (q) An employee of the Department of Corrections classified as a police officer on or prior to
37 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
38 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
39 tem implemented pursuant to ORS 240.190 does not affect police officer status.

40 (r) Employees of a school district who are appointed and duly sworn members of a law
41 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
42 police officers commissioned by the district.

43 (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,
44 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
45 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the

1 Department of Corrections or the Oregon Youth Authority.

2 (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
3 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
4 in such facilities.

5 (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and pro-
6 bation officers.

7 (v) Employees of the Department of Human Services who are prohibited from striking under ORS
8 243.726 and whose duties include the care of residents of residential facilities, as defined in ORS
9 443.400, that house individuals with intellectual or developmental disabilities.

10 (w) Employees of the Oregon State Hospital who are:

11 (A) Prohibited from striking under ORS 243.726; [or]

12 (B) Employed as **physicians licensed under ORS chapter 677**, registered nurses or licensed
13 practical nurses[.]; **or**

14 **(C) Required to be in areas populated by patients to perform the primary function of the**
15 **employees' positions.**

16 (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)
17 to (6) (1999 Edition).

18 (21) "Public employer" means the state, one of its agencies, any city, county, or municipal or
19 public corporation, any political subdivision of the state or any instrumentality thereof, or an agency
20 created by one or more such governmental organizations to provide governmental services. For
21 purposes of this chapter, such agency created by one or more governmental organizations is a gov-
22 ernmental instrumentality and a legal entity with power to enter into contracts, hold property and
23 sue and be sued.

24 (22) "Qualifying position" means one or more jobs with one or more participating public em-
25 ployers in which an employee performs 600 or more hours of service in a calendar year, excluding
26 any service in a job for which a participating public employer does not provide benefits under this
27 chapter pursuant to an application made under ORS 238.035.

28 (23) "Regular account" means the account established for each active and inactive member un-
29 der ORS 238.250.

30 (24) "Retired member" means a member who is retired for service or disability.

31 (25) "Retirement credit" means a period of time that is treated as creditable service for the
32 purposes of this chapter.

33 (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public
34 employer in return for services to the employer, plus the monetary value, as determined by the
35 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and
36 other advantages the employer furnishes the employee in return for services.

37 (b) "Salary" includes but is not limited to:

38 (A) Payments of employee and employer money into a deferred compensation plan, which are
39 deemed salary paid in each month of deferral;

40 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
41 paid in each month of participation;

42 (C) Retroactive payments described in ORS 238.008; and

43 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
44 652.190.

45 (c) "Salary" or "other advantages" does not include:

1 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
2 employer;

3 (B) Payments for insurance coverage by an employer on behalf of employee or employee and
4 dependents, for which the employee has no cash option;

5 (C) Payments made on account of an employee's death;

6 (D) Any lump sum payment for accumulated unused sick leave;

7 (E) Any accelerated payment of an employment contract for a future period or an advance
8 against future wages;

9 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement
10 gratuitous payment;

11 (G) Payments for periods of leave of absence after the date the employer and employee have
12 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for
13 sick leave and vacation;

14 (H) Payments for instructional services rendered to public universities listed in ORS 352.002 or
15 the Oregon Health and Science University when such services are in excess of full-time employment
16 subject to this chapter. A person employed under a contract for less than 12 months is subject to
17 this subparagraph only for the months to which the contract pertains; or

18 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an
19 employee.

20 (27) "School year" means the period beginning July 1 and ending June 30 next following.

21 (28) "System" means the Public Employees Retirement System.

22 (29) "Variable account" means the account established for a member who participates in the
23 Variable Annuity Account under ORS 238.260.

24 (30) "Vested" means being an active member of the system in each of five calendar years.

25 (31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600
26 hours of service per year.

27 **SECTION 4. (1) The amendments to ORS 238.005 by section 3 of this 2017 Act become**
28 **operative on June 30, 2019.**

29 **(2) The amendments to ORS 238.005 by section 3 of this 2017 Act apply only to a person:**

30 **(a) Who is employed by the Oregon State Hospital on the operative date specified in**
31 **subsection (1) of this section as a physician licensed under ORS chapter 677 or as a person**
32 **who is required to be in areas populated by patients to perform the primary function of the**
33 **person's position; or**

34 **(b) Who becomes employed by the Oregon State Hospital after the operative date speci-**
35 **fied in subsection (1) of this section as a physician licensed under ORS chapter 677 or as a**
36 **person who is required to be in areas populated by patients to perform the primary function**
37 **of the person's position.**

38 **(3) A person who is employed by the Oregon State Hospital under subsection (2)(a) of this**
39 **section and who was not entitled to service as a police officer under the amendments to ORS**
40 **238.005 by section 1 of this 2017 Act is entitled to service under the Public Employees Re-**
41 **irement System as a police officer only for service performed on or after the operative date**
42 **specified in subsection (1) of this section as an employee of the Oregon State Hospital who**
43 **is employed as a physician licensed under ORS chapter 677 or who is required to be in areas**
44 **populated by patients to perform the primary function of the person's position.**

45 **SECTION 5.** ORS 238.005, as amended by sections 1 and 3 of this 2017 Act, is amended to read:

1 238.005. For purposes of this chapter:

2 (1) "Active member" means a member who is presently employed by a participating public em-
3 ployer in a qualifying position and who has completed the six-month period of service required by
4 ORS 238.015.

5 (2) "Annuity" means payments for life derived from contributions made by a member as provided
6 in this chapter.

7 (3) "Board" means the Public Employees Retirement Board.

8 (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on De-
9 cember 31 following.

10 (5) "Continuous service" means service not interrupted for more than five years, except that
11 such continuous service shall be computed without regard to interruptions in the case of:

12 (a) An employee who had returned to the service of the employer as of January 1, 1945, and
13 who remained in that employment until having established membership in the Public Employees
14 Retirement System.

15 (b) An employee who was in the armed services on January 1, 1945, and returned to the service
16 of the employer within one year of the date of being otherwise than dishonorably discharged and
17 remained in that employment until having established membership in the Public Employees Retire-
18 ment System.

19 (6) "Creditable service" means any period of time during which an active member is being paid
20 a salary by a participating public employer and for which benefits under this chapter are funded by
21 employer contributions and earnings on the fund. For purposes of computing years of "creditable
22 service," full months and major fractions of a month shall be considered to be one-twelfth of a year
23 and shall be added to all full years. "Creditable service" includes all retirement credit received by
24 a member.

25 (7) "Earliest service retirement age" means the age attained by a member when the member
26 could first make application for retirement under the provisions of ORS 238.280.

27 (8) "Employee" includes, in addition to employees, public officers, but does not include:

28 (a) Persons engaged as independent contractors.

29 (b) Seasonal, emergency or casual workers whose periods of employment with any public em-
30 ployer or public employers do not total 600 hours in any calendar year.

31 (c) Persons provided sheltered employment or made-work by a public employer in an employment
32 or industries program maintained for the benefit of such persons.

33 (d) Persons employed and paid from federal funds received under a federal program intended
34 primarily to alleviate unemployment. However, any such person shall be considered an "employee"
35 if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects
36 to have the person so considered by an irrevocable written notice to the board.

37 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-
38 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph
39 shall be deemed to have been in effect since the inception of the system.

40 (9) "Final average salary" means whichever of the following is greater:

41 (a) The average salary per calendar year paid by one or more participating public employers to
42 an employee who is an active member of the system in three of the calendar years of membership
43 before the effective date of retirement of the employee, in which three years the employee was paid
44 the highest salary. The three calendar years in which the employee was paid the largest total salary
45 may include calendar years in which the employee was employed for less than a full calendar year.

1 If the number of calendar years of active membership before the effective date of retirement of the
2 employee is three or fewer, the final average salary for the employee is the average salary per cal-
3 endar year paid by one or more participating public employers to the employee in all of those years,
4 without regard to whether the employee was employed for the full calendar year.

5 (b) One-third of the total salary paid by a participating public employer to an employee who is
6 an active member of the system in the last 36 calendar months of active membership before the ef-
7 fective date of retirement of the employee.

8 (10) "Firefighter" does not include a volunteer firefighter, but does include:

9 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and

10 (b) An employee of the State Forestry Department who is certified by the State Forester as a
11 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
12 fires as described in ORS 477.064.

13 (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-
14 lowing.

15 (12) "Fund" means the Public Employees Retirement Fund.

16 (13) "Inactive member" means a member who is not employed in a qualifying position, whose
17 membership has not been terminated in the manner described by ORS 238.095 and who is not retired
18 for service or disability.

19 (14) "Institution of higher education" means a public university listed in ORS 352.002, the
20 Oregon Health and Science University and a community college, as defined in ORS 341.005.

21 (15) "Member" means a person who has established membership in the system and whose mem-
22 bership has not been terminated as described in ORS 238.095. "Member" includes active, inactive
23 and retired members.

24 (16) "Member account" means the regular account and the variable account.

25 (17) "Normal retirement age" means:

26 (a) For a person who establishes membership in the system before January 1, 1996, as described
27 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
28 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

29 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
30 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
31 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
32 firefighter.

33 (18) "Pension" means annual payments for life derived from contributions by one or more public
34 employers.

35 (19) "Police officer" includes:

36 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
37 whose duties, as assigned by the Director of the Department of Corrections, include the custody of
38 persons committed to the custody of or transferred to the Department of Corrections and employees
39 of the Department of Corrections who were classified as police officers on or before July 27, 1989,
40 whether or not such classification was authorized by law.

41 (b) Employees of the Department of State Police who are classified as police officers by the
42 Superintendent of State Police.

43 (c) Employees of the Oregon Liquor Control Commission who are classified as regulatory spe-
44 cialists by the administrator of the commission.

45 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified

1 by the sheriff, are the regular duties of police officers or corrections officers.

2 (e) Police chiefs and police personnel of a city who are classified as police officers by the
3 council or other governing body of the city.

4 (f) Police officers who are commissioned by a university under ORS 352.121 or 353.125 and who
5 are classified as police officers by the university.

6 (g) Parole and probation officers employed by the Department of Corrections, parole and pro-
7 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
8 probation officers, as defined in ORS 181A.355, who are classified as police officers for the purposes
9 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
10 cers as police officers for the purposes of this chapter, and the employees so classified are repres-
11 ented by a labor organization, any proposal by the county to change that classification or to cease
12 to classify adult parole and probation officers as police officers for the purposes of this chapter is
13 a mandatory subject of bargaining.

14 (h) Police officers appointed under ORS 276.021 or 276.023.

15 (i) Employees of the Port of Portland who are classified as airport police by the Board of Com-
16 missioners of the Port of Portland.

17 (j) Employees of the State Department of Agriculture who are classified as livestock police of-
18 ficers by the Director of Agriculture.

19 (k) Employees of the Department of Public Safety Standards and Training who are classified by
20 the department as other than secretarial or clerical personnel.

21 (L) Investigators of the Criminal Justice Division of the Department of Justice.

22 (m) Corrections officers as defined in ORS 181A.355.

23 (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the
24 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

25 (o) The Director of the Department of Corrections.

26 (p) An employee who for seven consecutive years has been classified as a police officer as de-
27 fined by this section, and who is employed or transferred by the Department of Corrections to fill
28 a position designated by the Director of the Department of Corrections as being eligible for police
29 officer status.

30 (q) An employee of the Department of Corrections classified as a police officer on or prior to
31 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
32 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
33 tem implemented pursuant to ORS 240.190 does not affect police officer status.

34 (r) Employees of a school district who are appointed and duly sworn members of a law
35 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
36 police officers commissioned by the district.

37 (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,
38 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
39 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the
40 Department of Corrections or the Oregon Youth Authority.

41 (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
42 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
43 in such facilities.

44 (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and pro-
45 bation officers.

1 (v) Employees of the Department of Human Services who are prohibited from striking under ORS
 2 243.726 and whose duties include the care of residents of residential facilities, as defined in ORS
 3 443.400, that house individuals with intellectual or developmental disabilities.

4 (w) Employees of the Oregon State Hospital [*who are:*]

5 [(A) *Prohibited from striking under ORS 243.726;*]

6 [(B) *Employed as physicians licensed under ORS chapter 677, registered nurses or licensed prac-*
 7 *tical nurses; or]*

8 [(C) *Required to be in areas populated by patients to perform the primary function of the employees'*
 9 *positions].*

10 (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)
 11 to (6) (1999 Edition).

12 (21) "Public employer" means the state, one of its agencies, any city, county, or municipal or
 13 public corporation, any political subdivision of the state or any instrumentality thereof, or an agency
 14 created by one or more such governmental organizations to provide governmental services. For
 15 purposes of this chapter, such agency created by one or more governmental organizations is a gov-
 16 ernmental instrumentality and a legal entity with power to enter into contracts, hold property and
 17 sue and be sued.

18 (22) "Qualifying position" means one or more jobs with one or more participating public em-
 19 ployers in which an employee performs 600 or more hours of service in a calendar year, excluding
 20 any service in a job for which a participating public employer does not provide benefits under this
 21 chapter pursuant to an application made under ORS 238.035.

22 (23) "Regular account" means the account established for each active and inactive member un-
 23 der ORS 238.250.

24 (24) "Retired member" means a member who is retired for service or disability.

25 (25) "Retirement credit" means a period of time that is treated as creditable service for the
 26 purposes of this chapter.

27 (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public
 28 employer in return for services to the employer, plus the monetary value, as determined by the
 29 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and
 30 other advantages the employer furnishes the employee in return for services.

31 (b) "Salary" includes but is not limited to:

32 (A) Payments of employee and employer money into a deferred compensation plan, which are
 33 deemed salary paid in each month of deferral;

34 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
 35 paid in each month of participation;

36 (C) Retroactive payments described in ORS 238.008; and

37 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
 38 652.190.

39 (c) "Salary" or "other advantages" does not include:

40 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
 41 employer;

42 (B) Payments for insurance coverage by an employer on behalf of employee or employee and
 43 dependents, for which the employee has no cash option;

44 (C) Payments made on account of an employee's death;

45 (D) Any lump sum payment for accumulated unused sick leave;

1 (E) Any accelerated payment of an employment contract for a future period or an advance
2 against future wages;

3 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement
4 gratuitous payment;

5 (G) Payments for periods of leave of absence after the date the employer and employee have
6 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for
7 sick leave and vacation;

8 (H) Payments for instructional services rendered to public universities listed in ORS 352.002 or
9 the Oregon Health and Science University when such services are in excess of full-time employment
10 subject to this chapter. A person employed under a contract for less than 12 months is subject to
11 this subparagraph only for the months to which the contract pertains; or

12 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an
13 employee.

14 (27) "School year" means the period beginning July 1 and ending June 30 next following.

15 (28) "System" means the Public Employees Retirement System.

16 (29) "Variable account" means the account established for a member who participates in the
17 Variable Annuity Account under ORS 238.260.

18 (30) "Vested" means being an active member of the system in each of five calendar years.

19 (31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600
20 hours of service per year.

21 **SECTION 6. (1) The amendments to ORS 238.005 by section 5 of this 2017 Act become**
22 **operative on June 30, 2021.**

23 **(2) The amendments to ORS 238.005 by section 5 of this 2017 Act apply only to a person:**

24 **(a) Who is employed by the Oregon State Hospital on the operative date specified in**
25 **subsection (1) of this section; or**

26 **(b) Who becomes employed by the Oregon State Hospital after the operative date speci-**
27 **fied in subsection (1) of this section.**

28 **(3) A person who is employed by the Oregon State Hospital under subsection (2)(a) of this**
29 **section and who was not entitled to service as a police officer under the amendments to ORS**
30 **238.005 by section 1 or 3 of this 2017 Act is entitled to service under the Public Employees**
31 **Retirement System as a police officer only for service performed on or after the operative**
32 **date specified in subsection (1) of this section.**

33 **SECTION 7. This 2017 Act being necessary for the immediate preservation of the public**
34 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**
35 **on its passage.**

36