

SB 1546 STAFF MEASURE SUMMARY

Senate Committee On Workforce

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Meeting Dates: 2/6, 2/8

WHAT THE MEASURE DOES:

Allows judge member of Public Employee Retirement System who was formerly a member of Oregon Public Service Retirement Plan (OPSRP) to apply service credit as a judge member towards hours of service required for vesting in OPSRP pension program. Effective 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

All PERS members are in a plan based on their date of hire. Those plans are Tier One, Tier Two and the Oregon Public Service Retirement Plan (OPSRP). However, judges have a separate PERS plan. Each program has its own eligibility criteria, vesting requirements, calculation formulas, and benefit payment options. Judges elected or appointed on or after January 1, 1984, automatically become a judge member of PERS on the date they take office.

An individual who was formerly a Tier One or Tier Two member before becoming a judge member and who is not yet vested in the Tier One or Tier Two pension program may apply service credit as a judge member towards hours of service required for vesting in those pension programs. ORS 238.585. Creditable service (retirement credit) is the number of years and months during which a judge earns PERS-qualifying salary and contributions as a judge member. However, an individual who was an OPSRP member before becoming a judge member and who is not yet vested in the OPSRP pension program may not apply service credit as a judge member towards hours of service required for vesting in OPSRP. To illustrate this difference between Tier One/Tier Two and OPSRP, an individual who becomes a judge member after four years and 10 months as a Tier One or Tier Two member is likely to receive a pension for that time, while an individual who becomes a judge after the same amount of service credit as an OPSRP member will receive no pension for that time.

Senate Bill 1546 establishes parity between judges who are former members of Tier One/Tier Two and OPSRP with respect to vesting. The number of judges this measure would impact is expected to be low.