

HB 4012 STAFF MEASURE SUMMARY

Senate Committee On Workforce

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Meeting Dates: 2/20

WHAT THE MEASURE DOES:

Extends sunset to June 30, 2023, on provision allowing certain PERS retirees to work as career and technical education teacher without loss of retirement benefits. Takes effect 91 days following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

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.

If a retiree wishes to re-enter the workforce, their PERS benefit could be affected based on the plan they retired under, who their employer is, and how many hours they work per year. Any retiree who works for a private-sector or non-PERS covered employer may work unlimited hours without any impact on their level of retirement benefit. In general, a Tier One or Tier Two retired PERS member working for a participating public employer can continue to receive retirement benefits as long as the total period of combined employment with one or more participating public employers does not total more than 1,039 hours in a calendar year. Retirement benefit payments will cease for a retiree under the Oregon Public Service Retirement Plan (OPSRP) if they are employed in a qualifying position by a participating employer.

To address a labor shortage, the Legislative Assembly passed House Bill 3058 in 2015, to allow a retiree to work an unlimited number of hours as a career and technical education teacher without any loss of retirement benefits. That exemption expires June 30, 2018. House Bill 4012 extends the sunset to June 30, 2023. The measure applies to retirees under PERS Tier One and Tier Two plans; it does not apply to retirees under the more recent OPSRP.