

SUBCOMMITTEE RECOMMENDATION

HB 4159

**Relating to the individual account program
of the Oregon Public Service Retirement Plan**

HB 4159 provides for Individual Account Program member choice in investment selection. The IAP is the defined contribution portion of a PERS benefit and is funded with 6% of a member's salary, which is either employee-paid or assumed and paid by the employer.

The Oregon Investment Council moved the IAP to a target-date solution beginning January 2, 2018. IAP assets will be moved into an increasingly conservative portfolio as the member ages to help protect against market fluctuations. This change was mandatory and provided for no member choice to make individual investment decisions.

HB 4159 provides for member choice beginning on January 1, 2019. The State Treasurer is to notify the PERS Board by December 31, 2018 if legal or fiduciary standards prohibit implementation. The bill also provides PERS with an exemption from standard procurement law in order to meet the implementation timeline.

The fiscal impact is indeterminate at this time.

The bill declares an emergency and is effective on passage.

The General Government Subcommittee recommends HB 4159 be reported out do pass.