

**SB 1546 STAFF MEASURE SUMMARY**

**Carrier:** Rep. Piluso

**House Committee On Business and Labor**

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**Action Date:** 02/26/18

**Action:** Do Pass.

**Vote:** 11-0-0-0

**Yeas:** 11 - Barreto, Boles, Bynum, Doherty, Evans, Fahey, Heard, Holvey, Kennemer, Piluso, Wilson

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

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**WHAT THE MEASURE DOES:**

Allows judge member of Public Employees Retirement System who was formerly a member of Oregon Public Service Retirement Plan (OPSRP), but not yet vested, to apply service credit as a judge member towards hours of service required for vesting in OPSRP pension program. Applies to judge whose effective date of retirement is on or after January 1, 2018. Effective 91st day following adjournment *sine die*.

**ISSUES DISCUSSED:**

- Ability to recruit people to the bench
- Effort Judiciary Department made to develop proposal with PERS staff

**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. There is no vesting requirement for the Individual Account Program regardless of Tier One, Tier Two, or OPSRP status.

Senate Bill 1546 establishes parity between judges who are former members of Tier One/Tier Two and OPSRP with respect to vesting.