

**SB 634 STAFF MEASURE SUMMARY**

**Senate Committee On Workforce**

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**Meeting Dates:** 2/7

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**WHAT THE MEASURE DOES:**

Establishes that remuneration paid to member of Public Employee Retirement System (PERS) for services to a public charter school during continuous period of employment is taxable income under Oregon law if member was hired by the public charter school in qualifying position between August 29, 2003, and December 31, 2016, inclusive, and member resided and performed those services in United States.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

In 2017, the Oregon Legislature enacted a law (SB 201) to allow a limited group of employees hired by Oregon public universities who reside and work outside of Oregon to receive PERS benefits. The statutory definition of "salary" excludes compensation paid to Oregon public employees residing and working outside Oregon. Between August 29, 2003 and December 2016, public universities misapplied the definition resulting in them making PERS contributions and erroneously communicating to certain employees that they could receive benefits. Oregon now provides retirement benefits to that limited group of university employees whose income was not taxable in Oregon and who had been mistakenly led to believe that they would receive such benefits on all compensation earned, whether taxable in Oregon or not.

SB 634 would allow public charter school employees who reside and work outside of Oregon to receive PERS benefits provided they were continuously employed in a qualifying position in the specified time period, informed they were eligible for retirement benefits, and their employer made PERS contributions.