

SB 768 -12 STAFF MEASURE SUMMARY

Senate Committee On Workforce

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/5, 4/4

WHAT THE MEASURE DOES:

Eliminates sunset on provision allowing certain PERS retirees to work as career and technical education teacher without loss of retirement benefits. Allows any teacher to work unlimited hours without a loss of retirement benefits.

ISSUES DISCUSSED:

- Workforce shortages in career and technical education and many other professions
- Balancing immediate need to fill workforce gaps using retirees and long-term workforce development through new hires

EFFECT OF AMENDMENT:

-12 Allows public employer during calendar years 2020 through 2024 to employ any retired member without limitation on the hours work provided the employer contributes to PERS the percentage of the member's wages that would have been contributed if the member was active in PERS. Requires PERS to apply those contributions against the employer's Unfunded Actuarial Liability. Exempts school districts and education service districts located in a county of not more than 35,000 inhabitants from contributing percentage of member's wages. Exempts retired members who re-employ as member of Legislative Assembly. Sunsets on January 2, 2025.

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 retirees wish 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.

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 (CTE) teacher without any loss of retirement benefits. House Bill 4012 (2018) extended the sunset to June 30, 2023 for retirees under PERS Tier One and Tier Two plans. Senate Bill 768 eliminates the sunset for CTE teachers working unlimited hours and allows any teacher to work unlimited hours for a school district or ESD.