

**HB 2646 STAFF MEASURE SUMMARY**

**House Committee On Business and Labor**

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**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 4/3

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**WHAT THE MEASURE DOES:**

Treats housing allowance paid to certain prison chaplains as salary for purposes of Public Employees Retirement System (PERS). Applies to housing allowances paid before, on, or after effective date of measure. Applies only to members whose effective date of retirement is on or after effective date of measure. Applies to members of the Oregon Public Service Retirement Plan of PERS.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Eligible employees of a participating employer in the Public Employees Retirement System who were hired after August 28, 2003, are members of the Oregon Public Service Retirement Plan (OPSRP). Employees hired prior to that date are either in the Tier 1 or Tier 2 plan. For OPSRP members, their pension benefit is based on salary. Statute defines salary to mean the remuneration paid to an active member in return for services to the participating public employer, including remuneration in the form of living quarters, board or other items of value, to the extent the remuneration is includable in the employee's taxable income under Oregon law.

House Bill 2646 treats a housing allowance paid to a prison chaplain who is an OPSRP member as if it were includable in the member's taxable income under Oregon law.