

HB 2646 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Action Date: 04/08/19

Action: Without recommendation as to passage and be referred to Ways and Means.

Vote: 8-3-0-0

Yeas: 8 - Barker, Boles, Bynum, Clem, Doherty, Evans, Fahey, Holvey

Nays: 3 - Barreto, Bonham, Boshart Davis

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 4/3, 4/8

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:

- Impact on retirement benefits when housing allowance deducted from gross salary, and the adjusted wage is reported on W-2 as permitted by federal tax law

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Eligible employees of a participating employer in the Public Employees Retirement System (PERS) who were hired after August 28, 2003, are designated as members of the Oregon Public Service Retirement Plan (OPSRP). Employees hired prior to that date are either in the Tier 1 or Tier 2 PERS 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 taxable income under Oregon law.