

SB 768 STAFF MEASURE SUMMARY

Senate Committee On Workforce

Action Date: 04/09/19

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

Vote: 4-0-1-0

Yeas: 4 - Golden, Knopp, Monnes Anderson, Taylor

Exc: 1 - Hansell

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 3/5, 4/9

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 with long-term workforce development through new hires
- Proposal in -12 amendment to allow retirees, with one exception, to work unlimited hours provided public employer makes contributions to PERS to reduce unfunded actuarial liability

EFFECT OF AMENDMENT:

No amendment.

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 (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. Senate Bill 768 eliminates the sunset for CTE teachers working unlimited hours and expands the exemption to allow any teacher, including CTE teachers, to work unlimited hours for a school district or education service district.