House Bill 2616

Sponsored by Representative HELM (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Directs Public Employees Retirement Board to reimburse certain recipient of reduced payment under Public Employees Retirement System if recipient establishes that payment was subject to Oregon personal income tax.

Makes increase in benefits occurring when board learns that payments are subject to Oregon personal income tax effective on first day of month after receipt of notice, rather than first day of calendar year after receipt of notice.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to payments under the Public Employees Retirement System subject to Oregon personal income tax; creating new provisions; amending ORS 238.374 and 238.376; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. If the Public Employees Retirement Board reduced the benefits payable to a person under ORS 238.376 (1) or 238.378 (2) and the person establishes to the satisfaction of the board that a payment that was reduced was subject to Oregon personal income tax under ORS 316.127 (9), the board shall reimburse the person in the amount that the payment was reduced. The board may deduct from the reimbursement administrative expenses incurred by the board in processing the reimbursement.

SECTION 2. ORS 238.374 is amended to read:

238.374. (1) A person applying for payments under this chapter shall give a written statement to the Public Employees Retirement Board that indicates whether the payments will be subject to Oregon personal income tax under ORS 316.127 (9). If the person fails to provide the statement required by this subsection, or the statement indicates that the payments will not be subject to Oregon personal income tax under ORS 316.127 (9), the board may not pay the person the increased benefits provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995.

(2) If a person is receiving payments under this chapter that have not been increased under chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, by reason of the provisions of subsection (1) of this section, and thereafter the payments become subject to Oregon personal income tax under ORS 316.127 (9), the person shall promptly notify the Public Employees Retirement Board by written statement that the payments are subject to Oregon personal income tax under ORS 316.127 (9).

(3) If a person is receiving payments under this chapter that have not been increased under chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, by reason of the provisions of subsection (1) of this section, and the board receives notice under subsection (2) of this section that payments to the person under this chapter are subject to Oregon personal income tax under ORS

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

LC 217
316.127 (9), or determines under ORS 238.378 that payments to the person under this chapter are subject to Oregon personal income tax under ORS 316.127 (9), the board shall initiate payment of the increased benefits provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. The increase in benefits becomes effective on the first day of the [calendar year] month following receipt of notice by the board.

SECTION 3. ORS 238.376 is amended to read:

238.376. (1) If a person is receiving payments under this chapter, and after the payments commence the payments cease to be subject to Oregon personal income tax under ORS 316.127 (9), the person shall promptly notify the Public Employees Retirement Board by written statement that the payments are no longer subject to Oregon personal income tax under ORS 316.127 (9). The board shall reduce any benefits payable to the person by the amount by which the benefits were increased under chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. The reduction in benefits becomes effective on the first day of the calendar year following receipt of notice by the board.

(2) If a person is receiving payments under this chapter that have been reduced because the payments are not subject to Oregon personal income tax under ORS 316.127 (9), and thereafter the payments become subject to Oregon personal income tax under ORS 316.127 (9), the person shall promptly notify the board by written statement that the payments are once again subject to Oregon personal income tax under ORS 316.127 (9).

(3) If a person is receiving payments under this chapter that have been reduced because the payments are not subject to Oregon personal income tax under ORS 316.127 (9), and the board receives notice under subsection (2) of this section that payments to the person under this chapter are once again subject to Oregon personal income tax under ORS 316.127 (9), or determines under ORS 238.378 that payments to the person under this chapter are once again subject to Oregon personal income tax under ORS 316.127 (9), the board shall resume payment of the increased benefits provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. The increase in benefits becomes effective on the first day of the [calendar year] month following receipt of notice by the board.

SECTION 4. (1) Section 1 of this 2019 Act applies to all benefits payments, whether made before, on or after the effective date of this 2019 Act.

(2) The amendments to ORS 238.374 and 238.376 by sections 2 and 3 of this 2019 Act apply only to notices that payments are subject to Oregon personal income tax received by the Public Employees Retirement Board on or after the effective date of this 2019 Act.

SECTION 5. This 2019 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect on its passage.