

A-Engrossed
House Bill 2861

Ordered by the House April 16
Including House Amendments dated April 16

Sponsored by COMMITTEE ON RULES (at the request of Representative Paul Holvey)

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.

Directs Public Employees Retirement Board to provide members of individual account program of Public Employees Retirement System with written disclosure statement about investment options available under program.

Limits liability of state, State Treasurer, Oregon Investment Council and board, and their officers and employees, related to investment options available under individual account program.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the individual account program of the Public Employees Retirement System; creating
3 new provisions; amending sections 2 and 3, chapter 118, Oregon Laws 2018; repealing section
4 4, chapter 118, Oregon Laws 2018; and declaring an emergency.

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

6 **SECTION 1.** Section 2, chapter 118, Oregon Laws 2018, is amended to read:

7 **Sec. 2.** (1) Except as provided in subsection ~~[(6)]~~ (7) of this section, the Public Employees Re-
8 tirement Board, in consultation with the office of the State Treasurer, shall adopt rules providing
9 that if the Oregon Investment Council invests the assets of the individual account program in mul-
10 tiple risk categories depending on the characteristics of an individual member, a member of the in-
11 dividual account program may elect to have the moneys in the member's individual accounts
12 established under ORS 238A.350 deposited into an investment option approved by the council.

13 (2) A member may make an election under this section once per calendar year. The board shall
14 establish by rule the date by which a member must make an election under this section in order for
15 the election to become effective on January 1 of the following calendar year.

16 (3) **The board shall give each member of the individual account program a disclosure**
17 **statement in writing that contains information regarding the investment options approved**
18 **under this section, including the risk and return characteristics of the investment options,**
19 **that members should consider when making an investment decision for their funds.**

20 ~~[(3)]~~ (4) Subject to such direction and oversight as may be provided by the Legislative Assembly,
21 the board shall take all steps necessary to develop and implement the information technology sys-
22 tems needed to implement and carry out this section.

23 ~~[(4)]~~ (5) The board may contract with a private provider for purposes of implementing this sec-
24 tion. The board is not subject to the provisions of ORS chapter 279A or 279B in awarding a contract
25 under the provisions of this subsection. The board shall establish procedures for inviting proposals
26 and awarding contracts under this subsection.

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.

1 [(5)] (6) The board may adopt rules as necessary to implement this section, **which may include**
2 **rules to create a separate trust or subtrust to hold moneys that are subject to members'**
3 **investment choice and direction**, but the council and the office of the State Treasurer retain au-
4 thority over investment decisions required to implement this section.

5 [(6)] (7) The board may not adopt rules under subsection (1) of this section that violate state
6 or federal laws or regulations.

7 **SECTION 2.** Section 3, chapter 118, Oregon Laws 2018, is amended to read:

8 **Sec. 3.** The Public Employees Retirement Board shall allow members of the individual account
9 program to make an election under section 2, [*of this 2018 Act*] **chapter 118, Oregon Laws 2018**,
10 that becomes effective on January 1, [2019] **2020**.

11 **SECTION 3.** **Section 4 of this 2019 Act is added to and made a part of ORS chapter 238A.**

12 **SECTION 4.** **The state, the State Treasurer, the Oregon Investment Council and the**
13 **Public Employees Retirement Board, and their officers or employees, are not liable in a civil**
14 **action or otherwise, for any losses suffered by a member because of a member's election of**
15 **an investment option under section 2, chapter 118, Oregon Laws 2018.**

16 **SECTION 5.** Section 4, chapter 118, Oregon Laws 2018, is repealed.

17 **SECTION 6.** **This 2019 Act being necessary for the immediate preservation of the public**
18 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
19 **on its passage.**