

# Senate Bill 705

Sponsored by Senator KNOPP (at the request of Port of Portland)

## 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 allow participating employers making certain lump sum payments to Public Employees Retirement System to choose starting date for amortization period for use of lump sum payment to offset contributions to system.

## A BILL FOR AN ACT

1  
2 Relating to employer contributions to the Public Employees Retirement System; creating new pro-  
3 visions; and amending section 3b, chapter 105, Oregon Laws 2018.

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

5 **SECTION 1.** Section 3b, chapter 105, Oregon Laws 2018, is amended to read:

6 **Sec. 3b. (1)** If a participating public employer makes a lump sum payment from moneys not  
7 borrowed by the employer to an account established under ORS 238.229 in an amount equal to or  
8 greater than \$10 million, the Public Employees Retirement Board shall allow the participating public  
9 employer to choose an amortization period of six years, 10 years, 16 years or 20 years for the use  
10 of the lump sum payment to offset contributions to the system that the public employer would oth-  
11 erwise be required to make for the liabilities against which the lump sum payment is applied.

12 **(2)(a) The board shall allow a participating public employer making a lump sum payment**  
13 **under this section to choose the year in which to begin to use the lump sum payment to**  
14 **offset contributions to the system that the public employer would otherwise be required to**  
15 **make for the liabilities against which the lump sum payment is applied. The board shall begin**  
16 **using the lump sum payment on July 1 of the year chosen under this subsection. A period**  
17 **for using a lump sum payment chosen under this section must end no later than 20 years**  
18 **after the first day of the fiscal year after the lump sum payment is made.**

19 **(b) A lump sum payment for which an employer chooses the beginning of the amorti-**  
20 **zation period under this subsection is not a qualifying lump sum payment for purposes of**  
21 **section 2, chapter 105, Oregon Laws 2018.**

22 **(c) In lieu of the expenses authorized under ORS 238.229 (3), the board may charge an**  
23 **employer expenses for administration of an account established under this subsection in an**  
24 **amount not to exceed \$\_\_\_ for the calendar year in which the account is established and for**  
25 **the immediately following two calendar years, and in an amount not to exceed \$\_\_\_ per**  
26 **year for all subsequent years during which the account is administered.**

27 **SECTION 2.** Section 3b, chapter 105, Oregon Laws 2018, as amended by section 1 of this 2019  
28 Act, is amended to read:

29 **Sec. 3b. [(1)]** If a participating public employer makes a lump sum payment from moneys not  
30 borrowed by the employer to an account established under ORS 238.229 in an amount equal to or  
31 greater than \$10 million, the Public Employees Retirement Board shall allow the participating public

**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 employer to choose an amortization period of six years, 10 years, 16 years or 20 years for the use  
 2 of the lump sum payment to offset contributions to the system that the public employer would oth-  
 3 erwise be required to make for the liabilities against which the lump sum payment is applied.

4 *[(2)(a) The board shall allow a participating public employer making a lump sum payment under  
 5 this section to choose the year in which to begin to use the lump sum payment to offset contributions  
 6 to the system that the public employer would otherwise be required to make for the liabilities against  
 7 which the lump sum payment is applied. The board shall begin using the lump sum payment on July  
 8 1 of the year chosen under this subsection. A period for using a lump sum payment chosen under this  
 9 section must end no later than 20 years after the first day of the fiscal year after the lump sum payment  
 10 is made.]*

11 *[(b) A lump sum payment for which an employer chooses the beginning of the amortization period  
 12 under this subsection is not a qualifying lump sum payment for purposes of section 2, chapter 105,  
 13 Oregon Laws 2018.]*

14 *[(c) In lieu of the expenses authorized under ORS 238.229 (3), the board may charge an employer  
 15 expenses for administration of an account established under this subsection in an amount not to exceed  
 16 \$\_\_\_ for the calendar year in which the account is established and for the immediately following two  
 17 calendar years, and in an amount not to exceed \$\_\_\_ per year for all subsequent years during which  
 18 the account is administered.]*

19 **SECTION 3. (1) The amendments to section 3b, chapter 105, Oregon Laws 2018, by section  
 20 1 of this 2019 Act apply to lump sum payments made before January 1, 2024.**

21 **(2) The amendments to section 3b, chapter 105, Oregon Laws 2018, by section 2 of this  
 22 2019 Act become operative on January 1, 2024.**

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