

HOUSE AMENDMENTS TO HOUSE BILL 4108

By COMMITTEE ON BUSINESS AND LABOR

February 13

1 In line 2 of the printed bill, after “System” insert “; creating new provisions; and amending ORS
2 238A.005”.

3 Delete lines 4 through 12 and insert:

4 “**SECTION 1.** ORS 238A.005 is amended to read:

5 “238A.005. For the purposes of this chapter:

6 “(1) ‘Active member’ means a member of the pension program or the individual account program
7 of the Oregon Public Service Retirement Plan who is actively employed in a qualifying position.

8 “(2) ‘Actuarial equivalent’ means a payment or series of payments having the same value as the
9 payment or series of payments replaced, computed on the basis of interest rate and mortality as-
10 sumptions adopted by the board.

11 “(3) ‘Board’ means the Public Employees Retirement Board.

12 “(4) ‘Eligible employee’ means a person who performs services for a participating public em-
13 ployer, including elected officials other than judges. ‘Eligible employee’ does not include:

14 “(a) Persons engaged as independent contractors;

15 “(b) Aliens working under a training or educational visa;

16 “(c) Persons provided sheltered employment or make-work by a public employer;

17 “(d) Persons categorized by a participating public employer as student employees;

18 “(e) Any person who is in custody in a state institution;

19 “(f) Employees of foreign trade offices of the Oregon Business Development Department who live
20 and perform services in foreign countries under the provisions of ORS 285A.075 (1)(g);

21 “(g) An employee actively participating in an alternative retirement program established under
22 ORS 353.250 or an optional retirement plan established under ORS 341.551;

23 “(h) Employees of a public university listed in ORS 352.002 who are actively participating in an
24 optional retirement plan offered under ORS 243.815;

25 “(i) Persons employed in positions classified as post-doctoral scholar positions by a public uni-
26 versity listed in ORS 352.002, or by the Oregon Health and Science University, under ORS 350.370;

27 “(j) Any employee who belongs to a class of employees that was not eligible on August 28, 2003,
28 for membership in the system under the provisions of ORS chapter 238 or other law;

29 “(k) Any person who belongs to a class of employees who are not eligible to become members
30 of the Oregon Public Service Retirement Plan under the provisions of ORS 238A.070 (2);

31 “(L) Any person who is retired under ORS 238A.100 to 238A.250 or ORS chapter 238 and who
32 continues to receive retirement benefits while employed; and

33 “(m) Judges.

34 “(5) ‘Firefighter’ means:

35 “(a) A person employed by a local government, as defined in ORS 174.116, whose primary job

1 duties include the fighting of fires;

2 “(b) The State Fire Marshal, the chief deputy state fire marshal and deputy state fire marshals;

3 “(c) An employee of the State Forestry Department who is certified by the State Forester as a
4 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
5 fires as described in ORS 477.064; and

6 “(d) An employee of the Oregon Military Department whose primary duties include fighting
7 structural, aircraft, wildland or other fires.

8 “(6) ‘Fund’ means the Public Employees Retirement Fund.

9 “(7)(a) ‘Hour of service’ means:

10 “(A) An hour for which an eligible employee is directly or indirectly paid or entitled to payment
11 by a participating public employer for performance of duties in a qualifying position; and

12 “(B) An hour of vacation, holiday, illness, incapacity, jury duty, military duty or authorized
13 leave during which an employee does not perform duties but for which the employee is directly or
14 indirectly paid or entitled to payment by a participating public employer for services in a qualifying
15 position, as long as the hour is within the number of hours regularly scheduled for the performance
16 of duties during the period of vacation, holiday, illness, incapacity, jury duty, military duty or au-
17 thorized leave.

18 “(b) ‘Hour of service’ does not include any hour for which payment is made or due under a plan
19 maintained solely for the purpose of complying with applicable unemployment compensation laws.

20 “(8) ‘Inactive member’ means a member of the pension program or the individual account pro-
21 gram of the Oregon Public Service Retirement Plan whose membership has not been terminated, who
22 is not a retired member and who is not employed in a qualifying position.

23 “(9) ‘Individual account program’ means the defined contribution individual account program of
24 the Oregon Public Service Retirement Plan established under ORS 238A.025.

25 “(10) ‘Institution of higher education’ means a public university listed in ORS 352.002, the
26 Oregon Health and Science University or a community college, as defined in ORS 341.005.

27 “(11) ‘Member’ means an eligible employee who has established membership in the pension pro-
28 gram or the individual account program of the Oregon Public Service Retirement Plan and whose
29 membership has not been terminated under ORS 238A.110 or 238A.310.

30 “(12) ‘Participating public employer’ means a public employer as defined in ORS 238.005 that
31 provides retirement benefits for employees of the public employer under the system.

32 “(13) ‘Pension program’ means the defined benefit pension program of the Oregon Public Service
33 Retirement Plan established under ORS 238A.025.

34 “(14) ‘Police officer’ means a police officer as described in ORS 238.005.

35 “(15) ‘Qualifying position’ means one or more jobs with one or more participating public em-
36 ployers in which an eligible employee performs 600 or more hours of service in a calendar year,
37 excluding any service in a job for which benefits are not provided under the Oregon Public Service
38 Retirement Plan pursuant to ORS 238A.070 (2).

39 “(16) ‘Retired member’ means a pension program member who is receiving a pension as provided
40 in ORS 238A.180 to 238A.195.

41 “(17)(a) ‘Salary’ means the remuneration paid to an active member in return for services to the
42 participating public employer, including remuneration in the form of living quarters, board or other
43 items of value, to the extent the remuneration is includable in the employee’s taxable income under
44 Oregon law. ‘Salary’ includes the additional amounts specified in paragraph (b) of this subsection,
45 but does not include the amounts specified in paragraph [(c)] (d) of this subsection, regardless of

1 whether those amounts are includable in taxable income.

2 “(b) ‘Salary’ includes the following amounts:

3 “(A) Payments of employee and employer money into a deferred compensation plan that are
4 made at the election of the employee.

5 “(B) Contributions to a tax-sheltered or deferred annuity that are made at the election of the
6 employee.

7 “(C) Any amount that is contributed to a cafeteria plan or qualified transportation fringe benefit
8 plan by the employer at the election of the employee and that is not includable in the taxable in-
9 come of the employee by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2018.

10 “(D) Any amount that is contributed to a cash or deferred arrangement by the employer at the
11 election of the employee and that is not included in the taxable income of the employee by reason
12 of 26 U.S.C. 402(e)(3), as in effect on December 31, 2018.

13 “(E) Retroactive payments described in ORS 238.008.

14 “(F) The amount of an employee contribution to the individual account program that is paid by
15 the employer and deducted from the compensation of the employee, as provided under ORS 238A.335
16 (1) and (2)(a).

17 “(G) The amount of an employee contribution to the individual account program that is not paid
18 by the employer under ORS 238A.335.

19 “(H) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
20 652.190.

21 **“(c) ‘Salary’ includes a housing allowance paid to a member in exchange for services, as
22 a prison chaplain, rendered to a participating public employer.**

23 “[c] (d) ‘Salary’ does not include the following amounts:

24 “(A) Travel or any other expenses incidental to employer’s business which is reimbursed by the
25 employer.

26 “(B) Payments made on account of an employee’s death.

27 “(C) Any lump sum payment for accumulated unused sick leave, vacation leave or other paid
28 leave.

29 “(D) Any severance payment, accelerated payment of an employment contract for a future period
30 or advance against future wages.

31 “(E) Any retirement incentive, retirement bonus or retirement gratuitous payment.

32 “(F) Payment for a leave of absence after the date the employer and employee have agreed that
33 no future services in a qualifying position will be performed.

34 “(G) Payments for instructional services rendered to public universities listed in ORS 352.002
35 or the Oregon Health and Science University when those services are in excess of full-time em-
36 ployment subject to this chapter. A person employed under a contract for less than 12 months is
37 subject to this subparagraph only for the months covered by the contract.

38 “(H) The amount of an employee contribution to the individual account program that is paid by
39 the employer and is not deducted from the compensation of the employee, as provided under ORS
40 238A.335 (1) and (2)(b).

41 “(I) Compensation described and authorized under ORS 341.556 that is not paid by the commu-
42 nity college employing the faculty member.

43 “(J) Compensation described and authorized under ORS 352.232 that is not paid by the public
44 university employing the officer or employee.

45 “(K) Compensation described and authorized under ORS 353.270 that is not paid by Oregon

1 Health and Science University.

2 “(L) For years before 2020, any amount in excess of \$200,000 for a calendar year. If any period
3 over which salary is determined is less than 12 months, the \$200,000 limitation for that period shall
4 be multiplied by a fraction, the numerator of which is the number of months in the determination
5 period and the denominator of which is 12. The board shall adopt rules adjusting this dollar limit
6 to incorporate cost-of-living adjustments authorized by the Internal Revenue Service.

7 “(M) For years beginning on or after January 1, 2020, any amount in excess of \$195,000 for a
8 calendar year. If any period over which salary is determined is less than 12 months, the \$195,000
9 limitation for that period shall be multiplied by a fraction, the numerator of which is the number
10 of months in the determination period and the denominator of which is 12. On January 1 of each
11 year, the board shall adjust the dollar limit provided by this subparagraph to reflect any percentage
12 changes in the Consumer Price Index for All Urban Consumers, West Region (All Items), as pub-
13 lished by the Bureau of Labor Statistics of the United States Department of Labor.

14 “(18) ‘System’ means the Public Employees Retirement System.

15 “(19) ‘Workers’ compensation benefits’ means:

16 “(a) Payments made under ORS chapter 656; or

17 “(b) Payments provided in lieu of workers’ compensation benefits under ORS 656.027 (6).

18 **“SECTION 2. (1) Except as provided in subsection (2) of this section, the amendments to**
19 **ORS 238A.005 by section 1 of this 2020 Act apply to housing allowances paid before, on and**
20 **after the effective date of this 2020 Act.**

21 **“(2) The amendments to ORS 238A.005 by section 1 of this 2020 Act apply only to mem-**
22 **bers whose effective date of retirement is on or after the effective date of this 2020 Act.”.**

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