

HB 3130 -2 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/22, 3/29

WHAT THE MEASURE DOES:

Provides that substitute teacher shall be considered an employee of the school district and eligible for retirement and health benefits. Applies retroactively back to 2017-2018 school year.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Replaces the measure. Provides that substitute teacher shall be considered an employee of the school district even if the school district delegates to a third party any aspect of the management of the teacher and shall be considered to be performing hours of service for a participating public employer in a qualifying position for purposes of benefits under the Public Employees Retirement System. Applies to work performed on or after January 1, 2015. Clarifies that a substitute teacher may either be employed by or perform services for a school district.

BACKGROUND:

The Public Employees Retirement System provides the Oregon Public Service Retirement Program (OPSRP) to eligible employee who were hired on or after August 29, 2003. OPSRP is a hybrid retirement program that provides a defined benefit plan (i.e., a pension) and a defined contribution plan (i.e., the Individual Account Program (IAP)). Membership for both the pension and the IAP begin on the first day of the month after the employee completes six full calendar months of employment in a qualifying position. Once membership is established, the member is vested in the IAP employee account immediately; however, if the employer makes the IAP contributions for the member, vesting occurs on the earliest of the following dates: when the member completes 600 hours in each of any five years; when the member reaches normal retirement age; when the IAP program is terminated; when the member becomes disabled; or when the member dies. To vest in the pension program, the member must work at least 600 hours in each of any five calendar years.

Some school districts use a staffing agency to provide substitute teachers. The substitute teacher performs services for the school district but remains an employee of the third party staffing agency.