

HB 2875 -1, -2 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 3/24, 3/31

WHAT THE MEASURE DOES:

Directs Public Employees Retirement Board to study public employee retirement and report to legislative committee by September 15, 2022.

ISSUES DISCUSSED:

- Effort recruit and retain fire professionals in Office of State Fire Marshal (OSFM)
- Typical employee of OSFM comes from a position with PERS firefighter designation

EFFECT OF AMENDMENT:

-1 Replaces the measure. Defines, for purposes of the Public Employees Retirement System, that "firefighter" includes employees of the State Fire Marshal whose primary duties include fire investigation, fire prevention, fire safety, fire control, or fire suppression. Applies to current and future employees of the State Fire Marshal. Provides that employee of State Fire Marshal is entitled to service as a firefighter for service performed before, on, or after effective date.

-2 Replaces the measure. Defines, for purposes of the Public Employees Retirement System, that "firefighter" includes employees of the State Fire Marshal whose primary duties include fire investigation, fire prevention, fire safety, fire control, or fire suppression. Applies to current and future employees of the State Fire Marshal. Provides that employee of State Fire Marshal is entitled to service as a firefighter only for service performed on or after effective date.

BACKGROUND:

There are two classifications for all primary Public Employees Retirement System (PERS) plans: General Service, and Police and Fire (P&F). Examples of qualified P&F positions include certain Department of Corrections employees, Oregon State Police officers, local government police officers, parole and probation officers, the state and deputy state fire marshal, and persons employed by cities, counties, or districts whose duties involve firefighting. All other qualifying positions are classified as General Service. Employees classified as P&F under PERS statutes can retire at an earlier age and have a higher benefit factor used in calculating their retirement benefits. According to PERS, these enhanced benefits raise the cost of benefits members earn while in that status by four to five percent of payroll. Those costs increase further if existing General Service members move into P&F status.