

## HB 2906 STAFF MEASURE SUMMARY

### House Committee On Business and Labor

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**Action Date:** 04/12/21

**Action:** Without recommendation as to passage and be referred to Rules.

**Vote:** 11-0-0-0

**Yeas:** 11 - Bonham, Boshart Davis, Breese-Iverson, Bynum, Clem, Evans, Fahey, Grayber, Holvey, Post, Witt

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 4/12

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#### WHAT THE MEASURE DOES:

Directs Public Employees Retirement Board to study methods to allow PERS members to certify that they will earn less than \$30,000 in the calendar year and thus not be subject to having a portion of their salary redirected from their Individual Account Program contribution to their pension stability account. Requires Board to report results of the study to the appropriate committee of the Legislative Assembly by September 15, 2022.

#### ISSUES DISCUSSED:

- Referring the measure to House Committee on Rules

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

Senate Bill 1049 (2019) made several cost-saving changes to the Public Employees Retirement System (PERS). One change requires a portion of a member's salary be redirected from their Individual Account Program (IAP) contribution to their pension stability account if their salary exceeds \$2,500 per month. For Tier 1 and Tier 2 members whose salary exceeds \$2,500 per month, 2.5 percent of the monthly salary is redirected; for Oregon Public Service Retirement Plan (OPSRP) members, 0.75 percent is redirected. PERS members who annually earn less than \$30,000 may have a month or more during the year when they earn more than \$2,500. Advocates for these PERS members want to ensure that a worker who earns less than \$30,000 per year is not subject to the pension redirect and that their IAP retains the full 6 percent contribution.

House Bill 2906 directs the Public Employees Retirement Board to study methods to allow PERS members to certify that they will earn less than \$30,000 per year and thus not have any salary redirected from their IAP to their pension stability account.