House Bill 2223

Sponsored by Representative WILDE (Presession filed.)

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 participating public employers in Public Employees Retirement System to make employer contributions to individual account program, or cash payments, of one percent of member's salary during certain periods, depending on funded status of system.

Directs Public Employees Retirement Board to make cash payments of one percent of retired member's final average salary to retired member or beneficiary during certain periods, depending on funded status of system. Directs board to adopt rules establishing method for recovering payments from participating public employers.

A BILL FOR AN ACT

Relating to public employee retirement; creating new provisions; and amending ORS 238A.350.

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

SECTION 1. Sections 2 and 3 of this 2021 Act are added to and made a part of ORS chapter 238A.

SECTION 2. (1) During a biennium following a rate setting valuation prepared by the actuary under ORS 238.605 that shows that the funded status of the system, including any lump sum payments made under ORS 238.229, is 90 percent or greater, a participating public employer shall:

(a) Make employer contributions for a member of the individual account program employed by the employer in the amount of one percent of the member's salary; or

(b) Make cash payments to a member of the individual account program employed by the employer in the amount of one percent of the member's salary.

(2) The total contributions and payments made by an employer for a member under this section may not exceed the amount credited to the member's employee pension stability account established for the member under ORS 238A.353.

(3) Contributions made under this section shall be credited to the employer account established for the member under ORS 238A.350 (3).

SECTION 3. (1) During a biennium following a rate setting valuation prepared by the actuary under ORS 238.605 that shows that the funded status of the system, including any lump sum payments made under ORS 238.229, is 90 percent or greater, the Public Employees Retirement Board shall make cash payments to a retired member of the individual account program, or the member's beneficiary, in the amount of one percent of the member's final average salary, as determined under ORS 238A.353.

(2) The total payments made to a retired member under this section may not exceed the amounts in the member's employee pension stability account established for the member under ORS 238A.353, on the member's effective date of retirement.

(3) The board shall adopt rules establishing a method for recovering the amount of pay-
ments made under this section from participating public employers.

SECTION 4. ORS 238A.350 is amended to read:

238A.350. (1) Upon any contributions being made to the individual account program by or on behalf of a member of the program, the Public Employees Retirement Board shall create the account or accounts described in this section. Each account shall be adjusted at least annually in accordance with rules adopted by the board to reflect any net earnings or losses on those contributions and to pay the reasonable administrative costs of maintaining the program to the extent the earnings on the assets of the program are insufficient to pay those costs. The adjustments described in this subsection shall continue until the account is distributed to the member or forfeited.

(2)(a) The board shall establish an employee account, which shall consist of the employee contributions made by or on behalf of the member as adjusted under subsection (1) of this section.

(b) The board shall create a separate employee account for a member who becomes an active member for the purpose of service in the Legislative Assembly under ORS 237.650, which shall consist of the employee contributions made by or on behalf of the member that are attributable to the member’s legislative service, as adjusted under subsection (1) of this section.

(3) If the public employer agrees to make employer contributions under ORS 238A.340 or makes employer contributions under section 2 of this 2021 Act, the board shall establish an employer account, which shall consist of the employer contributions made on behalf of the member as adjusted under subsection (1) of this section.

(4) If the board accepts rollover contributions on behalf of the member, the board shall establish a rollover account, which shall consist of the rollover contributions made by the member as adjusted under subsection (1) of this section. Contributions and the earnings attributable to the contributions must be accounted for separately.

(5) The board shall provide an annual statement to each active and inactive member of the program that reflects the amount credited to the accounts established under this section. The statement shall reflect whether the member is vested in the employer account under the provisions of ORS 238A.320.

SECTION 5. (1) Sections 2 and 3 of this 2021 Act and the amendments to ORS 238A.350 by section 4 of this 2021 Act become operative on July 1, 2022.

(2) The Public Employees Retirement Board may take any action before the operative date specified in subsection (1) of this section to enable the board to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the board by sections 2 and 3 of this 2021 Act and the amendments to ORS 238A.350 by section 4 of this 2021 Act.