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.

[Directs Public Employees Retirement Board to study methods for allowing members of Public Employees Retirement System to certify that member will earn less than $30,000 in calendar year so that board does not credit employee contributions to employee pension stability account.]

Provides that, if monthly salary of member of individual account program of Oregon Public Service Retirement Plan does not exceed $3,333, instead of $2,500, Public Employees Retirement Board shall credit all employee contributions made by member to employee account and credit no employee contributions made by member to employee pension stability account.

A BILL FOR AN ACT

Relating to employee contributions to the Public Employees Retirement System; creating new provisions; and amending ORS 238A.330.

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

SECTION 1. ORS 238A.330 is amended to read:

238A.330. (1) A member of the individual account program must make employee contributions to the individual account program of six percent of the member's salary.

(2) Employee contributions made by a member of the individual account program under this section shall be credited by the Public Employees Retirement Board as follows:

(a) Except as provided in paragraph (c) of this subsection, for a member who established membership in the Public Employees Retirement System before August 29, 2003, as described in ORS 238A.025:

(A) If the member’s salary does not exceed $2,500 in a calendar month, the board shall credit all employee contributions made by the member under this section to the employee account established for the member under ORS 238A.350 (2).

(B) If the member’s salary exceeds $2,500 in a calendar month, the board shall credit:

(i) 3.5 percent of the member’s salary to the employee account established for the member under ORS 238A.350 (2); and

(ii) 2.5 percent of the member’s salary to the employee pension stability account established for the member under ORS 238A.353.

(b) Except as provided in paragraph (c) of this subsection, for a member who established membership in the system on or after August 29, 2003, as described in ORS 238A.025:

(A) If the member’s salary does not exceed $2,500 in a calendar month, the board shall credit all employee contributions made by the member under this section to the employee account...
established for the member under ORS 238A.350 (2).

(B) If the member's salary exceeds $2,500 $3,333 in a calendar month, the board shall credit:
(i) 5.25 percent of the member's salary to the employee account established for the member un-
der ORS 238A.350 (2); and
(ii) 0.75 percent of the member's salary to the employee pension stability account established for
the member under ORS 238A.353.

(c) 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 board shall credit all employee contributions made
by a member of the individual account program to the employee account established for the member
under ORS 238A.350 (2).

(3) If any contributions made by a member of the individual account program are credited to the
employee pension stability account under subsection (2) of this section, the member may make ad-
ditional employee contributions to the individual account program in the amount credited to the
employee pension stability account. The board shall credit employee contributions made under this
subsection to the employee account established for the member under ORS 238A.350 (2). Contribu-
tions under this subsection may not be paid by the employer under ORS 238A.335.

(4) A new member of the individual account program shall first make contributions under this
section for those wages that are attributable to services performed by the employee during the first
full pay period following the six-month probationary period required under ORS 238A.300, without
regard to when those wages are considered earned for other purposes under this chapter.

(5) On January 1 of each year, the board shall adjust the dollar amounts provided in subsection
(2) of this section to reflect any percentage increase in the cost of living for the previous calendar
year, based on changes in the Consumer Price Index for All Urban Consumers, West Region (All

SECTION 2. The amendments to ORS 238A.330 by section 1 of this 2021 Act apply to
calendar months beginning on and after the effective date of this 2021 Act.