Senate Bill 111

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Kate Brown for Public Employees Retirement System)

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.

Modifies provisions relating to public employee retirement.

A BILL FOR AN ACT

Relating to public employee retirement; creating new provisions; and amending ORS 238.082, 238.105, 238.395, 238.730, 238A.005, 238A.120 and 238A.375 and section 2, chapter 105, Oregon Laws 2018, and sections 35 and 37, chapter 355, Oregon Laws 2019.

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

SECTION 1. ORS 238.082 is amended to read:

238.082. (1) Subject to the limitations in this section, any public employer may employ any member who is retired for service if the administrative head of the public employer is satisfied that such employment is in the public interest.

(2) Except as provided in this section, the period or periods of employment by one or more public employers of a retired member who is reemployed under this section may not total 1,040 hours or more in any calendar year.

(3) A retired member who is receiving old-age, survivors or disability insurance benefits under the federal Social Security Act may be employed under this section for the number of hours permitted by subsection (2) of this section, or for the number of hours for which the salary equals the maximum allowed for receipt of the full amount of those benefits to which the person is entitled, whichever is greater.

(4) Except as provided in subsection (9) of this section, the limitations on employment imposed by subsections (2) and (3) of this section do not apply to a retired member who is employed as a teacher or as an administrator, as those terms are defined in ORS 342.120, if the retired member is employed by a school district or community college district located within a county with a population of not more than 35,000 inhabitants according to the latest federal decennial census, or is employed by an education service district and the retired member's primary work duties are performed in a county with a population of not more than 35,000 inhabitants according to the latest federal decennial census. A retired member who is employed under this subsection as a teacher, as defined in ORS 342.120, by the same public employer that employed the member at the time of retirement remains in the same collective bargaining unit that included the member before retirement.

(5) Except as provided in subsection (9) of this section, the limitations on employment imposed by subsections (2) and (3) of this section do not apply to a retired member who is employed:

(a) By the sheriff of a county with a population of fewer than 75,000 inhabitants, according to the latest federal decennial census;

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.
(b) By the municipal police department of a city with a population of fewer than 15,000 inhabitants, according to the latest federal decennial census;

(c) By the state or a county for work in a correctional institution located in a county with a population of fewer than 75,000 inhabitants, according to the latest federal decennial census;

(d) By the Black Butte Ranch Rural Fire Protection District, the Black Butte Ranch Service District or the Sunriver Service District;

(e) By the Oregon State Police for work in a county with a population of fewer than 75,000 inhabitants, according to the latest federal decennial census;

(f) As a deputy director or assistant director of the Department of Human Services, if the Governor approves the exemption for the person from the limitations on employment imposed in subsections (2) and (3) of this section;

(g) As a deputy director or assistant director of the Oregon Health Authority, if the Governor approves the exemption for the person from the limitations on employment imposed in subsections (2) and (3) of this section;

(h) As a special campus security officer commissioned by the governing board of a public university listed in ORS 352.002 under ORS 352.118;

(i) As a security officer for a community college, as defined in ORS 341.005; or

(j) By the Harney County Health District as a person licensed, registered or certified to provide health services.

(6) Except as provided in subsection (9) of this section, the limitations on employment imposed by subsections (2) and (3) of this section do not apply to a retired member who is employed to temporarily replace an employee who serves in the National Guard or in a reserve component of the Armed Forces of the United States and who is called to federal active duty.

(7) Except as provided in subsection (9) of this section, the limitations on employment imposed by subsections (2) and (3) of this section do not apply to a retired member who is employed by a road assessment district organized under ORS 371.405 to 371.535.

(8) Except as provided in subsection (9) of this section, the limitations on employment imposed by subsections (2) and (3) of this section do not apply to a retired member who is a nurse and is employed by a public employer as a nurse or for the purpose of teaching nursing during the period in which a nursing workforce shortage declared by the Legislative Assembly or the Governor is in effect.

(9)(a) Except as provided in paragraph (b) of this subsection, subsections (4) to (8) of this section do not apply to any member who retires under the provisions of ORS 238.280 (1), (2) or (3).

(b) Subsection (4) of this section applies to a person who retires under the provisions of ORS 238.280 (1), (2) or (3) as long as the person is absent from service with all participating public employers for at least six months before the date the person is employed under subsection (4) of this section.

(10) Employment under this section does not affect the status of a person as a retired member of the system and a recipient of retirement benefits under this chapter.

(11) Hours worked by a person employed under subsections (4) to (8) of this section shall not be counted for the purpose of the limitations on employment imposed by subsections (2) and (3) of this section.

SECTION 2. Section 35, chapter 355, Oregon Laws 2019, is amended to read:

Sec. 35. (1) Notwithstanding ORS [238.082 (2)] 237.650 and any provision of this chapter and subject to the limitations in this section, during calendar year 2020, 2021, 2022, 2023 or 2024, a
participating public employer may employ any retired member without limitation on the hours worked by the retired member if the administrative head of the public employer is satisfied that the employment is in the public interest.

(2) A public employer that employs a retired member [under ORS 238.082 or 238.088 (2)] during calendar year 2020, 2021, 2022, 2023 or 2024 shall contribute to the Public Employees Retirement Board the percentage of the member’s wages that would have been contributed to the board under ORS 238.225 if the member were an active member of the Public Employees Retirement System. Employer contributions made under this section are in addition to employer contributions made under ORS 238.225. The board shall apply contributions made by a public employer under this subsection against the liabilities of the public employer. The board shall adopt rules governing payments made under this subsection.

[(3) A retired member who is receiving old-age, survivors or disability insurance benefits under the federal Social Security Act may be employed during calendar year 2020, 2021, 2022, 2023 or 2024 for no more than the number of hours for which the salary equals the maximum allowed for receipt of the full amount of those benefits to which the person is entitled.]

[(4)] (3) This section does not apply to any member who retires under the provisions of ORS 238.280 (1), (2) or (3), unless the [person’s date of retirement is more than] person is absent from employment with all participating public employers for at least six months before the date the person is employed under this section.

[(5)] (4) Employment under this section does not affect the status of a person as a retired member of the system and a recipient of retirement benefits under this chapter.

SECTION 3. Section 37, chapter 355, Oregon Laws 2019, is amended to read:

Sec. 37. (1) Notwithstanding ORS [238A.245 237.650 and any provision of this chapter and subject to the limitations in this section, during calendar year 2020, 2021, 2022, 2023 or 2024, a participating public employer may employ any retired member without limitation on the hours worked by the retired member if the administrative head of the public employer is satisfied that the employment is in the public interest. The Public Employees Retirement Board shall continue making pension payments to a retired member of the pension program who is reemployed under this section.

(2) A public employer that employs a retired member during calendar year 2020, 2021, 2022, 2023 or 2024 shall contribute to the board the percentage of the member’s wages that would have been contributed to the board under ORS 238A.220 if the member were an active member of the Public Employees Retirement System. Employer contributions made under this section are in addition to employer contributions made under ORS 238A.220. The board shall apply contributions made by a public employer under this subsection against the liabilities of the public employer. The board shall adopt rules governing payments made under this subsection.

[(3) A retired member who is receiving old-age, survivors or disability insurance benefits under the federal Social Security Act may be employed during calendar year 2020, 2021, 2022, 2023 or 2024 for no more than the number of hours for which the salary equals the maximum allowed for receipt of the full amount of those benefits to which the person is entitled.]

[(4)] (3) This section does not apply to any member who retires under the provisions of ORS 238A.185, unless the [person’s date of retirement is more than] person is absent from employment with all participating public employers for at least six months before the date the person is employed under this section.

[(5)] (4) Employment under this section does not affect the status of a person as a retired member of the pension program and a recipient of retirement benefits under this chapter.
SECTION 4. ORS 238A.120 is amended to read:

238A.120. [A vested] An inactive member who withdraws from the individual account program under ORS 238A.375 cancels the person’s membership in the Public Employees Retirement System. If the person is thereafter reemployed by a participating public employer:

(1) The person may reestablish membership in the pension program only for the purpose of service performed after the person is reemployed; and

(2) Any service performed before the withdrawal may not be credited toward the period of service required by ORS 238A.100 or 238A.115 or toward the accrual of retirement credit under ORS 238A.140, 238A.150 or 238A.155.

SECTION 5. ORS 238A.375 is amended to read:

238A.375. (1)(a) An inactive member of the individual account program may elect to receive a distribution of the amounts in the member’s employee account, rollover account, employer account and employee pension stability account to the extent the member is vested in those accounts under ORS 238A.320 if the inactive member:

(A) Has [separated] a bona fide separation from all service with participating public employers [and with];

(B) Is not employed with, or has a bona fide separation from, all employers who are treated as part of a participating public employer’s controlled group under the federal laws and rules governing the status of the Public Employees Retirement System and the Public Employees Retirement Fund as a qualified governmental retirement plan and trust; and

(C) Has not attained earliest retirement age.

(b) The board shall deny the distribution, or take all steps necessary to recover distributed amounts, if the board determines that the member's separation is not a bona fide separation.

(2) If an inactive member of the individual account program who is not vested in the employer account receives a distribution under subsection (1) of this section, the employer account of the member is permanently forfeited as of the date of the distribution.

(3) A member may not make an election under this section for less than all of the member's individual accounts described in ORS 238A.350, and the member's employee pension stability account described in ORS 238A.353, in which the member is vested.

(4) A member who is [vested in] also a member of the pension program established under this chapter and who withdraws the member’s accounts under this section cancels all membership rights in the system.

(5) A member who has a member account established under ORS chapter 238 may make an election under this section only if the member also withdraws that member account in the manner provided by ORS 238.265. A member who has an account established under ORS 238.440 may make an election under this section only if the member also withdraws the account established under ORS 238.440.

(6) If an inactive member receives a distribution under subsection (1) of this section and is subsequently reemployed by a participating public employer, any service performed before the date the member became an inactive member may not be used toward the period of service required for vesting in the employer account under ORS 238A.320.

SECTION 6. ORS 238.105 is amended to read:

238.105. (1) Whenever, within five years after the employee is separated from all service entitling the employee to membership in the Public Employees Retirement System, an employee who has
withdrawn the amount credited to the member account of the member reenters the service of an
employer participating in the system, the employee's rights in the system that were forfeited by the
withdrawal shall be restored upon repaying to the Public Employees Retirement Board within one
year after reentering the service of the employer, the full amount so withdrawn, including the
amount withdrawn from the member's account established under ORS 238A.353, together with
the interest that would have been accumulated on the sum had the amount not been withdrawn.

(2) Restoration of rights under this section does not affect any forfeiture of rights of a person
by reason of: [a]

[(a) withdrawal of an account established under ORS 238.440; or]
[(b) Withdrawal of individual accounts pursuant to ORS 238A.375].

SECTION 7. ORS 238.730 is amended to read:
238.730. (1) The Public Employees Retirement Board shall establish an Unfunded Actuarial Li-
ability Resolution Program. Under the program, the board shall provide technical expertise [to
participating public employers in developing funding plans to improve the employers' funded status
and] to manage projected employer contribution rate changes. Funding plans developed under the
program must be based on actuarial reports prepared under ORS 238.605.

(2) A participating public employer shall participate in the program.

(3) The board may use moneys in the Employer Incentive Fund established in section 1, chapter
105, Oregon Laws 2018, for reasonable administrative costs incurred under this section.

SECTION 8. ORS 238.730, as amended by section 55, chapter 355, Oregon Laws 2019, is
amended to read:
238.730. (1) The Public Employees Retirement Board shall establish an Unfunded Actuarial Li-
ability Resolution Program. Under the program, the board shall provide technical expertise [to
participating public employers in developing funding plans to improve the employers' funded status
and] to manage projected employer contribution rate changes. Funding plans developed under the
program must be based on actuarial reports prepared under ORS 238.605.

(2) A participating public employer shall participate in the program.

SECTION 9. Section 2, chapter 105, Oregon Laws 2018, as amended by section 47, chapter 355,
Oregon Laws 2019, is amended to read:
Sec. 2. (1)(a) The Public Employees Retirement Board shall establish a process for distributing
the moneys in the Employer Incentive Fund established under section 1, chapter 105, Oregon Laws
2018.

(b) The process must allow a participating public employer to apply to reserve matching
amounts in the Employer Incentive Fund by committing to make a qualifying lump sum payment of
at least $25,000 to an account established under ORS 238.229.

(2) The board shall adopt rules establishing:
(a) The percentage of a lump sum payment that may be matched by distributions from the fund,
not to exceed 25 percent of a qualifying lump sum payment.

(b) The maximum matching amount that may be reserved by a participating public employer, not
to exceed the greater of:
(A) Five percent of the unfunded actuarial liability attributable to the employer, as determined
in the most recent report prepared under ORS 238.605; or
(B) $300,000.

(c) The qualifications for lump sum payments that may be matched under this section, including
a requirement that a qualifying lump sum payment may not be a payment from moneys borrowed
by the employer.

(d) A requirement that the participating public employer participate in the Unfunded Actuarial Liability Resolution Program to develop a plan under [section 26, chapter 105, Oregon Laws 2018]
ORS 238.730.

(3)(a) For 90 days after the board begins accepting applications under subsection (1) of this section, a participating public employer may apply to reserve matching amounts from the Employer Incentive Fund under subsection (1) of this section only if the unfunded actuarial liability attributable to the employer, as determined in the most recent report prepared under ORS 238.605, is more than 200 percent of the employer’s payroll for members of the Public Employees Retirement System.

(b) After the 90-day period described in paragraph (a) of this subsection, any participating public employer may apply to reserve matching funds from the Employer Incentive Fund under subsection (1) of this section.

(4)(a) The board shall approve applications that meet the qualifications established under subsection (2) of this section in the order in which the applications are submitted. The board shall continue approving applications as long as adequate moneys in the Employer Incentive Fund are [projected to become] available.

(b) After all of the moneys [projected to become] available in the Employer Incentive Fund are reserved for matching under paragraph (a) of this subsection, the board may establish a waiting list for the remaining timely submitted applications and, if sufficient moneys in the Employer Incentive Fund become available, shall approve, in the order in which the applications were submitted, applications that meet the qualifications established under subsection (2) of this section.

(5) The board shall transfer matching amounts approved under subsection (4) of this section from the Employer Incentive Fund to the approved employers’ accounts established under ORS 238.229.

(6) The board may transfer moneys from the Employer Incentive Fund to the Public Employees Retirement Fund established under ORS 238.660 for crediting to the reserves for pension accounts and annuities as provided in ORS 238.670 (2).

(7) The board may use moneys in the Employer Incentive Fund for reasonable administrative costs incurred under this section.

SECTION 10. ORS 238.395 is amended to read:

238.395. (1)(a) In addition to any other benefits under this chapter, a death benefit, provided by contributions of the public employer under ORS 238.225 and, for benefits that accrue on or after July 1, 2020, amounts in the employee pension stability account established for the member under ORS 238A.353, shall be paid to the beneficiaries designated under ORS 238.390 (1) of a person who is an active or inactive member of the Public Employees Retirement System and who dies as a result of injuries received while employed in the service of the public employer or within 120 days after termination from service with a participating public employer. A member who is on a leave of absence without pay from employment with a participating public employer has not terminated service with that participating public employer for the purposes of this section.

(b) The death benefit under this subsection is an amount equal to the amount in the member account of the deceased member at the time of death.

(c) In the event that a beneficiary has not been named as provided in paragraph (a) of this subsection and ORS 238.390 (1), the death benefit under this subsection shall be paid in the manner provided for payment of money credited to the member account of the member in ORS 238.390 (2).

(d) The beneficiary designated under paragraph (a) of this subsection and ORS 238.390 (1) may elect to receive the amount payable in actuarially determined monthly payments for the life of such

[6]
beneficiary as long as such monthly payments, plus the monthly amount if elected under ORS 238.390 (3), are at least $200.

(e) Interest upon the death benefit provided by this subsection accrues until the date that the benefit is distributed. The Public Employees Retirement Board shall establish procedures for computing interest to be credited on the benefit for the period between the date of death and date of distribution.

(2)(a) If a member of the system dies while employed in the service of a participating public employer or within 120 days after termination from service with a participating public employer and the member's spouse is the member's beneficiary under ORS 238.390, the member's spouse may elect to receive the benefit provided under this subsection in lieu of the death benefits provided under ORS 238.390 and subsection (1) of this section.

(b) The member's spouse must notify the board in writing of an election under this section no later than 60 days after the date of death of the member.

(c) The death benefit to be paid under this subsection is for the life of the member's spouse and is the actuarial equivalent of 50 percent of the service retirement allowance that would otherwise have been paid to the deceased member under ORS 238.300, which shall be calculated:

(A) As of the date of death, if the member dies after the earliest retirement date for the member under ORS 238.280; or

(B) As if the member became an inactive member on the date of death and retired at the earliest retirement date for the member under ORS 238.280.

(d) The death benefit provided under this subsection shall be funded in the same manner as described under ORS 238.300 and is first effective on the first day of the month following the election of the member's spouse to receive the death benefit under this subsection. The member's spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the deceased member would have reached 70-1/2 years of age.

(3) Payment by the board of additional death benefits in the manner provided by this section completely discharges the board and system on account of the death, and shall hold the board and system harmless from any claim for wrongful payment.

SECTION 11. ORS 238A.005 is amended to read:

238A.005. For the purposes of this chapter:

(1) “Active member” means a member of the pension program or the individual account program of the Oregon Public Service Retirement Plan who is actively employed in a qualifying position.

(2) “Actuarial equivalent” means a payment or series of payments having the same value as the payment or series of payments replaced, computed on the basis of interest rate and mortality assumptions adopted by the board.

(3) “Board” means the Public Employees Retirement Board.

(4) “Eligible employee” means a person who performs services for a participating public employer, including elected officials other than judges. “Eligible employee” does not include:

(a) Persons engaged as independent contractors;

(b) Aliens working under a training or educational visa;

(c) Persons provided sheltered employment or make-work by a public employer;

(d) Persons categorized by a participating public employer as student employees;

(e) Any person who is in custody in a state institution;

(f) Employees of foreign trade offices of the Oregon Business Development Department who live
and perform services in foreign countries under the provisions of ORS 285A.075 (1)(g);

(g) An employee actively participating in an alternative retirement program established under
ORS 353.250 or an optional retirement plan established under ORS 341.551;

(h) Employees of a public university listed in ORS 352.002 who are actively participating in an
optional retirement plan offered under ORS 243.815;

(i) Persons employed in positions classified as post-doctoral scholar positions by a public uni-
versity listed in ORS 352.002, or by the Oregon Health and Science University, under ORS 350.370;

(j) Any employee who belongs to a class of employees that was not eligible on August 28, 2003,
for membership in the system under the provisions of ORS chapter 238 or other law;

(k) Any person who belongs to a class of employees who are not eligible to become members
of the Oregon Public Service Retirement Plan under the provisions of ORS 238A.070 (2);

(L) Any person who is retired under ORS 238A.100 to 238A.250 or ORS chapter 238 and who
continues to receive retirement benefits while employed; and

(m) Judges.

(5) “Firefighter” means:

(a) A person employed by a local government, as defined in ORS 174.116, whose primary job
duties include the fighting of fires;

(b) The State Fire Marshal, the chief deputy state fire marshals and deputy state fire marshals;

(c) An employee of the State Forestry Department who is certified by the State Forester as a
professional wildland firefighter and whose primary duties include the abatement of uncontrolled
fires as described in ORS 477.064; and

(d) An employee of the Oregon Military Department whose primary duties include fighting
structural, aircraft, wildland or other fires.

(6) “Fund” means the Public Employees Retirement Fund.

(7)(a) “Hour of service” means:

(A) An hour for which an eligible employee is directly or indirectly paid or entitled to payment
by a participating public employer for performance of duties in a qualifying position; and

(B) An hour of vacation, holiday, illness, incapacity, jury duty, military duty or authorized leave
during which an employee does not perform duties but for which the employee is directly or indi-
rectly paid or entitled to payment by a participating public employer for services in a qualifying
position, as long as the hour is within the number of hours regularly scheduled for the performance
of duties during the period of vacation, holiday, illness, incapacity, jury duty, military duty or au-
thorized leave.

(b) “Hour of service” does not include any hour for which payment is made or due under a plan
maintained solely for the purpose of complying with applicable unemployment compensation laws.

(8) “Inactive member” means a member of the pension program or the individual account pro-
gram of the Oregon Public Service Retirement Plan whose membership has not been terminated, who
is not a retired member and who is not employed in a qualifying position.

(9) “Individual account program” means the defined contribution individual account program of
the Oregon Public Service Retirement Plan established under ORS 238A.025.

(10) “Institution of higher education” means a public university listed in ORS 352.002, the
Oregon Health and Science University or a community college, as defined in ORS 341.005.

(11) “Member” means an eligible employee who has established membership in the pension pro-
gram or the individual account program of the Oregon Public Service Retirement Plan and whose
membership has not been terminated under ORS 238A.110 or 238A.310.
(12) “Participating public employer” means a public employer as defined in ORS 238.005 that provides retirement benefits for employees of the public employer under the system.

(13) “Pension program” means the defined benefit pension program of the Oregon Public Service Retirement Plan established under ORS 238A.025.

(14) “Police officer” means a police officer as described in ORS 238.005.

(15) “Qualifying position” means one or more jobs with one or more participating public employers in which an eligible employee performs 600 or more hours of service in a calendar year, excluding any service in a job for which benefits are not provided under the Oregon Public Service Retirement Plan pursuant to ORS 238A.070 (2).

(16) “Retired member” means a pension program member who is receiving a pension as provided in ORS 238A.180 to 238A.195.

(17)(a) “Salary” means the remuneration paid to an active member in return for services to the participating public employer, including remuneration in the form of living quarters, board or other items of value, to the extent the remuneration is, or would be if the member were an Oregon resident, includable in the employee’s taxable income under Oregon law. “Salary” includes the additional amounts specified in paragraph (b) of this subsection, but does not include the amounts specified in paragraph (c) of this subsection, regardless of whether those amounts are includable in taxable income.

(b) “Salary” includes the following amounts:

(A) Payments of employee and employer money into a deferred compensation plan that are made at the election of the employee.

(B) Contributions to a tax-sheltered or deferred annuity that are made at the election of the employee.

(C) Any amount that is contributed to a cafeteria plan or qualified transportation fringe benefit plan by the employer at the election of the employee and that is not includable in the taxable income of the employee by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2018.

(D) Any amount that is contributed to a cash or deferred arrangement by the employer at the election of the employee and that is not included in the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in effect on December 31, 2018.

(E) Retroactive payments described in ORS 238.008.

(F) The amount of an employee contribution to the individual account program that is paid by the employer and deducted from the compensation of the employee, as provided under ORS 238A.335 (1) and (2)(a).

(G) The amount of an employee contribution to the individual account program that is not paid by the employer under ORS 238A.335.

(H) Wages of a deceased member paid to a surviving spouse or dependent children under ORS 652.190.

(c) “Salary” does not include the following amounts:

(A) Travel or any other expenses incidental to employer’s business which is reimbursed by the employer.

(B) Payments made on account of an employee’s death.

(C) Any lump sum payment for accumulated unused sick leave, vacation leave or other paid leave.

(D) Any severance payment, accelerated payment of an employment contract for a future period or advance against future wages.
(E) Any retirement incentive, retirement bonus or retirement gratuitous payment.

(F) Payment for a leave of absence after the date the employer and employee have agreed that no future services in a qualifying position will be performed.

(G) Payments for instructional services rendered to public universities listed in ORS 352.002 or the Oregon Health and Science University when those services are in excess of full-time employment subject to this chapter. A person employed under a contract for less than 12 months is subject to this subparagraph only for the months covered by the contract.

(H) The amount of an employee contribution to the individual account program that is paid by the employer and is not deducted from the compensation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

(I) Compensation described and authorized under ORS 341.556 that is not paid by the community college employing the faculty member.

(J) Compensation described and authorized under ORS 352.232 that is not paid by the public university employing the officer or employee.

(K) Compensation described and authorized under ORS 353.270 that is not paid by Oregon Health and Science University.

(L) For years before 2020, any amount in excess of $200,000 for a calendar year. If any period over which salary is determined is less than 12 months, the $200,000 limitation for that period shall be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is 12. The board shall adopt rules adjusting this dollar limit to incorporate cost-of-living adjustments authorized by the Internal Revenue Service.

(M) For years beginning on or after January 1, 2020, any amount in excess of $195,000 for a calendar year. If any period over which salary is determined is less than 12 months, the $195,000 limitation for that period shall be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is 12. On January 1 of each year, the board shall adjust the dollar limit provided by this subparagraph to reflect any percentage changes in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(18) “System” means the Public Employees Retirement System.

(19) “Workers’ compensation benefits” means:

(a) Payments made under ORS chapter 656; or

(b) Payments provided in lieu of workers’ compensation benefits under ORS 656.027 (6).

SECTION 12. The amendments to ORS 238.082 and sections 35 and 37, chapter 355, Oregon Laws 2019, by sections 1 to 3 of this 2021 Act apply to determinations made under ORS 238.082 and sections 35 and 37, chapter 355, Oregon Laws 2019, on or after the effective date of this 2021 Act for all service performed by a retired member employed by a participating public employer, whether performed before, on or after the effective date of this 2021 Act.

SECTION 13. The amendments to ORS 238A.005 by section 11 of this 2021 Act apply to remuneration paid to an active member of the Public Employees Retirement System on or after January 1, 2020.