

SB 112-1
(LC 589)
3/8/21 (MNJ/ps)

Requested by Senator HANSELL

**PROPOSED AMENDMENTS TO
SENATE BILL 112**

1 On page 1 of the printed bill, line 2, delete “amending ORS 238.005 and
2 238A.005” and insert “creating new provisions; amending ORS 238.005,
3 238A.005 and 243.815”.

4 On page 9, delete lines 14 through 16 and insert:

5 **“SECTION 3.** ORS 243.815 is amended to read:

6 “243.815. (1) Notwithstanding any provision of ORS chapter 238 or 238A
7 or ORS 243.910 to 243.945, the governing board of a public university listed
8 in ORS 352.002 shall establish and administer an Optional Retirement Plan
9 for administrative and academic employees of the public university. The
10 Optional Retirement Plan must be a qualified plan under the Internal Reve-
11 nue Code, capable of accepting funds transferred under subsection (7) of this
12 section without the transfer being treated as a taxable event under the
13 Internal Revenue Code, and willing to accept those funds. Retirement and
14 death benefits shall be provided under the plan by the purchase of annuity
15 contracts, fixed or variable or a combination thereof, or by contracts for in-
16 vestments in mutual funds.

17 “(2) An administrative or academic employee who is eligible to remain
18 or become a member of the Public Employees Retirement System may elect
19 to participate in the Optional Retirement Plan upon completion of:

20 “(a) Six hundred hours of employment, or the equivalent as determined
21 by the governing board; and

1 “(b) Six months of employment that is not interrupted by more than 30
2 consecutive working days.

3 “(3) An administrative or academic employee who is eligible to remain
4 or become a member of the Public Employees Retirement System, including
5 an administrative or academic employee who previously participated in the
6 Optional Retirement Plan because of employment in a position classified as
7 a post-doctoral scholar position under ORS 350.370, [*may*] **shall** make an
8 irrevocable election to participate in **either the Public Employees Retirement System or the** Optional Retirement Plan within six months after being employed. **If an administrative or academic employee does not make an election under this subsection, the employee is deemed to have elected to participate in the Optional Retirement Plan.** An election under this subsection is effective on the first day of the month following the completion of the requirements of subsection (2) of this section.

15 “(4) An administrative or academic employee who is eligible to remain
16 or become a member of the Public Employees Retirement System and who
17 [*does not elect to participate in the Optional Retirement Plan*] **elects to participate in the Public Employees Retirement System:**

19 “(a) Remains or becomes a member of the Public Employees Retirement
20 System in accordance with ORS chapters 238 and 238A; or

21 “(b) Continues to be assisted by the governing board under ORS 243.920
22 if the employee is being so assisted.

23 “(5) Except as provided in subsection (6) of this section, employees who
24 elect to participate in the Optional Retirement Plan are ineligible for active
25 membership in the Public Employees Retirement System or for any assistance
26 by the governing board under ORS 243.920 as long as those employees are
27 employed in the public university and the plan is in effect.

28 “(6)(a) An administrative or academic employee who elects to participate
29 in the Optional Retirement Plan, who has creditable service under ORS
30 chapter 238 as defined by ORS 238.005 and who is not vested shall be con-

1 sidered by the Public Employees Retirement Board to be a terminated mem-
2 ber under the provisions of ORS 238.095 as of the effective date of the
3 election, and the amounts credited to the member accounts of the member
4 established under ORS 238.250, 238.260, 238A.350 and 238A.353 shall be
5 transferred directly to the Optional Retirement Plan by the Public Employ-
6 ees Retirement Board in the manner provided by subsection (7) of this sec-
7 tion.

8 “(b) An administrative or academic employee who elects to participate in
9 the Optional Retirement Plan, who has creditable service under ORS chapter
10 238 as defined by ORS 238.005 and who is vested shall be considered to be
11 an inactive member by the Public Employees Retirement Board and shall
12 retain all the rights, privileges and options under ORS chapter 238 unless the
13 employee makes a written request to the Public Employees Retirement Board
14 for a transfer of the amounts credited to the member accounts of the member
15 established under ORS 238.250, 238.260, 238A.350 and 238A.353 to the Op-
16 tional Retirement Plan. A request for a transfer must be made at the time
17 the member elects to participate in the Optional Retirement Plan. Upon re-
18 ceiving the request, the Public Employees Retirement Board shall transfer
19 all amounts credited to the member accounts of the member established un-
20 der ORS 238.250, 238.260, 238A.350 and 238A.353 directly to the Optional Re-
21 tirement Plan in the manner provided by subsection (7) of this section, and
22 shall terminate all rights, privileges and options of the employee under the
23 Public Employees Retirement System.

24 “(c) An administrative or academic employee who elects to participate in
25 the Optional Retirement Plan and who is a member of the pension program
26 of the Oregon Public Service Retirement Plan as described in ORS 238A.100
27 on the date that the election becomes effective, but who has not vested in
28 the program under ORS 238A.115 on the date that the election becomes ef-
29 fective, shall be considered to be a terminated member of the Public Em-
30 ployees Retirement System by the Public Employees Retirement Board as of

1 the effective date of the election. The board shall transfer the amounts
2 credited to the member accounts of the member established under ORS
3 238A.350 and 238A.353 directly to the Optional Retirement Plan in the man-
4 ner provided by subsection (7) of this section.

5 “(d) An administrative or academic employee who elects to participate in
6 the Optional Retirement Plan, and who is a vested member of the pension
7 program of the Oregon Public Service Retirement Plan as described in ORS
8 238A.115 on the date that the election becomes effective, shall be considered
9 an inactive member of the pension program by the Public Employees Re-
10 tirement Board as of the effective date of the election. A member who is
11 subject to the provisions of this paragraph retains all the rights, privileges
12 and options of an inactive member of the pension program, unless the mem-
13 ber makes a written request to the Public Employees Retirement Board for
14 a transfer of the amounts credited to the member accounts of the member
15 established under ORS 238A.350 and 238A.353 to the Optional Retirement
16 Plan. The request must be made at the time the member elects to participate
17 in the Optional Retirement Plan. Upon receiving the request, the Public
18 Employees Retirement Board shall transfer the amounts credited to the
19 member accounts of the member established under ORS 238A.350 and
20 238A.353 directly to the Optional Retirement Plan in the manner provided
21 by subsection (7) of this section, and shall terminate the membership of the
22 employee in the Public Employees Retirement System.

23 “(e) Notwithstanding paragraphs (b) and (d) of this subsection, the Public
24 Employees Retirement Board may not treat any employee as an inactive
25 member under the provisions of this subsection for the purpose of receiving
26 any benefit under ORS chapter 238 or 238A that requires that the employee
27 be separated from all service with participating public employers and with
28 employers who are treated as part of a participating public employer’s con-
29 trolled group under the federal laws and rules governing the status of the
30 Public Employees Retirement System and the Public Employees Retirement

1 Fund as a qualified governmental retirement plan and trust.

2 “(7) Any amounts transferred from the Public Employees Retirement Fund
3 under subsection (6) of this section shall be transferred directly to the Op-
4 tional Retirement Plan by the Public Employees Retirement Board and may
5 not be made available to the employee.

6 “(8) An employee participating in the Optional Retirement Plan who was
7 hired before July 1, 2014, shall contribute monthly an amount equal to the
8 percentage of the employee’s salary that the employee would otherwise have
9 contributed as an employee contribution to the Public Employees Retirement
10 System if the employee had not elected to participate in the Optional Re-
11 tirement Plan.

12 “(9) For an employee participating in the Optional Retirement Plan who
13 was hired before July 1, 2014, the governing board shall contribute monthly
14 to the Optional Retirement Plan the percentage of salary of the employee
15 equal to the percentage of salary that would otherwise have been contributed
16 as an employer contribution on behalf of the employee to the Public Em-
17 ployees Retirement System, before any offset under ORS 238.229 (2), if the
18 employee had not elected to participate in the Optional Retirement Plan.

19 “(10) For an employee participating in the Optional Retirement Plan who
20 was hired on or after July 1, 2014, the governing board shall contribute
21 monthly to the Optional Retirement Plan:

22 “(a) Eight percent of the employee’s salary; and

23 “(b) A percentage of the employee’s salary equal to the percentage of
24 salary contributed by the employee to the public university’s Tax-Deferred
25 Investment 403(b) Plan under ORS 243.820, up to four percent of the
26 employee’s salary in each pay period.

27 “(11)(a) Unless otherwise prohibited by law, a person employed in a posi-
28 tion classified as a post-doctoral scholar position under ORS 350.370 is an
29 academic employee under subsection (1) of this section and becomes a par-
30 ticipant in the Optional Retirement Plan when the person participates in the

1 public university's Tax-Deferred Investment 403(b) Plan under ORS 243.820.

2 “(b) Participation in the Optional Retirement Plan under this subsection
3 becomes effective on the first day of the month following the later of:

4 “(A) Enrollment in the public university's Tax-Deferred Investment 403(b)
5 Plan under ORS 243.820; or

6 “(B) Completion of:

7 “(i) Six hundred hours of employment, or the equivalent as determined
8 by the governing board; and

9 “(ii) Six months of employment that is not interrupted by more than 30
10 consecutive working days.

11 “(c) For a post-doctoral scholar participating in the Optional Retirement
12 Plan, the governing board shall contribute monthly to the Optional Retirement
13 Plan a percentage of the post-doctoral scholar's salary equal to the
14 percentage of salary contributed by the post-doctoral scholar to the public
15 university's Tax-Deferred Investment 403(b) Plan under ORS 243.820, up to
16 four percent of the post-doctoral scholar's salary in each pay period.

17 “(d) A post-doctoral scholar is an academic employee who elects to par-
18 ticipate in the Optional Retirement Plan for purposes of subsection (6) of this
19 section.

20 “(e) Subsections (8) to (10) of this section do not apply to a post-doctoral
21 scholar participating in the Optional Retirement Plan.

22 “(12) Both employee and employer contributions to an Optional Retirement
23 Plan shall be remitted directly to the companies that have issued an-
24 nuity contracts to the participating employees or directly to the mutual
25 funds.

26 “(13) Benefits under the Optional Retirement Plan are payable to em-
27 ployees who elect to participate in the plan and their beneficiaries by the
28 selected annuity provider or mutual fund in accordance with the terms of the
29 annuity contracts or the terms of the contract with the mutual fund. Em-
30 ployees electing to participate in the Optional Retirement Plan agree that

1 benefits payable under the plan are not obligations of the State of Oregon
2 or of the Public Employees Retirement System.

3 **“SECTION 4. The amendments to ORS 243.815 by section 3 of this**
4 **2021 Act apply to administrative and academic employees of public**
5 **universities who begin employment with a public university on or after**
6 **the effective date of this 2021 Act.**

7 **“SECTION 5. This 2021 Act being necessary for the immediate**
8 **preservation of the public peace, health and safety, an emergency is**
9 **declared to exist, and this 2021 Act takes effect on its passage.”.**

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