

HB 2867-1
(LC 1695)
3/19/21 (MNJ/ps)

Requested by HOUSE COMMITTEE ON BUSINESS AND LABOR (at the request of Oregon PERS Retirees Inc., Oregon Education Association)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2867**

1 On page 1 of the printed bill, line 3, delete “; and prescribing an effective
2 date”.

3 Delete lines 5 through 28 and delete page 2 and insert:

4 **“SECTION 1.** ORS 238.374 is amended to read:

5 “238.374. (1) A person applying for payments under this chapter shall give
6 a written statement to the Public Employees Retirement Board that indicates
7 whether the payments will be subject to Oregon personal income tax under
8 ORS 316.127 (9). If the person fails to provide the statement required by this
9 subsection, or the statement indicates that the payments will not be subject
10 to Oregon personal income tax under ORS 316.127 (9), the board may not pay
11 the person the increased benefits provided by chapter 796, Oregon Laws 1991,
12 or chapter 569, Oregon Laws 1995.

13 “(2) If a person is receiving payments under this chapter that have not
14 been increased under chapter 796, Oregon Laws 1991, or chapter 569, Oregon
15 Laws 1995, by reason of the provisions of subsection (1) of this section, and
16 thereafter the payments become subject to Oregon personal income tax under
17 ORS 316.127 (9), the person shall promptly notify the [*Public Employees Re-*
18 *tirement*] board by written statement that the payments are subject to Oregon
19 personal income tax under ORS 316.127 (9).

20 “(3) If a person is receiving payments under this chapter that have not
21 been increased under chapter 796, Oregon Laws 1991, or chapter 569, Oregon

1 Laws 1995, by reason of the provisions of subsection (1) of this section, and
2 the board receives notice under subsection (2) of this section that payments
3 to the person under this chapter are subject to Oregon personal income tax
4 under ORS 316.127 (9), or determines under ORS 238.378 that payments to the
5 person under this chapter are subject to Oregon personal income tax under
6 ORS 316.127 (9), the board shall initiate payment of the increased benefits
7 provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws
8 1995. The increase in benefits becomes effective:

9 **“(a) If the board receives notice under subsection (2) of this section**
10 **on or after January 1 and on or before April 15 of any calendar year,**
11 **as soon as administratively feasible by the board, but no later than the**
12 **first day of the second calendar month following receipt of notice by**
13 **the board.**

14 **“(b) If the board receives notice under subsection (2) of this section**
15 **after April 15 of any calendar year,** on the first day of the calendar year
16 following receipt of notice by the board.

17 **“SECTION 2.** ORS 238.376 is amended to read:

18 “238.376. (1) If a person is receiving payments under this chapter, and
19 after the payments commence the payments cease to be subject to Oregon
20 personal income tax under ORS 316.127 (9), the person shall promptly notify
21 the Public Employees Retirement Board by written statement that the pay-
22 ments are no longer subject to Oregon personal income tax under ORS
23 316.127 (9). The board shall reduce any benefits payable to the person by the
24 amount by which the benefits were increased under chapter 796, Oregon
25 Laws 1991, or chapter 569, Oregon Laws 1995. The reduction in benefits be-
26 comes effective:

27 **“(a) If the board receives notice under this subsection on or after**
28 **January 1 and on or before April 15 of any calendar year, as soon as**
29 **administratively feasible by the board, but no later than the first day**
30 **of the second calendar month following receipt of notice by the board.**

1 **“(b) If the board receives notice under this subsection after April**
2 **15 of any calendar year,** on the first day of the calendar year following
3 receipt of notice by the board.

4 “(2) If a person is receiving payments under this chapter that have been
5 reduced because the payments are not subject to Oregon personal income tax
6 under ORS 316.127 (9), and thereafter the payments become subject to Oregon
7 personal income tax under ORS 316.127 (9), the person shall promptly notify
8 the board by written statement that the payments are once again subject to
9 Oregon personal income tax under ORS 316.127 (9).

10 “(3) If a person is receiving payments under this chapter that have been
11 reduced because the payments are not subject to Oregon personal income tax
12 under ORS 316.127 (9), and the board receives notice under subsection (2) of
13 this section that payments to the person under this chapter are once again
14 subject to Oregon personal income tax under ORS 316.127 (9), or determines
15 under ORS 238.378 that payments to the person under this chapter are once
16 again subject to Oregon personal income tax under ORS 316.127 (9), the
17 board shall resume payment of the increased benefits provided by chapter
18 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. The increase in
19 benefits becomes effective:

20 **“(a) If the board receives notice under this subsection on or after**
21 **January 1 and on or before April 15 of any calendar year, as soon as**
22 **administratively feasible by the board, but no later than the first day**
23 **of the second calendar month following receipt of notice by the board.**

24 **“(b) If the board receives notice under this subsection after April**
25 **15 of any calendar year,** on the first day of the calendar year following
26 receipt of notice by the board.”.

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