

HB 2701 -3 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/30, 4/4

WHAT THE MEASURE DOES:

Increases the amount of pension benefits for Oregon Public Service Retirement Plan members who are telecommunicators and Oregon State Hospital employees, from 1.5 to 1.8 percent of their final average salary multiplied by the number of years of retirement credit attributable to service in these positions. Lowers normal retirement age for telecommunicators or employees of the Oregon State Hospital to be the later of 60 years of age or after the member acquires a total of five years retirement credit in these positions. Requires PERS participating employers to separately establish the liability of telecommunicators and Oregon State Hospital employees and make employer contributions based on that liability. Applies retirement age provisions only to telecommunicators and Oregon State Hospital employees hired on or after the effective date. Applies pension increases only for service of telecommunicators and Oregon State Hospital employees after effective date.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 Replaces measure. Defines 'hazardous position' as a position that does not meet the definition of a qualified public safety employee under section 72(t)(10)(B) of Internal Revenue Service Code but is a position that works with or manages emergency or traumatic events or carries a high risk of physical harm. Limits hazardous position definition to telecommunicators and employees of the Oregon State Hospital who have direct contact with patients. Increases the amount of pension benefits for public employees in hazardous positions from 1.5 to 1.8 percent of their final average salary multiplied by the number of years of retirement credit attributable to service in a hazardous position. Requires PERS to establish the liability of participating public employers for members in hazardous positions and requires participating public employers who employ members in hazardous positions make contributions based on that liability. Provisions become operative January 1, 2025. Increases to pension benefits apply only to service in a hazardous position performed on or after the operative date of the act. Clarifies normal retirement age if the member was last employed in a qualifying hazardous position, and for the last five years of service continuously held on or more positions that would qualify as a hazardous position. Allows PERS to take any action before the operative date to exercise the new provisions.

BACKGROUND:

The Public Employees Retirement System (PERS) provides retirement benefits for state agencies and approximately 900 units of local government. PERS is overseen by a five-member board that appoints an executive director to manage the agency's daily operations. PERS members who work in positions that meet the definitions for "Police Officer" and "Firefighter" (P&F) are eligible for special benefit provisions such as retiring at an earlier age and calculating their retirement benefit with a higher statutory factor.

The Oregon State Hospital (OSH) provides 24-hour psychiatric treatment for adults who need hospital-level care. According to a January 2022 memo from OSH to the Joint Interim Committee on Ways and Means, ongoing staff hiring and staff retention challenges impact sufficient levels of direct care staff to safely care for patients. OSH formed a workgroup of hospital leadership and union representatives to address causes of direct care staffing

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shortfalls, and they recommended aligning PERS benefits for all OSH employees with P&F benefits.

Telecommunicators are emergency communication workers and public safety dispatchers, including those working at 911 call centers. Telecommunicators in Tier 1 or Tier 2 of PERS can retire after 25 years or more creditable service. Their benefit is actuarially reduced, and the member does not receive a cost-of-living adjustment until reaching age 55. In recognition of the demanding nature of those positions, the Legislative Assembly passed SB 425-A (2021) which defined telecommunicators as first responders.

House Bill 2701 increases pension benefits and lowers the retirement age for Oregon Public Service Retirement Plan members who are telecommunicators and Oregon State Hospital employees.