

HB 2283 -5, -6 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

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Meeting Dates: 3/16, 4/4

WHAT THE MEASURE DOES:

Proposes changes to current law for the Public Employees Retirement System. Updates withdrawal and beneficiary provisions for judge members. Updates definitions. Allows a member to withdraw their contributions from their loss of membership account when they again go inactive. Changes formula used to calculate tax remedy. Extends time the Police and Fire unit can purchase retirement credit to up to 90 days following retirement. Expands beneficiary provisions for members who did not designate a beneficiary before their death, or their beneficiary did not survive the member. Requires PERS to provide estimates to surviving spouses regarding alternative pre-retirement death benefits for Tier One and Tier members. Increases time allowed for bereaved spouse of Tier One and Tier Two members to elect death benefit alternatives. Allows payout of pre-retirement Individual Account Program death benefit to small estates. Removes requirement that members who accrue retirement credit for periods of disability have at least 10 years or more of retirement credit and become disabled by reasons of injury or disease while in the actual performance of duty. Mandates participating employers do not change or modify data provided to PERS after disputes unless court ordered or if modifications are needed from dispute resolution. Provides for expedited review of the Act by the Supreme Court upon petition by adversely affected parties.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-5 Adds employee contributions paid by employer for family and medical leave to final retirement benefit calculation as salary. Specifies member may not receive creditable service for family and medical leave benefit if the member would otherwise receive creditable service under PERS or OPSRP. Specifies added sections apply to shared work benefits paid on or after March 1, 2020.

FIS: Minimal fiscal impact on measure 2/the -5 amendment

RIS: No revenue impact on measure w/the -5 amendment

-6 Provides that retirement credit for period of disability be classified the same as member's last qualifying position prior to disability. Revises normal retirement age for police officers and firefighters to be last 60 months of retirement credit preceding retirement eligibility. Stipulates that police or firefighter retains eligibility once established even if member performs service thereafter only in a non-police, non-firefighter position. Makes period of leave for which member is entitled to retirement credit is counted as part of 60-month retirement credit. Specifies that retirement credit for month where duties performed were as both police/firefighter and other position count as police/firefighter retirement credit. Clarifies that unpaid leave, including period where member receives short-term or long-term disability insurance payments, taken by police/firefighter does not require restart of last 60 months of retirement credit.

FIS: Minimal fiscal impact on measure 2/the -6 amendment

RIS: No revenue impact on measure w/the -6 amendment

BACKGROUND:

HB 2283 -5, -6 STAFF MEASURE SUMMARY

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 including the management of benefits for more than 393,000 active, inactive, and retired members and beneficiaries.

The PERS 2023-2028 Strategic Plan suggests the need for modernization of their service delivery model and improved information technology. On March 28, 2022, the PERS Board voted unanimously to seek statutory changes to provide clarification on existing laws, align standards, and improve benefit processes in advance of the agency's technology modernization efforts.

House Bill 2283 proposes changes to current law relating to judge members; definitions; withdrawals by inactive members; tax remedies; purchase of police and firefighter retirement credit; designated beneficiaries; payouts for small estate affidavits; retirement credit during periods of disability; and locking member data. The measure also gives jurisdiction to the Supreme Court to review petitions submitted by people who are or who will be impacted by this act and petitions under this section will be expedited by the Court.