

HB 2284 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

Action Date: 03/21/23
Action: Do pass. Refer to Ways and Means.
Vote: 4-3-0-0
Yeas: 4 - Dexter, Evans, Grayber, Tran
Nays: 3 - Conrad, Hieb, Lewis
Fiscal: Fiscal impact issued
Revenue: No revenue impact
Prepared By: Beverly Schoonover, LPRO Analyst
Meeting Dates: 3/16, 3/21

WHAT THE MEASURE DOES:

Increases administrative fee the Public Employees Retirement Board may charge to pay benefits to an alternate payee required by court order for divorces, dissolutions of marriage and other settlement agreements. Directs Board to increase fee each year to reflect percentage increases in the specified Consumer Price Index, beginning January 1, 2025. Applies to orders received on or after effective date.

ISSUES DISCUSSED:

- Discussed current cost to PERS of processing divorce decrees
- How the fee is applied to PERS members

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Public Employees Retirement System (PERS) provides retirement benefits for employees of 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.

Oregon law sets an administrative fee cap of \$300 for PERS members who require the agency to process alternate payee awards related to divorce decrees and other settlement agreements. Oregon Administrative Rule 459-045-0090 provides "The PERS Board has determined that actual and reasonable administrative expenses incurred by PERS for obtaining data and making calculations to administer an alternate payee award will always exceed \$300." According to PERS, they process approximately 900 divorce decrees each year, and in 2019 the approximate cost to process a divorce decree was \$1,300.

House Bill 2284 increases the current administrative fee from \$300 to \$1,300 for PERS to calculate and pay benefits to an alternate payee. The PERS Board is directed to adjust the fee each year to reflect increases in the Consumer Price Index (CPI) as published by the Bureau of Labor Statistics. The administrative fee increase will take effect on the effective date of the measure and PERS can make the first CPI adjustment beginning January 1, 2025.