

HB 2283 B STAFF MEASURE SUMMARY**Carrier:** Sen. Taylor**Senate Committee On Labor and Business****Action Date:** 05/09/23**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 3-0-0-2**Yeas:** 3 - Jama, Patterson, Taylor**Abs:** 2 - Bonham, Hansell**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Whitney Perez, LPRO Analyst**Meeting Dates:** 5/2, 5/9**WHAT THE MEASURE DOES:**

Amends and clarifies Public Employees Retirement System (PERS) statutes. Updates withdrawal and beneficiary provisions for judge members. Updates definitions. Allows members to withdraw contributions from a 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. Revises normal retirement age for members in the Police and Fire unit be last 60 months of retirement credit preceding retirement eligibility. Stipulates that the Police and Fire unit 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. Clarifies that unpaid leave, including period where member receives short-term or long-term disability insurance payments, taken by the Police and Fire unit does not require restart of last 60 months of retirement credit. Expands beneficiary provisions for members who did not designate a beneficiary before their death, or for members whose beneficiary did not survive the member. Requires PERS to provide estimates to surviving spouses regarding alternative pre-retirement death benefits for Tier One or Tier Two 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 ten or more years of retirement credit and become disabled by reasons of injury or disease while in the actual performance of duty. Specifies that shared work benefits shall be treated as salary within PERS and Oregon Public Service Retirement Plan. Prohibits participating employers from changing or modifying 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:

- Alignment between Public Employees Retirement System (PERS) Tier One and Tier Two members and Oregon Public Service Retirement Plan (OPSRP) members
- Mechanics of continuous five-year calculation for police and fire (OPSRP) members
- Information sharing between Oregon Employment Department, employers, and PERS
- Work share agreements and relationship to PERS-covered employees for subject salary
- Possible legal claims based on agreements made by public employers related to work share agreements and retirement benefits

EFFECT OF AMENDMENT:

Removes employee contributions paid by employer for family and medical leave benefits to final retirement benefit calculation as salary. Provides conflict amendment. Specifies that shared work benefits shall be treated as

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salary within Public Employees Retirement System and Oregon Public Service Retirement Plan. Removes retroactivity provision applicable to shared work benefits.

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 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 B clarifies existing PERS law including provisions relating to judge members; Police Officer and Firefighter unit benefits; surviving spouse benefits; and disability benefits.