

HOUSE AMENDMENTS TO HOUSE BILL 2875

By COMMITTEE ON EMERGENCY MANAGEMENT, GENERAL GOVERNMENT, AND
VETERANS

April 3

1 On page 1 of the printed bill, delete lines 5 through 31 and delete page 2 and insert:

2 **“SECTION 1.** ORS 238A.130 is amended to read:

3 “238A.130. (1) Except as provided in subsection (3) of this section, for purposes of the computa-
4 tion of pension program benefits under ORS 238A.125, ‘final average salary’ means whichever of the
5 following is greater:

6 “(a) The average salary per calendar year paid to an active member in the three consecutive
7 calendar years of membership that produce the highest average salary, including calendar years in
8 which the member was employed for less than a full calendar year. If the number of consecutive
9 calendar years of active membership before the effective date of retirement of the member is three
10 or less, the final average salary for the member is the average salary per calendar year paid to the
11 member in all of those years, without regard to whether the member was employed for full calendar
12 years.

13 “(b) One-third of the total salary paid to an active member in the last 36 calendar months of
14 membership before the effective date of retirement of the member.

15 “(2) For the purposes of calculating the final average salary of a member under subsection (1)
16 of this section, the Public Employees Retirement Board shall:

17 “(a) Include any salary paid in or for the calendar month of separation from employment;

18 “(b) Exclude any salary for any pay period before the first full pay period that is included in the
19 three consecutive calendar years of membership under subsection (1)(a) of this section; and

20 “(c) Exclude any salary for any pay period before the first full pay period that is included in the
21 last 36 calendar months of membership under subsection (1)(b) of this section.

22 “(3) For purposes of the computation of pension program benefits under ORS 238A.125 of a
23 person employed by a local government as defined in ORS 174.116, ‘final average salary’ means
24 whichever of the following is greater:

25 “(a) The average salary per calendar year earned by an active member in the three consecutive
26 calendar years of membership that produce the highest average salary, including calendar years in
27 which the member was employed for less than a full calendar year. If the number of consecutive
28 calendar years of active membership before the effective date of retirement of the member is three
29 or less, the final average salary for the member is the average salary per calendar year earned by
30 the member in all of those years, without regard to whether the member was employed for full cal-
31 endar years.

32 “(b) One-third of the total salary earned by an active member in the last 36 calendar months
33 of membership before the effective date of retirement of the member.

34 “(4) For the purposes of calculating the final average salary of a member under this section, the
35 salary of the member does not include:

1 “(a) Any amounts attributable to hours of overtime that exceed:

2 **“(A) For hours of overtime worked for the Oregon State Police, 600 hours of overtime in**
3 **a calendar year, unless a higher number of hours is provided in a collective bargaining**
4 **agreement.**

5 **“(B) For hours of overtime worked for other than the Oregon State Police,** the average
6 number of hours of overtime for the same class of employees as established by rule of the Public
7 Employees Retirement Board. The Oregon Department of Administrative Services shall establish by
8 rule more than one overtime average for a class of state employees based on the geographic place-
9 ment of the employees.

10 “(b) Any increases in salary during the last 36 calendar months of membership before the ef-
11 fective date of retirement of the member that:

12 “(A) Are made by an employer to pay for insurance coverage previously paid for by the em-
13 ployer; and

14 “(B) Are not offered to all employees in the same class of employees as established by rule of
15 the board under paragraph (a) of this subsection.

16 **“SECTION 2. The amendments to ORS 238A.130 by section 1 of this 2023 Act apply to**
17 **members of the Public Employees Retirement System whose effective date of retirement is**
18 **on or after the effective date of this 2023 Act.”.**

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