

SB 588 -1 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 1/30, 2/4, 2/27

WHAT THE MEASURE DOES:

The measure specifies that when a member of the Public Employees Retirement System who is a police or firefighter requests a contested case hearing to dispute a final denial of an application for a disability retirement allowance, the Public Employees Retirement Board (board) shall hold the contest case hearing within 90 days after the request for the hearing, or, upon good cause, within 180 days of the request for a hearing. The measure specifies that if the board does not hold a contested case hearing within this specified time, the member prevails in disputing the final denial. The measure specifies that when a member of the Oregon Public Service Retirement Plan who is a police or firefighter requests a contested case hearing to dispute a final denial of an application for disability benefits, the Public Employees Retirement Board (board) shall hold the contest case hearing within 90 days after the request for the hearing, or, upon good cause, within 180 days of the request for a hearing. The measure specifies that if the board does not hold a contested case hearing within this specified time, the member prevails in disputing the final denial. The measure provides that "post-traumatic stress disorder" suffered by a police officer or firefighter is an injury or disease sustained in the actual performance of duties for purposes of specified benefits under PERS in certain circumstances. Defines "DSM-5." The measure directs the board to hold all outstanding contested case hearings that have been requested by a police officer or a firefighter before the effective date of this measure to dispute a final denial of an application for disability retirement allowance or for disability benefits within 180 days after the effective date of this measure. Declares an emergency, effective on passage.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

- Impact of the pandemic on the Public Employees Retirement System (PERS)
- Administrative hearing process
- Office of Administrative Hearings role in contested cases
- Ability to receive benefits with PTSD diagnosis
- Differing benefits between Tier 1, Tier 2, and Oregon Public Service Retirement Plan members
- Able to work impact on eligibility to receive benefits

EFFECT OF AMENDMENT:

-1 Replaces the measure. The amendment specifies that when a member of the Public Employees Retirement System (PERS) who is a police officer or a firefighter requests a contested case hearing to dispute a final denial for disability retirement allowance or disability benefits, the Public Employees Retirement Board (board) shall ensure that the contested case is referred for a hearing no later than 180 days after the request for the hearing, or no later than 360 days after the request for the hearing, if the member requests an extension. The amendment specifies that if the contested case is not referred for a hearing within this timeframe, the member prevails in disputing the final denial. The amendment directs the board to refer for a hearing all contested cases that a police officer or firefighter has requested a hearing for before the effective date of this measure to dispute a final denial of an application for disability retirement allowance or disability benefits within 360 days after the effective date of this measure. The amendment specifies for the disability retirement allowance that a member is not

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considered to be mentally or physically incapacitated for an extended duration and unable to perform any work for which qualified if the member is able to perform any job that the member is physically and psychologically capable of performing, has or is able to obtain the necessary skills and training for, that the member can perform in a regular and predictable manner, and for which the member can earn at least \$1,400 per month. The amendment specifies that disability benefits shall be paid until a member returns to employment or receives earned income in any month in an irregular or unpredictable manner that exceeds ten percent of the monthly salary of the member as of the last full month of employment before the disability began. The amendment specifies that for purposes of disability benefits under the Oregon Public Service Retirement Plan, a member is not considered disabled and unable to perform any work for which qualified if the member is able to perform any job that the member is physically and psychologically capable of performing, has or is able to obtain the necessary skills and training for, that the member can perform in a regular and predictable manner, and for which the member can earn at least \$1,400 per month. Declares emergency, effective on passage.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

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. PERS members are in one of three plans, depending on when they first became a member. The three plans are: Tier One, Tier Two, and the Oregon Public Service Retirement Plan (OPSRP). PERS members who work in positions that meet the definitions for "police officer" and "firefighter" are eligible for special benefit provisions such as retiring at an earlier age and calculating their retirement benefit with a higher statutory factor.

Senate Bill 588 provides that "post-traumatic stress disorder" suffered by a police officer or firefighter is an injury or disease sustained in the actual performance of duties for purposes of specified benefits under PERS in certain circumstances.