2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2284 **STATUS:** B-Engrossed
SUBJECT: Exception to Public Employees Retirement System break-in-service statutes for certain individuals who are absent from employment
GOVERNMENT UNIT AFFECTED: State and Local Government Agencies, Public Employees Retirement System
PREPARED BY: Adrienne Sexton
REVIEWED BY: Dallas Weyand
DATE: May 25, 2007

	2007-2009	**2009-2011**
EXPENDITURES:		
See Comments.		

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The measure would allow the Public Employees Retirement System (PERS) to consider a member who has been absent from employment because of administrative or disciplinary action, but was reinstated to employment with their public employer, or is employed by another public employer within one year after a judgment, order, settlement or other resolution becomes effective, as having had no break in service.

Under current law, a Tier 1 or Tier 2 PERS member who has a six-month service break becomes a member of the Oregon Public Service Retirement Plan (OPSRP) for any subsequent employment upon rehire. Thus, an employee who was away from employment because of an action that was ultimately overturned would have any employer contributions to the employee's retirement plan going to OPSRP. Employer contribution rates for OPSRP are lower than those for Tier 1 or Tier 2 PERS programs.

The effect of the measure is limited to those state agencies or local governments where there are employees who meet the criteria established in the bill. The actual dollar impact is dependent on the employee salary/wages and the employer's rates. PERS reports that there are approximately 20 outstanding cases. There is no actuarial impact.