MEASURE NUMBER:	HB 2619	STATUS: A-Engrossed			
SUBJECT: Public Emp	loyees Retiremen	at System members' credit for prior service, exemption on			
limit on retirees' employment, and reactivation of inactive accounts					
GOVERNMENT UNIT AFFECTED: Public Employees Retirement System					
PREPARED BY: Adrien	nne Sexton				
REVIEWED BY: Dallas	Weyand				
DATE: June 8, 2007	-				

		<u>2007-2009</u>		<u>2009-2011</u>		
EXPENDITURES – Other Funds: Personal Services Services and Supplies	\$ \$	179,505 52,631	\$ \$	0 0		
**	her Funds \$	232,136	\$	0		
POSITIONS / FTE – Limited Duration:						
Retirement Counselor 2		2 / 1.0		0 / 0		
Retirement Counselor 1		1 / 0.75		0 / 0		

EFFECTIVE DATE: On passage.

GOVERNOR'S BUDGET: This bill is 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: Two provisions of the measure would have a minimal fiscal impact on the Public Employees Retirement System (PERS). One would allow police officer members of PERS to receive credit for prior service as a public safety officer in another state or in another state's political subdivision. The number of individuals who might be eligible to make this choice, and when they may choose the option, is not known. However, based on prior experience when full cost purchases were made available to other member groups, PERS anticipates a need for some additional staffing to address the one-time workload. The second provision would exempt from the annual hour limit on PERS retirees' employment, persons employed by the Legislative Assembly or the Oregon State Police for service during a regular or special session of the Legislative Assembly.

The measure would also allow reactivation of inactive accounts when a person subsequently becomes an active member of PERS. At that time, any amounts that were not paid to the person would be credited with net earnings and losses. The measure would apply to all persons who resume active membership before, on or after the effective date of the measure, which is on passage.

PERS reports there are approximately 25,000 Loss of Membership (LOM) accounts, of which 2,652 are for members who have re-established membership. PERS estimates it will require approximately 1.2 hours to work on each account. And it would be necessary to reprogram the RIMS system, and to conduct manual work for those LOM accounts that pre-date RIMS, to perform the crediting calculations. This work would need to be done prior to the distributions for 2007. PERS estimates data processing costs at approximately \$52,631, which represents a portion of the Services and Supplies expenses reflected in the Expenditures table on page 1.