

House Bill 3013

Sponsored by Representative WHISNANT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Public Employees Retirement Board to use lesser of assumed interest rate for system determined by board or assumed interest rate published by federal Pension Benefit Guaranty Corporation in formulating actuarial equivalency factor tables for purpose of computing payments to members of Public Employees Retirement System.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to assumed interest rates used by the Public Employees Retirement Board; creating new
3 provisions; amending ORS 238.607; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 238.607 is amended to read:

6 238.607. (1) **As often as is necessary to maintain actuarial equivalency, and no less than**
7 **once every two calendar years, the Public Employees Retirement Board shall adopt actuarial**
8 **equivalency factor tables for the purpose of computing the payments to be made to members and**
9 **their beneficiaries, alternate payees and judge members and their spouses and beneficiaries. The**
10 **tables may be adopted in conjunction with the system evaluation required by ORS 238.605. Tables**
11 **adopted under this section must use the best actuarial information on mortality available at the time**
12 **the board adopts the tables, as provided by the actuary engaged by the board. **The assumed in-****
13 **terest rate used for tables adopted under this section must be the lesser of the assumed in-**
14 **terest rate for the system determined by the board or the current rate, at the time of**
15 **adoption, for valuing annuity benefits as published from time to time by the federal Pension**
16 **Benefit Guaranty Corporation.** Actuarial equivalency factor tables adopted under this section be-
17 come effective on January 1 of the calendar year following adoption of the tables by the board **or**
18 **on another date specified by the board.** All computations of payments must use the actuarial
19 equivalency factor tables that are in effect on:

20 (a) The effective date of retirement for any member, judge member or alternate payee;

21 (b) The date that the first payment is due for any death beneficiary; or

22 (c) The date that the first payment is due for any recalculation of payments that is not attrib-
23 utable to error, including but not limited to recalculations under ORS 238.465 (2).

24 (2) The board may not defer or delay implementation of the actuarial equivalency factor tables
25 adopted under this section.

26 **SECTION 2.** **The Public Employees Retirement Board shall first adopt actuarial equiv-**
27 **alency factor tables under ORS 238.607, as amended by section 1 of this 2017 Act, no later**
28 **than January 1, 2018. The board shall use the tables adopted under this section to compute**
29 **the retirement allowances of members, judge members and alternate payees for whom the**
30 **effective date of retirement is on or after the effective date of this 2017 Act but before Jan-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 uary 1, 2018.

2 **SECTION 3.** (1) As soon as practicable after the effective date of this 2017 Act, the Public
3 Employees Retirement Board shall:

4 (a) Determine the amount of savings in employer contributions that are attributable to
5 the provisions of this 2017 Act; and

6 (b) Recalculate the contribution rates of all employers, pursuant to ORS 238.225, to re-
7 flect the provisions of this 2017 Act.

8 (2) The board shall issue corrected contribution rate orders to employers affected by
9 rates recalculated under this section. The corrected rates are effective July 1, 2017.

10 **SECTION 4.** (1) Jurisdiction is conferred upon the Supreme Court to determine in the
11 manner provided by this section whether this 2017 Act breaches any contract between
12 members of the Public Employees Retirement System and their employers or violates any
13 provision of the Oregon Constitution or of the United States Constitution, including but not
14 limited to impairment of contract rights of members of the Public Employees Retirement
15 System under Article I, section 21, of the Oregon Constitution, or Article I, section 10, clause
16 1, of the United States Constitution.

17 (2) A person who is adversely affected by this 2017 Act or who will be adversely affected
18 by this 2017 Act may institute a proceeding for review by filing with the Supreme Court a
19 petition that meets the following requirements:

20 (a) The petition must be filed within 60 days after the effective date of this 2017 Act.

21 (b) The petition must include the following:

22 (A) A statement of the basis of the challenge; and

23 (B) A statement and supporting affidavit showing how the petitioner is adversely af-
24 fected.

25 (3) The petitioner shall serve a copy of the petition by registered or certified mail upon
26 the Public Employees Retirement Board, the Attorney General and the Governor.

27 (4) Proceedings for review under this section shall be given priority over all other mat-
28 ters before the Supreme Court.

29 (5) The Supreme Court shall allow public employers participating in the Public Employees
30 Retirement System to intervene in any proceeding under this section.

31 (6)(a) The Supreme Court shall allow members of the Legislative Assembly to intervene
32 in any proceeding relating to this 2017 Act. After a member intervenes in a proceeding re-
33 lating to this 2017 Act, the member has standing to participate in the proceeding even if the
34 member ceases to be a member of the Legislative Assembly.

35 (b) A member of the Senate or the House of Representatives who intervenes in a pro-
36 ceeding under this subsection may not use public funds to pay legal expenses incurred in
37 intervening in or participating in the proceeding.

38 (7) In the event the Supreme Court determines that there are factual issues in the peti-
39 tion, the Supreme Court may appoint a special master to hear evidence and to prepare re-
40 commended findings of fact.

41 (8) The Supreme Court may not award attorney fees to a petitioner in a proceeding under
42 this section.

43 **SECTION 5.** This 2017 Act being necessary for the immediate preservation of the public
44 peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect
45 on its passage.

