

SB 634 -1 STAFF MEASURE SUMMARY

Senate Committee On Workforce

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Meeting Dates: 2/7, 3/21

WHAT THE MEASURE DOES:

Establishes that income paid to member of Public Employee Retirement System (PERS) for services to public charter school during continuous period of employment shall be treated as if it were taxable income under Oregon law if member was hired by public charter school in qualifying position between August 29, 2003, and December 31, 2017, inclusive, and member resided and performed those services in United States.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Defines "continuous employment" to mean employment with a public charter school that is not interrupted by a period of more than 30 consecutive calendar days.

BACKGROUND:

The statutory definition of "salary," for purposes of PERS, excludes compensation paid to Oregon public employees residing and working outside Oregon. In 2017 the Legislative Assembly enacted Senate Bill 201, allowing a limited group of employees hired by Oregon public universities who resided and worked outside of Oregon to receive PERS benefits. Between August 29, 2003, and December 31, 2016, public universities had misapplied the definition of salary resulting in them making PERS contributions and erroneously communicating to certain employees residing and working outside Oregon that they could receive PERS benefits. Oregon now provides retirement benefits to that limited group of university employees whose income was not taxable in Oregon and who had been mistakenly led to believe that they would receive such benefits on all compensation earned, whether taxable in Oregon or not.

Senate Bill 634 provides the same fix for charter schools and their affected public employees that Senate Bill 201 provided for public universities. Senate Bill 634 allows public charter school employees who reside and work outside of Oregon to receive PERS benefits provided they were continuously employed in a qualifying position between August 29, 2003, and December 31, 2017; informed they were eligible for retirement benefits; and their employer made PERS contributions.