FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: SB 768 - 12**

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:
Exempts retired member of Public Employees Retirement System from limitations on reemployment if member is reemployed by certain school district or education service district.

Government Unit(s) Affected:
Public Employees Retirement System (PERS)

Summary of Fiscal Impact:
Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

The measure would exempt retired members of the Public Employees Retirement System (PERS) from the work-after-retirement hour limitations: 1,039 hours per calendar year for Tier 1 and Tier 2 members, 600 hours for Oregon Public Service Retirement Plan members. The measure would permit any participating public employer, from 2020 to 2024, to employ any retired member without limitation on the hours worked by the retired member if the administrative head of the public employer is satisfied that the employment is in the public interest. Any public employer choosing to hire a retired PERS member, except for small school districts or education service districts, would be required to pay the employer's contribution rate on the retiree's salary as the employer does for active member salaries. The Public Employees Retirement Board would be required to apply contributions made a public employer against the public employer's liabilities and adopt new administrative rules. The measure would sunset on January 2, 2025.

PERS would need to perform system programming changes to implement the measure, requiring professional information technology (IT) services. PERS would need to update its work-after-retirement system programming, including $132,000 in estimated developer costs, $176,000 in estimated business analyst costs, and $17,600 in estimated project management costs. The total cost would be $325,600 Other Funds in the 2019-21 biennium.

The Legislative Fiscal Office believes this measure would have a minimal impact on the agency because these IT services are existing resources within the PERS budget under current law.