

# House Bill 2616

Sponsored by Representative HELM (Presession filed.)

## 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 reimburse certain recipient of reduced payment under Public Employees Retirement System if recipient establishes that payment was subject to Oregon personal income tax.

Makes increase in benefits occurring when board learns that payments are subject to Oregon personal income tax effective on first day of month after receipt of notice, rather than first day of calendar year after receipt of notice.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to payments under the Public Employees Retirement System subject to Oregon personal  
3 income tax; creating new provisions; amending ORS 238.374 and 238.376; and declaring an  
4 emergency.

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

6 **SECTION 1. If the Public Employees Retirement Board reduced the benefits payable to**  
7 **a person under ORS 238.376 (1) or 238.378 (2) and the person establishes to the satisfaction**  
8 **of the board that a payment that was reduced was subject to Oregon personal income tax**  
9 **under ORS 316.127 (9), the board shall reimburse the person in the amount that the payment**  
10 **was reduced. The board may deduct from the reimbursement administrative expenses in-**  
11 **curring by the board in processing the reimbursement.**

12 **SECTION 2.** ORS 238.374 is amended to read:

13 238.374. (1) A person applying for payments under this chapter shall give a written statement  
14 to the Public Employees Retirement Board that indicates whether the payments will be subject to  
15 Oregon personal income tax under ORS 316.127 (9). If the person fails to provide the statement re-  
16 quired by this subsection, or the statement indicates that the payments will not be subject to Oregon  
17 personal income tax under ORS 316.127 (9), the board may not pay the person the increased benefits  
18 provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995.

19 (2) If a person is receiving payments under this chapter that have not been increased under  
20 chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, by reason of the provisions of  
21 subsection (1) of this section, and thereafter the payments become subject to Oregon personal in-  
22 come tax under ORS 316.127 (9), the person shall promptly notify the Public Employees Retirement  
23 Board by written statement that the payments are subject to Oregon personal income tax under ORS  
24 316.127 (9).

25 (3) If a person is receiving payments under this chapter that have not been increased under  
26 chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, by reason of the provisions of  
27 subsection (1) of this section, and the board receives notice under subsection (2) of this section that  
28 payments to the person under this chapter are subject to Oregon personal income tax under ORS

**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.

1 316.127 (9), or determines under ORS 238.378 that payments to the person under this chapter are  
 2 subject to Oregon personal income tax under ORS 316.127 (9), the board shall initiate payment of  
 3 the increased benefits provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws  
 4 1995. The increase in benefits becomes effective on the first day of the [*calendar year*] **month** fol-  
 5 lowing receipt of notice by the board.

6 **SECTION 3.** ORS 238.376 is amended to read:

7 238.376. (1) If a person is receiving payments under this chapter, and after the payments com-  
 8 mence the payments cease to be subject to Oregon personal income tax under ORS 316.127 (9), the  
 9 person shall promptly notify the Public Employees Retirement Board by written statement that the  
 10 payments are no longer subject to Oregon personal income tax under ORS 316.127 (9). The board  
 11 shall reduce any benefits payable to the person by the amount by which the benefits were increased  
 12 under chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. The reduction in benefits  
 13 becomes effective on the first day of the calendar year following receipt of notice by the board.

14 (2) If a person is receiving payments under this chapter that have been reduced because the  
 15 payments are not subject to Oregon personal income tax under ORS 316.127 (9), and thereafter the  
 16 payments become subject to Oregon personal income tax under ORS 316.127 (9), the person shall  
 17 promptly notify the board by written statement that the payments are once again subject to Oregon  
 18 personal income tax under ORS 316.127 (9).

19 (3) If a person is receiving payments under this chapter that have been reduced because the  
 20 payments are not subject to Oregon personal income tax under ORS 316.127 (9), and the board re-  
 21 ceives notice under subsection (2) of this section that payments to the person under this chapter are  
 22 once again subject to Oregon personal income tax under ORS 316.127 (9), or determines under ORS  
 23 238.378 that payments to the person under this chapter are once again subject to Oregon personal  
 24 income tax under ORS 316.127 (9), the board shall resume payment of the increased benefits provided  
 25 by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. The increase in benefits be-  
 26 comes effective on the first day of the [*calendar year*] **month** following receipt of notice by the  
 27 board.

28 **SECTION 4.** (1) **Section 1 of this 2019 Act applies to all benefits payments, whether made**  
 29 **before, on or after the effective date of this 2019 Act.**

30 (2) **The amendments to ORS 238.374 and 238.376 by sections 2 and 3 of this 2019 Act apply**  
 31 **only to notices that payments are subject to Oregon personal income tax received by the**  
 32 **Public Employees Retirement Board on or after the effective date of this 2019 Act.**

33 **SECTION 5.** **This 2019 Act being necessary for the immediate preservation of the public**  
 34 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**  
 35 **on its passage.**

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