

A-Engrossed
Senate Bill 705

Ordered by the Senate March 15
Including Senate Amendments dated March 15

Sponsored by Senator KNOPP (at the request of Port of Portland)

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.

Directs Public Employees Retirement Board to allow participating employers making certain lump sum payments to Public Employees Retirement System to choose starting date for amortization period for use of lump sum payment to offset contributions to system.

A BILL FOR AN ACT

1
2 Relating to employer contributions to the Public Employees Retirement System; creating new pro-
3 visions; and amending section 3b, chapter 105, Oregon Laws 2018.

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

5 **SECTION 1.** Section 3b, chapter 105, Oregon Laws 2018, is amended to read:

6 **Sec. 3b. (1)** If a participating public employer makes a lump sum payment from moneys not
7 borrowed by the employer to an account established under ORS 238.229 in an amount equal to or
8 greater than \$10 million, the Public Employees Retirement Board shall allow the participating public
9 employer to choose an amortization period of six years, 10 years, 16 years or 20 years for the use
10 of the lump sum payment to offset contributions to the system that the public employer would oth-
11 erwise be required to make for the liabilities against which the lump sum payment is applied.

12 **(2)(a) The board shall allow a participating public employer making a lump sum payment**
13 **under this section to choose the year in which to begin to use the lump sum payment to**
14 **offset contributions to the system that the public employer would otherwise be required to**
15 **make for the liabilities against which the lump sum payment is applied. The board shall begin**
16 **using the lump sum payment on July 1 of the year chosen under this subsection, with the**
17 **beginning contribution offset rate based on the actuarial report under ORS 238.605 most re-**
18 **cently published at the time the lump sum payment is made.**

19 **(b) Notwithstanding paragraph (a) of this subsection, the board may, after consultation**
20 **with the participating public employer, begin using a lump sum payment to offset contribu-**
21 **tions in an earlier year than the year chosen by the public employer under this section to**
22 **ensure that the period for using the lump sum payment, including earnings accrued, will end**
23 **no later than 20 years after the date of the actuarial report under ORS 238.605 most recently**
24 **published at the time the lump sum payment is made.**

25 **(c) A lump sum payment for which a participating public employer chooses the beginning**
26 **of the amortization period under this subsection is not a qualifying lump sum payment for**
27 **purposes of section 2, chapter 105, Oregon Laws 2018.**

28 **(d) In lieu of the expenses authorized under ORS 238.229 (3), the board may charge a**

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 **participating public employer expenses for administration of an account established under**
2 **this subsection in an amount established by the board by rule.**

3 **SECTION 2.** Section 3b, chapter 105, Oregon Laws 2018, as amended by section 1 of this 2019
4 Act, is amended to read:

5 **Sec. 3b.** *[(1)]* If a participating public employer makes a lump sum payment from moneys not
6 borrowed by the employer to an account established under ORS 238.229 in an amount equal to or
7 greater than \$10 million, the Public Employees Retirement Board shall allow the participating public
8 employer to choose an amortization period of six years, 10 years, 16 years or 20 years for the use
9 of the lump sum payment to offset contributions to the system that the public employer would oth-
10 erwise be required to make for the liabilities against which the lump sum payment is applied.

11 *[(2)(a) The board shall allow a participating public employer making a lump sum payment under*
12 *this section to choose the year in which to begin to use the lump sum payment to offset contributions*
13 *to the system that the public employer would otherwise be required to make for the liabilities against*
14 *which the lump sum payment is applied. The board shall begin using the lump sum payment on July*
15 *1 of the year chosen under this subsection, with the beginning contribution offset rate based on the*
16 *actuarial report under ORS 238.605 most recently published at the time the lump sum payment is*
17 *made.]*

18 *[(b) Notwithstanding paragraph (a) of this subsection, the board may, after consultation with the*
19 *participating public employer, begin using a lump sum payment to offset contributions in an earlier*
20 *year than the year chosen by the public employer under this section to ensure that the period for using*
21 *the lump sum payment, including earnings accrued, will end no later than 20 years after the date of*
22 *the actuarial report under ORS 238.605 most recently published at the time the lump sum payment is*
23 *made.]*

24 *[(c) A lump sum payment for which a participating public employer chooses the beginning of the*
25 *amortization period under this subsection is not a qualifying lump sum payment for purposes of section*
26 *2, chapter 105, Oregon Laws 2018.]*

27 *[(d) In lieu of the expenses authorized under ORS 238.229 (3), the board may charge a participat-*
28 *ing public employer expenses for administration of an account established under this subsection in an*
29 *amount established by the board by rule.]*

30 **SECTION 3.** (1) **The amendments to section 3b, chapter 105, Oregon Laws 2018, by section**
31 **1 of this 2019 Act apply to lump sum payments made before January 1, 2024.**

32 (2) **The amendments to section 3b, chapter 105, Oregon Laws 2018, by section 2 of this**
33 **2019 Act become operative on January 1, 2024.**

34