

SB 112 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 1/28

WHAT THE MEASURE DOES:

Amends definition of "employee" and "eligible employee" for purposes of PERS membership to include persons who perform services for participating employer including persons considered employees under federal common law rules.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Public Employee Retirement System (PERS) provides retirement benefits for state agencies and approximately 900 units of local government. PERS is overseen by a five-member board that appoints an executive director to manage the agency's daily operations including the management of benefits for more than 378,000 active, inactive, and retired members and beneficiaries.

In a 2019 decision, the Oregon Supreme Court interpreted current law to exclude from PERS membership a person who works for a PERS employer but is paid by a third party. The decision reversed a longstanding PERS practice to treat common law employees, who work under the direction and control of a PERS employer but who may or may not be on that employer's payroll, as employees for the purpose of PERS membership and benefits.

Senate Bill 112 seeks to restore PERS membership for affected workers by amending the definition of "employee" and "eligible employee" to include individuals who perform work on behalf of a PERS employer and who qualify as an employee under the federal common law rules.