

House Bill 2867

Sponsored by Representative EVANS (Pre-session 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 initiate, resume or suspend payment of certain increased benefits under Public Employees Retirement System on first day of calendar quarter following receipt of notice by board that benefit payments are or are not subject to Oregon personal income tax.

Directs board to pay increased benefits not paid to person because board determined that payments were not subject to Oregon personal income tax if person later establishes that payments were subject to Oregon personal income tax.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to payments under the Public Employees Retirement System subject to Oregon personal
3 income tax; amending ORS 238.374 and 238.376; and prescribing an effective date.

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

5 **SECTION 1.** ORS 238.374 is amended to read:

6 238.374. (1) A person applying for payments under this chapter shall give a written statement
7 to the Public Employees Retirement Board that indicates whether the payments will be subject to
8 Oregon personal income tax under ORS 316.127 (9). If the person fails to provide the statement re-
9 quired by this subsection, or the statement indicates that the payments will not be subject to Oregon
10 personal income tax under ORS 316.127 (9), the board may not pay the person the increased benefits
11 provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995.

12 (2) If a person is receiving payments under this chapter that have not been increased under
13 chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, by reason of the provisions of
14 subsection (1) of this section, and thereafter the payments become subject to Oregon personal in-
15 come tax under ORS 316.127 (9), the person shall promptly notify the [*Public Employees Retirement*]
16 board by written statement that the payments are subject to Oregon personal income tax under ORS
17 316.127 (9).

18 (3) If a person is receiving payments under this chapter that have not been increased under
19 chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995, by reason of the provisions of
20 subsection (1) of this section, and the board receives notice under subsection (2) of this section that
21 payments to the person under this chapter are subject to Oregon personal income tax under ORS
22 316.127 (9), or determines under ORS 238.378 that payments to the person under this chapter are
23 subject to Oregon personal income tax under ORS 316.127 (9), the board shall initiate payment of
24 the increased benefits provided by chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws
25 1995. The increase in benefits becomes effective on the first day of the calendar [*year*] **quarter** fol-
26 lowing receipt of notice by the board.

27 (4) **A person whose benefits are increased under subsection (3) of this section may at any**
28 **time submit evidence to the board that a payment received by the person before the benefits**

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 **were increased was subject to Oregon personal income tax under ORS 316.127 (9). If the**
 2 **person establishes to the satisfaction of the board that a payment was subject to Oregon**
 3 **personal income tax under ORS 316.127 (9), the board shall pay the increased benefits that**
 4 **were not paid.**

5 **SECTION 2.** ORS 238.376 is amended to read:

6 238.376. (1) If a person is receiving payments under this chapter, and after the payments com-
 7 mence the payments cease to be subject to Oregon personal income tax under ORS 316.127 (9), the
 8 person shall promptly notify the Public Employees Retirement Board by written statement that the
 9 payments are no longer subject to Oregon personal income tax under ORS 316.127 (9). The board
 10 shall reduce any benefits payable to the person by the amount by which the benefits were increased
 11 under chapter 796, Oregon Laws 1991, or chapter 569, Oregon Laws 1995. The reduction in benefits
 12 becomes effective on the first day of the calendar [year] **quarter** following receipt of notice by the
 13 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] **quarter** following receipt of notice by the
 27 board.

28 (4) **A person whose benefits are increased under subsection (3) of this section may at any**
 29 **time submit evidence to the board that a payment received by the person before the benefits**
 30 **were increased was subject to Oregon personal income tax under ORS 316.127 (9). If the**
 31 **person establishes to the satisfaction of the board that a payment was subject to Oregon**
 32 **personal income tax under ORS 316.127 (9), the board shall pay the increased benefits that**
 33 **were not paid.**

34 **SECTION 3.** This 2021 Act takes effect on the 91st day after the date on which the 2021
 35 regular session of the Eighty-first Legislative Assembly adjourns sine die.

36