

Senate Bill 426

Sponsored by Senator MANNING JR (at the request of Daniel (Dan) Torress - AFSCME Council 75)

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**.

Allows telecommunicators to purchase certain retirement credits and increased benefits under Public Employees Retirement System.

A BILL FOR AN ACT

1
2 Relating to telecommunicator members of the Public Employees Retirement System; creating new
3 provisions; and amending ORS 238.145, 238.148 and 238.440.

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

5 **SECTION 1.** ORS 238.145 is amended to read:

6 238.145. (1) A member of the system employed as a police officer [*or*], firefighter **or telecom-**
7 **municator** shall be entitled to receive retirement credit as provided in subsection (3) of this section
8 if:

9 (a) The member was employed by a public employer as a police officer [*or*], firefighter **or tele-**
10 **communicator** prior to becoming a member of the system;

11 (b) The public employer that had previously employed the member was not a participant in the
12 system at the time the member was in the service of that public employer; and

13 (c) The public employer that had previously employed the member was located in this state.

14 (2) In addition to the requirements of subsection (1) of this section, if the member first becomes
15 a member of the system on or after January 1, 2000, as described in subsection (5) of this section,
16 the member must have been a member of the system for at least 60 calendar months at the time the
17 purchase is made.

18 (3) Except as provided in subsection (4) of this section, a member of the system employed as a
19 police officer [*or*], firefighter **or telecommunicator** who meets the requirements of this section shall
20 be entitled to receive retirement credit for the period of employment with a previous public em-
21 ployer as described in subsection (1) of this section up to a maximum of 10 years' retirement credit
22 if the member:

23 (a) Applies in writing to the Public Employees Retirement Board for such retirement credit; and

24 (b) Pays to the board, in a lump sum, an amount representing the contributions the member and
25 the member's employer would have made for the years for which the member seeks retirement credit
26 calculated as though the member had received a salary for each of those years equal to the salary
27 received by the member in the first full calendar year of employment as a police officer [*or*], fire-
28 fighter **or telecommunicator** within the system. In addition, the member shall pay the interest that
29 would have accrued had the contributions been paid in the years for which the member seeks re-
30 tirement credit, compounded annually. The interest shall be computed at the annual rate of eight
31 percent. Payment of the lump sum shall be made on or before the effective date of retirement for

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 the member. The amounts representing the contributions the member would have made and the in-
 2 terest on those amounts shall be credited to the regular account of the member. The amounts rep-
 3 resenting the contributions the employer would have made and the interest on those amounts shall
 4 be credits to the account of the member's current participating employer.

5 (4) If a person first becomes a member of the system on or after January 1, 2000, as described
 6 in subsection (5) of this section, the person may not acquire more than five years of credit under
 7 this section in combination with any credit acquired under ORS 526.052 for periods of service with
 8 another employer that entitle the employee to retirement credit under a retirement plan offered by
 9 the other employer. If a person subject to limitation imposed by this subsection also is eligible for
 10 credit under ORS 526.052, the total years of credit that may be acquired under this subsection and
 11 ORS 526.052 may not exceed five years.

12 (5) A person becomes a member of the system before January 1, 2000, for the purposes of this
 13 section if:

14 (a) The person is a member of the system on January 1, 2000; or

15 (b) The person was a member of the system before January 1, 2000, ceased to be a member of
 16 the system under the provisions of ORS 238.095, 238.265 or 238.545 before January 1, 2000, but re-
 17 stores part or all of the forfeited creditable service from before January 1, 2000, under the pro-
 18 visions of ORS 238.105 or 238.115 after January 1, 2000.

19 **(6) As used in this section, "telecommunicator" has the meaning given that term in ORS**
 20 **181A.355.**

21 **SECTION 2.** ORS 238.148 is amended to read:

22 238.148. (1) A member of the Public Employees Retirement System who is a police officer **or**
 23 **telecommunicator** is entitled to receive retirement credit as provided in subsection (2) of this
 24 section if:

25 (a) The member was employed as a public safety officer **or telecommunicator** by another state,
 26 or political subdivision of another state, before being employed in a position that entitled the mem-
 27 ber to credit in the system; and

28 (b) The member makes the payment required by subsection (2) of this section within the time
 29 specified by that subsection.

30 (2) Except as provided in subsection (3) of this section, a member of the system employed as a
 31 police officer **or telecommunicator** who meets the requirements of subsection (1) of this section is
 32 entitled to receive retirement credit for the period of the member's service with another state, or
 33 political subdivision of another state, not to exceed a maximum of four years, if the member within
 34 90 days of the member's effective date of retirement:

35 (a) Applies in writing to the Public Employees Retirement Board for such retirement credit;

36 (b) Provides written verification to the board from the other state, or political subdivision of the
 37 other state, that employed the member, verifying the period of time that the member served as a
 38 public safety officer **or telecommunicator** in the other state; and

39 (c) Pays to the board, in a lump sum, for each year of retirement credit applied for under this
 40 section, an amount determined by the board to represent the full cost to the system of providing the
 41 retirement credit to the member, including all administrative costs incurred by the system in pro-
 42 cessing the application for acquisition of the retirement credit.

43 (3) A member may not receive retirement credit under the provisions of this section for any
 44 period of service with another state, or political subdivision of another state, if the member is en-
 45 titled to a pension or retirement allowance by reason of that service under a public plan or system

1 offered by the other state or by a political subdivision of the other state.

2 (4) For the purposes of this section[,]:

3 (a) "Public safety officer" means a person who serves in a position with another state, or poli-
4 tical subdivision of another state, that is the other state's equivalent of a position described in ORS
5 238.005 (19).

6 (b) "**Telecommunicator**" means a person who serves in a position with another state, or
7 **political subdivision of another state, that is the other state's equivalent of the position de-**
8 **scribed in ORS 181A.355 (19).**

9 **SECTION 3.** ORS 238.440 is amended to read:

10 238.440. (1) A police officer [*or*], firefighter **or telecommunicator** who is a member of the sys-
11 tem may elect to make additional contributions to the fund to purchase increased benefits between
12 the date of retirement and age 65. The rate of additional contribution shall be determined by the
13 actuary, dependent upon the age of the police officer [*or*], firefighter **or telecommunicator** at the
14 date of election, so as to provide monthly payments on the basis of \$10 per unit of benefits pur-
15 chased. No police officer [*or*], firefighter **or telecommunicator** may elect to purchase more than
16 eight units. For each \$10 unit purchased by the police officer [*or*], firefighter **or**
17 **telecommunicator**, the employer shall purchase an equal \$10 unit. A police officer [*or*], firefighter
18 **or telecommunicator** who is retained until age 65 shall receive a lump sum refund of the additional
19 contributions made toward units purchased, plus interest thereon, but shall receive no benefits from
20 the additional contributions by the employer for such units. If a police officer [*or*], firefighter **or**
21 **telecommunicator** retires after age 60 but prior to age 65, the units purchased by additional con-
22 tributions shall provide increased monthly benefits based on life expectancy, but the matching units
23 purchased by the employer shall not, regardless of age, exceed \$10 per month per unit purchased
24 by the police officer [*or*], firefighter **or telecommunicator**. If a police officer [*or*], firefighter **or**
25 **telecommunicator** is absent from the employment of a participating employer for any reason and
26 because of such absence is unable to make monthly additional contributions, the benefits provided
27 under this section shall be actuarially reduced upon the retirement of the police officer [*or*], fire-
28 fighter **or telecommunicator**. The Public Employees Retirement Board shall establish an account
29 for each member who elects to make additional contributions under this section and shall credit all
30 contributions made by that member and interest on those contributions to the account.

31 (2) Notwithstanding subsection (1) of this section, a police officer [*or*], firefighter **or telecom-**
32 **unicator** who retires prior to age 60 may apply for and receive an actuarially reduced unit income
33 commencing at any date between the date of early retirement and age 60, with monthly benefits
34 payable for at least 60 months or any other monthly formula in excess of 60 months but always
35 terminating by age 65. Such a police officer [*or*], firefighter **or telecommunicator** may elect to pay
36 in a lump sum within the 60 days immediately preceding early retirement the contribution that the
37 police officer [*or*], firefighter **or telecommunicator** would have made to the account had the police
38 officer [*or*], firefighter **or telecommunicator** worked to age 60.

39 (3) Any police officer [*or*], firefighter **or telecommunicator** who elects to make additional
40 contributions to purchase increased benefits may elect at any time before termination to cancel such
41 election. Having once canceled such election, no police officer [*or*], firefighter **or telecommunica-**
42 **tor** shall be again permitted to make additional contributions.

43 (4) A member may withdraw the amounts credited to the account established for the member
44 under this section if:

45 (a) The member is separated from all service with participating public employers; and

1 (b) The member is separated from all service with employers who are treated as part of a par-
 2 ticipating public employer's controlled group under the federal laws and rules governing the status
 3 of the system and the fund as a qualified governmental retirement plan and trust.

4 (5) A member who withdraws the amounts credited to the account established for the member
 5 pursuant to subsection (4) of this section may not thereafter make additional contributions under
 6 this section.

7 (6)(a) A police officer [*or*], firefighter **or telecommunicator** who has elected to make additional
 8 contributions under this section and who transfers to employment in which not entitled to make
 9 such additional contributions may retain the account established under subsection (1) of this section
 10 for five years immediately following such transfer by not requesting a withdrawal.

11 (b) If, at the end of the five-year period, [*the*] a police officer or firefighter has not reached age
 12 50, or has not returned to employment in which entitled to make additional contributions under this
 13 section, the election shall be canceled and the amount of the account established under subsection
 14 (1) of this section shall be refunded to the police officer or firefighter.

15 (c) **If, at the end of the five-year period, a telecommunicator has not reached age 55, or**
 16 **has not returned to employment in which entitled to make additional contributions under**
 17 **this section, the election shall be canceled and the amount of the account established under**
 18 **subsection (1) of this section shall be refunded to the telecommunicator.**

19 (7) Any election to make additional contributions under this section and any cancellation of
 20 such election shall be submitted to the employer and to the board in writing.

21 **SECTION 4. The amendments to ORS 238.145, 238.148 and 238.440 by sections 1 to 3 of this**
 22 **2021 Act apply to members of the Public Employees Retirement System with an effective date**
 23 **of retirement on or after the effective date of this 2021 Act.**
