

Requested by Representative EVANS

**PROPOSED AMENDMENTS TO
HOUSE BILL 2875**

1 On page 1 of the printed bill, delete lines 5 through 31 and delete page
2 2 and insert:

3 **SECTION 1.** ORS 238A.130 is amended to read:

4 “238A.130. (1) Except as provided in subsection (3) of this section, for
5 purposes of the computation of pension program benefits under ORS
6 238A.125, ‘final average salary’ means whichever of the following is greater:

7 “(a) The average salary per calendar year paid to an active member in the
8 three consecutive calendar years of membership that produce the highest
9 average salary, including calendar years in which the member was employed
10 for less than a full calendar year. If the number of consecutive calendar
11 years of active membership before the effective date of retirement of the
12 member is three or less, the final average salary for the member is the av-
13 erage salary per calendar year paid to the member in all of those years,
14 without regard to whether the member was employed for full calendar years.

15 “(b) One-third of the total salary paid to an active member in the last 36
16 calendar months of membership before the effective date of retirement of the
17 member.

18 “(2) For the purposes of calculating the final average salary of a member
19 under subsection (1) of this section, the Public Employees Retirement Board
20 shall:

21 “(a) Include any salary paid in or for the calendar month of separation

1 from employment;

2 “(b) Exclude any salary for any pay period before the first full pay period
3 that is included in the three consecutive calendar years of membership under
4 subsection (1)(a) of this section; and

5 “(c) Exclude any salary for any pay period before the first full pay period
6 that is included in the last 36 calendar months of membership under sub-
7 section (1)(b) of this section.

8 “(3) For purposes of the computation of pension program benefits under
9 ORS 238A.125 of a person employed by a local government as defined in ORS
10 174.116, ‘final average salary’ means whichever of the following is greater:

11 “(a) The average salary per calendar year earned by an active member in
12 the three consecutive calendar years of membership that produce the highest
13 average salary, including calendar years in which the member was employed
14 for less than a full calendar year. If the number of consecutive calendar
15 years of active membership before the effective date of retirement of the
16 member is three or less, the final average salary for the member is the av-
17 erage salary per calendar year earned by the member in all of those years,
18 without regard to whether the member was employed for full calendar years.

19 “(b) One-third of the total salary earned by an active member in the last
20 36 calendar months of membership before the effective date of retirement of
21 the member.

22 “(4) For the purposes of calculating the final average salary of a member
23 under this section, the salary of the member does not include:

24 “(a) Any amounts attributable to hours of overtime that exceed:

25 “(A) **For hours of overtime worked for the Oregon State Police, 600**
26 **hours of overtime in a calendar year.**

27 “(B) **For hours of overtime worked for other than the Oregon State**
28 **Police**, the average number of hours of overtime for the same class of em-
29 ployees as established by rule of the Public Employees Retirement Board.
30 The Oregon Department of Administrative Services shall establish by rule

1 more than one overtime average for a class of state employees based on the
2 geographic placement of the employees.

3 “(b) Any increases in salary during the last 36 calendar months of mem-
4 bership before the effective date of retirement of the member that:

5 “(A) Are made by an employer to pay for insurance coverage previously
6 paid for by the employer; and

7 “(B) Are not offered to all employees in the same class of employees as
8 established by rule of the board under paragraph (a) of this subsection.

9 **“SECTION 2. The amendments to ORS 238A.130 by section 1 of this**
10 **2023 Act apply to members of the Public Employees Retirement System**
11 **whose effective date of retirement is on or after the effective date of**
12 **this 2023 Act.”.**

13
