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April 28, 2023

Chair Taylor and members of the Senate Committee on Business and Labor

RE: HB 2283

I completely support the PERS agency's efforts to modernize the system as identified in HB 2283 as it was introduced. The changes made with the bill as proposed have been needed for some time, and I am pleased to see that legislation moving forward. However, I have concerns about the -7 amendment language that has been included in the A-Engrossed version.

In Sections 21-24 Treatment of Certain Benefits, the language proposed would include monies paid to a member using the Family and Medical Leave Program (also called Paid Leave Oregon) (ORS 657B) as subject salary. This is challenging from a couple of perspectives:

First, employers have been informed by the Employment Department that the amounts paid to beneficiaries of this program will not be provided to the employer, making it impossible for the employer to report this information to PERS.

Second, it will make it impossible for the employer to know and withhold amounts the employee would owe for the 6% contribution to the Individual Account Program (IAP) when the employee is responsible for that contribution. This problem would be exacerbated if the employee had little or no paid leave from the employer and therefore no salary from which to withhold the 6% from either the employer paid wages, or the Paid Leave Oregon pay.

I understand PERS staff has been working with the Employment Department to see if this issue can be addressed. It would be helpful for public employers to know that this could be addressed in an administratively efficient manner.

Sincerely,

Nancy Brewer  
City Manager