

SB 851 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 1/23, 2/4

WHAT THE MEASURE DOES:

The measure modifies statutory provisions relating to employer reporting and raises the maximum amount the Public Employees Retirement Board is permitted to waive recovery of for payments made to persons not entitled to receive from overpayments or improperly made payments.

Detailed Summary:

Section 1

Raises amount the Public Employees Retirement Board (board) is permitted to waive recovery of for payment(s) made to person who was not entitled to receive from overpayments or improperly made payments of less than \$50 to less than \$200.

Section 2

Adds exceptions to prohibition on participating public employer making modification to specified employment data submitted to determine a member's retirement benefit after last date for filing written notice of dispute has passed. Added exceptions are to comply with a verification of retirement data that was submitted prior to the member's effective date of retirement, or in response to the board's request pursuant to ORS 238.285(5).

Section 3

Defines "major fraction of a month" for purposes of the Public Employees Retirement System for Tier One and Tier Two members.

Section 4

Defines "major fraction of a month" for purposes of the Oregon Public Service Retirement Plan for calculating accrual of retirement credit.

Section 5

Makes conforming amendment.

Section 6

Makes conforming amendment.

Section 7

Makes conforming amendment.

Section 8

Repeals statute crediting employees with 40 hours of service for each calendar week unless employer reports otherwise within the Oregon Public Service Retirement Plan.

FISCAL: Has minimal fiscal impact

REVENUE: No revenue Impact

ISSUES DISCUSSED:

- Frequency of waiver of recovery of improperly made payments
- Impetus to raise amount the Public Employees Retirement Board is permitted to waive recovery of for improperly made payments from less than \$50 to less than \$200
- Evaluation or proof of "hardship" to determine whether to grant a waiver

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Public Employees 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 393,000 active, inactive, and retired members and beneficiaries.

In 2023, the Legislative Assembly enacted House Bill 2283. HB 2283 created modified ORS 238.450 to allow PERS to lock member data from employer changes after the date when the member is no longer able to challenge the data. Existing law provides specified exceptions that allow an employer to make changes to locked employment data, such as because of a notice of entitlement dispute.

When determining length of service for retirement credit for some employees, PERS may need to assess whether the employee performed service for a "major fraction of a month." Presently, this term is not defined in statute.

ORS 238A.010 is a statute crediting employees with 40 hours of service for each calendar week unless an employer reports otherwise. This statute was used when retirement credit was based on a pro rata share of 2080 hours in a year. PERS now relies on employer reporting for determining retirement credit.

Senate Bill 851 modifies statutory provisions relating to employer reporting and raises the maximum amount the Public Employment Retirement Board is permitted to waive recovery of for payments made to persons not entitled to receive from overpayments or improperly made payments.