

## **SB 751 -2 STAFF MEASURE SUMMARY**

### **Senate Committee On Labor and Business**

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/25, 3/26, 4/3

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#### **WHAT THE MEASURE DOES:**

The measure specifies that police officers or firefighters who meet the appropriate definition established by the Public Employees Retirement Board (board) are entitled to an annual pension under the Public Employees Retirement System (PERS) that is two percent of the final average salary multiplied by the number of years of retirement attributable to service as a police officer or firefighter who meets the definition established by the board. The measure specifies that police officers or firefighters who do not meet the definition established by the board are entitled to an annual pension under PERS that is 1.8 percent of the final average salary multiplied by the number of years of retirement credit attributable to service as a police officer or firefighter who does not meet the board definition. The measure directs the board to establish by rule definitions of "police officer" and "firefighter" for the sole purpose of determining which police officer and firefighter members of PERS are entitled to increased pension benefits. The measure directs the board to establish the "police officer" and "firefighter" definitions before January 1, 2026. Applies new definitions and increased pension benefits to service performed on or after January 1, 2026. The measure also establishes the Task Force on Health Insurance Coverage for Retired Police Officers and Firefighters. Directs the Task Force to submit a report to the interim committee of the Legislative Assembly related to general government by December 15, 2026. Sunsets the Task Force on December 31, 2026. Takes effect on the 91st day following adjournment sine die.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

#### **ISSUES DISCUSSED:**

- Labor shortage within police and fire
- Competition with neighboring states for these workers
- Medical insurance expenses during retirement

#### **EFFECT OF AMENDMENT:**

-2 Replaces the measure. The amendment creates the Task Force on Health Insurance Coverage for Retired Police and Fire Members of the Public Employees Retirement System. The amendment specifies membership on and directives for the task force. The amendment requires the task force to submit a report to an interim committee of the Legislative Assembly related to general government by January 1, 2026. The amendment requires the Legislative Policy and Research Office and the Legislative Fiscal Office to provide staff support to the task force. Sunsets on June 30, 2026. Declares emergency, effective on passage.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

#### **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

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393,000 active, inactive, and retired members and beneficiaries.

In 2024, the Legislative Assembly enacted House Bill 4045. HB 4045 lowered the normal retirement age for police officers or firefighters under the Oregon Public Service Retirement Plan (OPSRP), provided that district attorneys, forensic scientists, and evidence technicians qualify as police officers under PERS and established a new class of hazardous positions under OPSRP.

Senate Bill 751 directs the Public Employees Retirement Board to establish by rule definitions of "police officer" and "firefighter" for the sole purpose of determining which police officer and firefighter members of the Public Employees Retirement System are entitled to increased pension benefits. SB 751 also establishes the Task Force on Health Insurance Coverage for Retired Police Officers and Firefighters.