

SB 851 STAFF MEASURE SUMMARY

House Committee On Labor and Workplace Standards

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Meeting Dates: 4/16, 4/23

WHAT THE MEASURE DOES:

The measure modifies statutory provisions relating to employer reporting and member data. It raises amount when the Public Employees Retirement (PERS) Board is permitted to waive recovery of overpayments or improperly made payments to a person not entitled to receive such payments for payment(s) from less than \$50 to less than \$200. The measure 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. It adds exceptions 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. The measure defines "major fraction of a month" for purposes of the PER System for Tier One, Tier Two, and Oregon Public Service Retirement Plan for purpose of calculating accrual of retirement credit.

Fiscal impact: Minimal fiscal impact

Revenue impact: No revenue impact

Senate vote: 26 aye; 4 no

ISSUES DISCUSSED:

- Additional circumstance to permit changes to locked employment data to ensure correct member data can be entered in response to a data verification dispute
- Definition "majority fraction of the month" and alignment with current practice
- Repeal of statute crediting employees with 40 hours of service for each calendar week unless an employer reports otherwise
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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. PERS members are in one of three plans, depending on when they first became a member. The three plans are Tier One, Tier Two, and the Oregon Public Service Retirement Plan (OPSRP). PERS members who work in positions that meet the definitions for "police officer" and "firefighter" are eligible for special benefit provisions, such as retiring at an earlier age and calculating their retirement benefit with a higher statutory factor.

Senate Bill 851 modifies statutory provisions relating to employer reporting and member data. In 2023, the Legislative Assembly enacted House Bill 2283. HB 2283 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.