

SB 757 A STAFF MEASURE SUMMARY

House Committee On Labor and Workplace Standards

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Meeting Dates: 4/28, 5/5

WHAT THE MEASURE DOES:

The measure adds chaplains at Oregon Health and Science University (OHSU) to the existing law that provides for the inclusion of a housing allowance as taxable income for the purposes of determining salary of an active member of the Oregon Public Service Retirement Plan. Applies to housing allowances paid before, on, or after effective date of this measure. Applies only to members whose effective date of retirement is on or after the effective date of this measure.

Fiscal impact: Minimal fiscal impact

Revenue impact: No revenue impact

Senate vote: 27 ayes; 3 excused

ISSUES DISCUSSED:

- Prior legislation related to the housing allowance paid to a member in return for services as a chaplain
- Number of chaplains at OHSU impacted by measure
- Unintentional exclusion from previous legislation

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.

Oregon law specifies retirement age for public employees and the amount of pension based on retirees "final average salary." "Salary" is defined in law and includes remuneration paid an active member, including remuneration in the form of living quarters, to the extent the remuneration is taxable income under Oregon law. The definition for salary goes on to specify other amounts of payments or contributions to a member that are included or excluded. For example, retirement bonus or reimbursed travel expenses are excluded from the definition of salary. However, payments made into a deferred compensation plan at the election of the employee are included in the definition of salary.

In 2023, the Legislative Assembly enacted Senate Bill 128. SB 128 required that a housing allowance paid to a PERS member who is a prison chaplain be treated as if it were includable in a member's taxable income under Oregon law for purposes of determining salary.

Senate Bill 757 A adds chaplains at the Oregon Health and Science University to the existing law that provides, for purposes of determining salary of an active member of the Public Employees Retirement System, a housing allowance paid to a member in return for services as a prison chaplain shall be treated as if it were includable in the member's taxable income under Oregon law.