

**SB 588 A STAFF MEASURE SUMMARY****Carrier:** Sen. Meek, Sen. Hayden**Senate Committee On Labor and Business****Action Date:** 03/11/25**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 4-0-1-0**Yeas:** 4 - Bonham, Hayden, Pham, Taylor**Exc:** 1 - Woods**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Whitney Perez, LPRO Analyst**Meeting Dates:** 1/30, 2/4, 2/27, 3/11**WHAT THE MEASURE DOES:**

The measure specifies when the Public Employees Retirement Board must refer a contested case for a hearing when the Public Employees Retirement System member requesting the hearing is a police officer or firefighter and the contested case is for disability retirement allowance or disability benefits. The measure specifies when a police officer or firefighter of the Public Employees Retirement System is considered disabled for purposes of receiving benefits. Declares an emergency, effective on passage.

Detailed Summary:**Section 1**

Adds Section 2 to ORS chapter 238, which contains Oregon laws for the Public Employees Retirement System (PERS).

**Section 2**

Requires the Public Employees Retirement Board to refer a contested case for a hearing within 180 days when a PERS member who is a police officer or firefighter requests a contested case hearing to dispute a final denial of an application for disability retirement allowance, or, if the member requests an extension, within 360 days of the request. Specifies that if the contested case is not referred within this time frame, the member prevails in disputing the final denial of the application.

**Section 3**

Adds Section 4 to ORS chapter 238A, which contains Oregon laws for the Oregon Public Service Retirement Plan (OPSRP).

**Section 4**

Requires the board to refer a contested case for a hearing within 180 days when an OPSRP member who is a police officer or a firefighter requests a contested case hearing to dispute a final denial of an application for disability benefits, or, if the member requests an extension, within 360 days from the date of the request. Specifies that if the contested case is not referred within this time frame, the member prevails in disputing the final denial of the application.

**Section 5**

Directs the board to refer for a hearing all contested cases for which a police officer or firefighter has requested a hearing to dispute a final denial of an application for disability retirement allowance or for disability benefits before the effective date of this measure within 360 days of the effective date of this measure.

**Section 6**

Specifies that a PERS member who is a police officer or firefighter is considered to be disabled and entitled to disability retirement allowance if they are found to be mentally or physically incapacitated for an extended duration, as determined by medical examination, and unable to perform the work the member performed at the time the member became disabled, by injury or disease sustained while in actual performance of duty and not intentionally self-inflicted. Specifies that when a PERS member who is a police officer or firefighter who has been employed by a participating employer for at least 10 years, is found to be mentally or physically incapacitated for an extended duration, as determined by medical examination, and unable to perform the work the member performed at the time the member became disabled, from something other than injury or disease sustained while in actual performance of duty or intentionally self-inflicted, the member is entitled to disability retirement allowance. Makes conforming and technical amendments.

**Section 7**

Cancels disabled retirement for a PERS member who is retired because of disability and was employed as a police officer or firefighter at the time they became disabled and is determined by the board to not be incapacitated to the extent that they are disabled from the performance of the work they performed at the time they became disabled. Specifies that the member is eligible for reemployment and, if they are not reinstated with a participating employer, the member shall receive separation benefits or service retirement benefits.

**Section 8**

Specifies that an OPSRP member is no longer disabled and entitled to disability benefits when the member returns to employment with any employer, including self-employment, or the member receives earned income in any month in an irregular or unpredictable manner that exceeds 10 percent of the monthly salary the member received of the last full month of employment before disability began. Specifies that an OPSRP member who is a police officer or firefighter is considered disabled if the member is found to be mentally or physically incapacitated for an extended duration and unable to perform the work the member performed at the time they became disabled, by reason of injury or disease that was not intentionally self-inflicted.

**Section 9**

Specifies that an OPSRP member is considered disabled and entitled to retirement credit and hours of service credit for vesting purposes for the period of time they are disabled if they were a police officer or firefighter at the time they became disabled and they are found to be mentally or physically incapacitated for an extended duration and unable to perform the work the member performed at the time they became disabled, by reason of injury or disease that was not intentionally self-inflicted.

**Section 10**

Makes conforming amendment.

**Section 11**

Specifies that Sections 2 and 4 of the measure apply to requests for contested case hearings made on or after the effective date of this measure.

**Section 12**

Specifies that the amendments to Oregon law by Sections 6 through 10 of the measure apply to open applications for disability benefits or continuation of disability benefits that have not yet been referred for a contested case hearing before the effective date of this measure.

**Section 13**

## **SB 588 A STAFF MEASURE SUMMARY**

Declares emergency, effective on passage.

### **ISSUES DISCUSSED:**

- Impact of the pandemic on the Public Employees Retirement Board
- Administrative hearing process
- Office of Administrative Hearings role in contested cases
- Ability to receive benefits with PTSD diagnosis
- Differing benefits between Tier 1, Tier 2, and Oregon Public Service Retirement Plan members
- Able to work impact on eligibility to receive benefits

### **EFFECT OF AMENDMENT:**

Replaces the measure.

### **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: 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 588 A specifies when the Public Employees Retirement Board must refer a contested case for a hearing when the PERS member requesting the hearing is a police officer or firefighter and the contested case is for disability retirement allowance or disability benefits. SB 588 A also specifies when a police officer or firefighter is considered disabled for purposes of receiving PERS benefits.