

Senate Bill 1087

Sponsored by Senator GORSEK

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act tells the PERB to study the salary of chaplains and make a report. The Act makes some groups of workers police officers for PERS. (Flesch Readability Score: 79.7).

Directs the Public Employees Retirement Board to study the treatment of the salary of chaplains under the Public Employees Retirement System.

Provides that certain members of the system qualify as police officers under the system.

A BILL FOR AN ACT

Relating to public employee retirement; creating new provisions; and amending ORS 238.005.

Be It Enacted by the People of the State of Oregon:

SECTION 1. The Public Employees Retirement Board shall study the treatment of the salary of chaplains under the Public Employees Retirement System. The board shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to general government no later than September 15, 2026.

SECTION 2. Section 1 of this 2025 Act is repealed on January 2, 2027.

SECTION 3. ORS 238.005, as amended by section 1, chapter 101, Oregon Laws 2024, is amended to read:

238.005. For purposes of this chapter:

(1) "Active member" means a member who is presently employed by a participating public employer in a qualifying position and who has completed the six-month period of service required by ORS 238.015.

(2) "Annuity" means payments for life derived from contributions made by a member as provided in this chapter.

(3) "Board" means the Public Employees Retirement Board.

(4) "Calendar year" means 12 calendar months commencing on January 1 and ending on December 31 following.

(5) "Continuous service" means service not interrupted for more than five years, except that such continuous service shall be computed without regard to interruptions in the case of:

(a) An employee who had returned to the service of the employer as of January 1, 1945, and who remained in that employment until having established membership in the Public Employees Retirement System.

(b) An employee who was in the armed services on January 1, 1945, and returned to the service of the employer within one year of the date of being otherwise than dishonorably discharged and remained in that employment until having established membership in the Public Employees Retirement System.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

(6) "Creditable service" means any period of time during which an active member is being paid a salary by a participating public employer and for which benefits under this chapter are funded by employer contributions and earnings on the fund. For purposes of computing years of "creditable service," full months and major fractions of a month shall be considered to be one-twelfth of a year and shall be added to all full years. "Creditable service" includes all retirement credit received by a member.

(7) "Earliest service retirement age" means the age attained by a member when the member could first make application for retirement under the provisions of ORS 238.280.

(8) "Employee" means a person who performs services for a participating public employer, including persons considered employees of a participating public employer under 26 U.S.C. 3121(d)(2), as in effect on December 31, 2019, and public officers. "Employee" does not include:

(a) Persons engaged as independent contractors.

(b) Seasonal, emergency or casual workers whose periods of employment with any public employer or public employers do not total 600 hours in any calendar year.

(c) Persons provided sheltered employment or made-work by a public employer in an employment or industries program maintained for the benefit of such persons.

(d) Persons employed and paid from federal funds received under a federal program intended primarily to alleviate unemployment. However, any such person shall be considered an "employee" if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects to have the person so considered by an irrevocable written notice to the board.

(e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such employees, are included in a retirement plan under federal railroad retirement statutes. This paragraph shall be deemed to have been in effect since the inception of the system.

(f) Persons employed in positions classified as post-doctoral scholar positions by a public university listed in ORS 352.002, or by the Oregon Health and Science University, under ORS 350.370.

(9) "Final average salary" means whichever of the following is greater:

(a) The average salary per calendar year paid by one or more participating public employers to an employee who is an active member of the system in three of the calendar years of membership before the effective date of retirement of the employee, in which three years the employee was paid the highest salary. The three calendar years in which the employee was paid the largest total salary may include calendar years in which the employee was employed for less than a full calendar year. If the number of calendar years of active membership before the effective date of retirement of the employee is three or fewer, the final average salary for the employee is the average salary per calendar year paid by one or more participating public employers to the employee in all of those years, without regard to whether the employee was employed for the full calendar year.

(b) One-third of the total salary paid by a participating public employer to an employee who is an active member of the system in the last 36 calendar months of active membership before the effective date of retirement of the employee.

(10) "Firefighter" does not include a volunteer firefighter, but does include:

(a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals;

(b) An employee of the State Fire Marshal whose primary duties include fire investigation, fire prevention, fire safety, fire control or fire suppression;

(c) An employee of the State Forestry Department who is certified by the State Forester as a professional wildland firefighter and whose primary duties include the abatement of uncontrolled fires as described in ORS 477.064; and

1 (d) An employee of the Oregon Military Department whose primary duties include fighting
2 structural, aircraft, wildland or other fires.

3 (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-
4 lowing.

5 (12) "Fund" means the Public Employees Retirement Fund.

6 (13) "Inactive member" means a member who is not employed in a qualifying position, whose
7 membership has not been terminated in the manner described by ORS 238.095 and who is not retired
8 for service or disability.

9 (14) "Institution of higher education" means a public university listed in ORS 352.002, the
10 Oregon Health and Science University and a community college, as defined in ORS 341.005.

11 (15) "Member" means a person who has established membership in the system and whose mem-
12 bership has not been terminated as described in ORS 238.095. "Member" includes active, inactive
13 and retired members.

14 (16) "Member account" means the regular account and the variable account.

15 (17) "Normal retirement age" means:

16 (a) For a person who establishes membership in the system before January 1, 1996, as described
17 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
18 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

19 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
20 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
21 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
22 firefighter.

23 (18) "Pension" means annual payments for life derived from contributions by one or more public
24 employers.

25 (19) "Police officer" includes:

26 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
27 whose duties, as assigned by the Director of the Department of Corrections, include the custody of
28 persons committed to the custody of or transferred to the Department of Corrections and employees
29 of the Department of Corrections who were classified as police officers on or before July 27, 1989,
30 whether or not such classification was authorized by law.

31 (b) Employees of the Department of State Police who are classified as police officers, forensic
32 scientists or evidence technicians by the Superintendent of State Police.

33 (c) Employees of the Oregon Liquor and Cannabis Commission who are classified as regulatory
34 specialists by the administrator of the commission.

35 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified
36 by the sheriff, are the regular duties of police officers or corrections officers.

37 (e) Police chiefs and police personnel of a city who are classified as police officers by the
38 council or other governing body of the city.

39 (f) Police officers who are commissioned by a university under ORS 352.121 or 353.125 and who
40 are classified as police officers by the university.

41 (g) Parole and probation officers employed by the Department of Corrections, parole and pro-
42 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
43 probation officers, as defined in ORS 181A.355, who are classified as police officers for the purposes
44 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
45 cers as police officers for the purposes of this chapter, and the employees so classified are repres-

1 ented by a labor organization, any proposal by the county to change that classification or to cease
 2 to classify adult parole and probation officers as police officers for the purposes of this chapter is
 3 a mandatory subject of bargaining.

4 (h) Police officers appointed under ORS 276.021 or 276.023.

5 (i) Employees of the Port of Portland who are classified as airport police by the Board of Com-
 6 missioners of the Port of Portland.

7 (j) Employees of the State Department of Agriculture who are classified as livestock police of-
 8 ficers by the Director of Agriculture.

9 (k) Employees of the Department of Public Safety Standards and Training who are classified by
 10 the department as other than secretarial or clerical personnel.

11 (L) Investigators of the Criminal Justice Division of the Department of Justice.

12 (m) Corrections officers as defined in ORS 181A.355.

13 (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the
 14 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

15 (o) The Director of the Department of Corrections.

16 (p) An employee who for seven consecutive years has been classified as a police officer as de-
 17 fined by this section, and who is employed or transferred by the Department of Corrections to fill
 18 a position designated by the Director of the Department of Corrections as being eligible for police
 19 officer status.

20 (q) An employee of the Department of Corrections classified as a police officer on or prior to
 21 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
 22 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
 23 tem implemented pursuant to ORS 240.190 does not affect police officer status.

24 (r) Employees of a school district who are appointed and duly sworn members of a law
 25 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
 26 police officers commissioned by the district.

27 (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,
 28 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
 29 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the
 30 Department of Corrections or the Oregon Youth Authority.

31 (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
 32 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
 33 in such facilities.

34 (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and pro-
 35 bation officers.

36 **(v) Counselors of a county juvenile department who are charged with and primarily per-**
 37 **form the duties described in ORS 419A.012 and 419A.016.**

38 [(v)] **(w)** Employees of the Department of Human Services who are prohibited from striking un-
 39 der ORS 243.726 and whose duties include the care of residents of residential facilities, as defined
 40 in ORS 443.400, that house individuals with intellectual or developmental disabilities.

41 [(w)] **(x)** Employees appointed as judicial marshals under ORS 1.177 who are certified under ORS
 42 181A.540.

43 [(x)] **(y)** Certified parole and probation officers employed by the State Board of Parole and
 44 Post-Prison Supervision.

45 [(y)] **(z)** District attorneys and deputy district attorneys.

1 **(aa) Assistant attorneys general in the division of the Department of Justice responsible**
 2 **for the prosecution of criminal matters.**

3 **(bb) Employees of a county sheriff, a municipal police department, a police department**
 4 **established by a university under ORS 352.121 or 353.125 or the Department of State Police**
 5 **who are responsible for obtaining, classifying and verifying fingerprints using electronic or**
 6 **manual methods.**

7 **(cc) Force protection officers employed by the Oregon Military Department whose duties**
 8 **include patrolling and protecting state and federal property, personnel and essential military**
 9 **operational resources on an Oregon Air National Guard installation.**

10 (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)
 11 to (6) (1999 Edition).

12 (21) "Public employer" means the state, one of its agencies or any city, county, municipal or
 13 public corporation, political subdivision of the state or instrumentality thereof, or an agency created
 14 by one or more such governmental organizations to provide governmental services. For purposes of
 15 this chapter, such agency created by one or more governmental organizations is a governmental
 16 instrumentality and a legal entity with power to enter into contracts, hold property and sue and be
 17 sued.

18 (22) "Qualifying position" means one or more jobs with one or more participating public em-
 19 ployers in which an employee performs 600 or more hours of service in a full calendar year, or
 20 would perform 600 or more hours of service if the employee were employed for the full calendar
 21 year, excluding any service in a job for which a participating public employer does not provide
 22 benefits under this chapter pursuant to an application made under ORS 238.035.

23 (23) "Regular account" means the account established for each active and inactive member un-
 24 der ORS 238.250.

25 (24) "Retired member" means a member who is retired for service or disability.

26 (25) "Retirement credit" means a period of time that is treated as creditable service for the
 27 purposes of this chapter.

28 (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public
 29 employer in return for services to the employer, plus the monetary value, as determined by the
 30 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and
 31 other advantages the employer furnishes the employee in return for services.

32 (b) "Salary" includes but is not limited to:

33 (A) Payments of employee and employer money into a deferred compensation plan, which are
 34 deemed salary paid in each month of deferral;

35 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
 36 paid in each month of participation;

37 (C) Retroactive payments described in ORS 238.008;

38 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
 39 652.190; and

40 (E) The full amount of required employee contributions under ORS 238A.330 that are paid by the
 41 employer on behalf of its employees under ORS 238A.335 (2)(b), solely for the purpose of computing
 42 a member's final average salary, and not for any other purpose.

43 (c) "Salary" or "other advantages" does not include:

44 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
 45 employer;

(B) Payments for insurance coverage by an employer on behalf of employee or employee and dependents, for which the employee has no cash option;

(C) Payments made on account of an employee's death;

(D) Any lump sum payment for accumulated unused sick leave;

(E) Any accelerated payment of an employment contract for a future period or an advance against future wages;

(F) Any retirement incentive, retirement severance pay, retirement bonus or retirement gratuitous payment;

(G) Payments for periods of leave of absence after the date the employer and employee have agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for sick leave and vacation;

(H) Payments for instructional services rendered to public universities listed in ORS 352.002 or the Oregon Health and Science University when such services are in excess of full-time employment subject to this chapter. A person employed under a contract for less than 12 months is subject to this subparagraph only for the months to which the contract pertains;

(I) Payments made by an employer for insurance coverage provided to a domestic partner of an employee;

(J) Compensation described and authorized under ORS 341.556 that is not paid by the community college employing the faculty member;

(K) Compensation described and authorized under ORS 352.232 that is not paid by the public university employing the officer or employee;

(L) Compensation described and authorized under ORS 353.270 that is not paid by Oregon Health and Science University; or

(M) For years beginning on or after January 1, 2020, any amount in excess of \$195,000 for a calendar year. If any period over which salary is determined is less than 12 months, the \$195,000 limitation for that period shall be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is 12. On January 1 of each year, the board shall adjust the dollar limit provided by this subparagraph to reflect any percentage changes in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(27) "School year" means the period beginning July 1 and ending June 30 next following.

(28) "System" means the Public Employees Retirement System.

(29) "Variable account" means the account established for a member who participates in the Variable Annuity Account under ORS 238.260.

(30) "Vested" means being an active member of the system in each of five calendar years.

(31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600 hours of service per year.

SECTION 4. (1) The amendments to ORS 238.005 by section 3 of this 2025 Act apply only to a person who:

(a)(A) Is employed as a counselor of a county juvenile department who is charged with and primarily performs the duties described in ORS 419A.012 and 419A.016 on the effective date of this 2025 Act; or

(B) Becomes employed as a counselor of a county juvenile department who is charged with and primarily performs the duties described in ORS 419A.012 and 419A.016 after the effective date of this 2025 Act;

1 (b)(A) Is employed as an assistant attorney general in the division of the Department of
2 Justice responsible for the prosecution of criminal matters on the effective date of this 2025
3 Act; or

4 (B) Becomes employed as an assistant attorney general in the division of the Department
5 of Justice responsible for the prosecution of criminal matters after the effective date of this
6 2025 Act;

7 (c)(A) Is employed by a county sheriff, a municipal police department, a police depart-
8 ment established by a university under ORS 352.121 or 353.125 or the Department of State
9 Police to be responsible for obtaining, classifying and verifying fingerprints using electronic
10 or manual methods on the effective date of this 2025 Act; or

11 (B) Becomes employed by a county sheriff, a municipal police department, a police de-
12 partment established by a university under ORS 352.121 or 353.125 or the Department of
13 State Police to be responsible for obtaining, classifying and verifying fingerprints using
14 electronic or manual methods after the effective date of this 2025 Act; or

15 (d)(A) Is employed as a force protection officer of the Oregon Military Department whose
16 duties include patrolling and protecting state and federal property, personnel and essential
17 military operational resources on an Oregon Air National Guard installation on the effective
18 date of this 2025 Act; or

19 (B) Becomes employed as a force protection officer of the Oregon Military Department
20 whose duties include patrolling and protecting state and federal property, personnel and es-
21 sential military operational resources on an Oregon Air National Guard installation after the
22 effective date of this 2025 Act.

23 (2)(a) A person who is employed as a counselor of a county juvenile department who is
24 charged with and primarily performs the duties described in ORS 419A.012 and 419A.016 on
25 or after the effective date of this 2025 Act is entitled to service under the Public Employees
26 Retirement System as a police officer only for service performed as a counselor of a county
27 juvenile department who is charged with and primarily performs the duties described in ORS
28 419A.012 and 419A.016 on or after the effective date of this 2025 Act.

29 (b) A person who is employed as an assistant attorney general in the division of the De-
30 partment of Justice responsible for the prosecution of criminal matters on or after the ef-
31 fective date of this 2025 Act is entitled to service under the Public Employees Retirement
32 System as a police officer only for service performed as an assistant attorney general in the
33 division of the Department of Justice responsible for the prosecution of criminal matters on
34 or after the effective date of this 2025 Act.

35 (c) A person who is employed by a county sheriff, a municipal police department, a police
36 department established by a university under ORS 352.121 or 353.125 or the Department of
37 State Police to be responsible for obtaining, classifying and verifying fingerprints using
38 electronic or manual methods on or after the effective date of this 2025 Act is entitled to
39 service under the Public Employees Retirement System as a police officer only for service
40 performed as a person employed by a county sheriff, a municipal police department, a police
41 department established by a university under ORS 352.121 or 353.125 or the Department of
42 State Police to be responsible for obtaining, classifying and verifying fingerprints using
43 electronic or manual methods on or after the effective date of this 2025 Act.

44 (d) A person who is employed as a force protection officer of the Oregon Military De-
45 partment whose duties include patrolling and protecting state and federal property, person-

1 **nel and essential military operational resources on an Oregon Air National Guard installation**
 2 **on or after the effective date of this 2025 Act is entitled to service under the Public Em-**
 3 **ployees Retirement System as a police officer only for service performed as a force pro-**
 4 **tection officer of the Oregon Military Department whose duties include patrolling and**
 5 **protecting state and federal property, personnel and essential military operational resources**
 6 **on an Oregon Air National Guard installation on or after the effective date of this 2025 Act.**
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