



Oregon

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TO: Interested Parties
FROM: Heather Case, Senior Policy Advisor
SUBJECT: SB 851 (2025) Summary- Employer Reporting and Member Data

INTRODUCTION

SB 851 proposes changes to statutory provisions relating to employer reporting and member data to clarify certain terms and processes.

PROPOSED SOLUTIONS

- ***Exceptions to Data Lock Clarification***

House Bill 2283 (2023) modified ORS 238.450 by adding new statutory provisions to allow PERS to lock member data from employer changes after the date when the member is no longer able to challenge the data. The amended statutory provision lists specific exceptions which allow the employer to make changes to locked employment data, including when required because of a notice of entitlement (NOE) dispute; however, changes as a result of a data verification disputes under ORS 238.285 were inadvertently omitted. In practice, many members submit their data verification request at the same time they submit their retirement application. Particularly in these situations, timelines can cross. If a data verification is still pending when a retirement application is processed, the member is put on estimated payments. Once the data verification is issued, the benefit is finalized, and the NOE is issued. If the member disputes the data verification, issuing the response to this dispute may happen beyond the 240 days from the date of the NOE, and may require a change in data. In this case, the current statute does not allow for such a change.

The proposed amendment provides a solution by adding this circumstance to the list of specific exceptions allowed under subsection (5); ensuring correct member data can be entered in response to a data verification dispute.

- ***Maximum Invoice Amount PERS Is Allowed to Waive***

The PERS board currently has discretion to waive the recovery of any overpayment(s) or improper payment(s) made to a person if the total amount of such payment(s) is less than \$50. The \$50 amount was put in place over 30 years ago under HB 2172 (1993) and has not been updated since that time.

This concept proposes amending ORS 238.715(6) by increasing the \$50 threshold to \$200. This change would also be in line with recent federal law guidance that allows qualified pension plans more discretion on overpayment collections.

- ***“Major Fraction of a Month” Clarification***

While determining creditable service for full-time employees with regular schedules is relatively straightforward and easy, the determination has always been challenging for part-time employees with irregular schedules, and partial months of employment.¹ Current statutory language uses the term “major fraction of a month” or “... each month” but does not define the term.

¹ “Creditable service” or “retirement credit,” is one of the three factors used to calculate a PERS member’s retirement benefits (hereinafter “creditible service” for simplicity). (Salary and the multiplier provided in

PERS created administrative rules to define “major fraction of a month,” in OAR 459-010-0014 and OAR 459-075-0150. However, the administrative rules included two different standards: a **presumption** based upon dates of employment, and a **definition** based upon actual hours of employment. PERS’ system was programmed based upon the presumption, and most PERS staff were trained to evaluate creditable service based upon the presumption. However, during an internal review, PERS determined the presumption should only apply when the hours are not reported; when hours are reported, the definition of “major fraction of a month” should apply. Staff began to apply the hours of employment standard from the OAR definition in cases escalated to policy and appeals and decided that the system should be reprogrammed to match the definition rather than the presumption. However, modification of the system will be expensive and complicated, and with other priorities such as implementation of SB 1049, it will be some time before the system can be updated.

The proposed solution creates a statutory definition that allows creditable service accrual in partial months based upon dates of employment, providing clear direction to all stakeholders that is consistent with PERS current system programming. This change will have little to no effect for members because it is consistent with current system programming.

- ***Repeal ORS 238A.010***

ORS 238A.010 is a hold-over statute from when retirement credit was based on a pro rata share of 2080 hours in a year. It credits employees with 40 hours of service for each calendar week unless the employer reports otherwise. PERS now relies solely on employer reporting; we do not automatically credit members with hours of service and this provision is unnecessary.

This concept proposes to repeal this obsolete provision to align statute with PERS practice.

statute are the 2 other factors). Under PERS statutes, creditable service means the number of years and months an active member is being paid a salary by a public employer while employed in a qualifying position.