



# Oregon

Tina Kotek, Governor

## Public Employees Retirement System

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February 17, 2025

**TO:** House Committee on Labor and Workplace Standards

**FROM:** Kevin Olineck, Director, PERS

**SUBJECT:** HB 2728 Written Testimony, February 17, 2025

Thank you for the opportunity to send in written testimony regarding HB 2728. This bill would require PERS to provide to retiring members the total number of overtime hours worked during the period used to calculate their final average salary, and the number of overtime hours that were actually applied in the calculation of the member's final average salary.

Currently, the document in which members receive a "written computation" of their retirement allowance and a summary of the information used in making that computation is called a Notice of Entitlement.

Under ORS 238A.130, for the purposes of computing a member's final average salary (the salary amount used in their benefit calculation), overtime over a certain amount is not included. This is known as the overtime cap, applicable to OPSRP members.

This bill would require a change to our Notice of Entitlement. We do have access to this information as reported by employers. They report overtime hours separately from "regular" hours. This includes all overtime, mandatory or non-mandatory. We do not yet have a way to separate out those two categories of overtime, as employers are only able to report total overtime hours and overtime salary in our system for each pay period. However, we do have the information needed to fulfill the requirements of this statute, should it pass.

With regard to cost: HB 2728 would not have any cost impacts to the PERS system. Internally, the agency would need to undergo system re-programming in order to include this information on the Notice of Entitlement, as the notice is currently system generated. We do not have a financial estimate of that cost currently. Our staff have indicated that, until the programming happens, they would need additional staff in our Calculations unit to cover the workload of manually editing/breaking out overtime hours total, and overtime time hours applied to the final average salary calculation. For context, we processed 2,500 OPSRP retirements in 2024 and anticipate that number to grow by approximately ten percent per year going forward. We look forward to discussing this further with the committee and member stakeholder groups.

Sincerely,

Kevin Olineck  
PERS Director