

Senate Bill 1024

Sponsored by COMMITTEE ON RULES

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**.

Modifies definition of "final average salary" used to compute pension of member of Oregon Public Service Retirement Plan.

Modifies overtime limitation on salary used for determination of pension under Oregon Public Service Retirement Plan. Allows public employer to establish more than one overtime average for class of employees based on geographic placement of employees.

Requires that Public Employees Retirement Board use definition of "salary" provided by ORS chapter 238 for purpose of computing employee contributions of certain members of individual account program of Oregon Public Service Retirement Plan.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to salaries of members of Public Employees Retirement System; amending ORS 238A.130
3 and 238A.305; and declaring an emergency.

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

5 **SECTION 1.** ORS 238A.130 is amended to read:

6 238A.130. (1) For purposes of the computation of pension program benefits under ORS 238A.125,
7 "final average salary" means whichever of the following is greater:

8 (a) The average salary per calendar year [*earned by*] **paid to** an active member in the three
9 consecutive calendar years of membership that produce the highest average salary, including cal-
10 endar years in which the member was employed for less than a full calendar year. If the number of
11 consecutive calendar years of active membership before the effective date of retirement of the
12 member is three or less, the final average salary for the member is the average salary per calendar
13 year [*earned by*] **paid to** the member in all of those years, without regard to whether the member
14 was employed for full calendar years.

15 (b) One-third of the total salary [*earned by*] **paid to** an active member in the last 36 calendar
16 months of membership before the effective date of retirement of the member.

17 (2) For purposes of calculating the final average salary for a member during any period in which
18 the member worked in a qualifying position that requires fewer than 2,000 hours of service in a
19 calendar year, the salary of the member for that period is the salary that would have been paid if
20 the member had worked in the same position on a full-time basis.

21 (3) For the purposes of calculating the final average salary of a member under this section, the
22 salary of the member does not include any amounts attributable to hours of overtime that exceed
23 the average number of hours of overtime for the same class of employees as established by rule of
24 the Public Employees Retirement Board. **A participating public employer may establish more
25 than one overtime average for a class of employees based on the geographic placement of the
26 employees.**

27 **SECTION 2.** ORS 238A.305 is amended to read:

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.

1 238A.305. (1) Except as provided in subsection (2) of this section, all members of the Public
2 Employees Retirement System who established membership in the Public Employees Retirement
3 System before August 29, 2003, as described in ORS 238A.025 become members of the individual
4 account program on January 1, 2004.

5 (2) A member of the Public Employees Retirement System may not be a member of the individual
6 account program during any period of time during which the member is required to make contribu-
7 tions to the system under ORS 238.200.

8 **(3) Solely for the purpose of determining the employee contribution for persons who be-**
9 **come members of the individual account program under this section, whether paid by the**
10 **employee or by the employer, the Public Employees Retirement Board shall use the definition**
11 **of salary provided by ORS 238.005. If a person who is subject to this subsection has a break**
12 **in service as described in ORS 238A.025, the board shall use the definition of salary provided**
13 **by ORS 238A.005 for the purpose of determining the employee contribution to the individual**
14 **account program for all service by the member after the break in service.**

15 **SECTION 3. This 2005 Act being necessary for the immediate preservation of the public**
16 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**
17 **on its passage.**

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