

Enrolled House Bill 2906

Sponsored by Representatives EVANS, WILLIAMS; Representatives CAMPOS, CLEM, GRAYBER, KOTEK, MARSH, MCLAIN, NERON, RUIZ, SALINAS, SCHOUTEN, SOLLMAN, ZIKA, Senators DEMBROW, FREDERICK, MANNING JR, WAGNER (Presession filed.)

CHAPTER

AN ACT

Relating to employee contributions to the Public Employees Retirement System; creating new provisions; and amending ORS 238A.330.

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

SECTION 1. ORS 238A.330 is amended to read:

238A.330. (1) A member of the individual account program must make employee contributions to the individual account program of six percent of the member's salary.

(2) Employee contributions made by a member of the individual account program under this section shall be credited by the Public Employees Retirement Board as follows:

(a) Except as provided in paragraph (c) of this subsection, for a member who established membership in the Public Employees Retirement System before August 29, 2003, as described in ORS 238A.025:

(A) If the member's salary does not exceed [\$2,500] **\$3,333** in a calendar month, the board shall credit all employee contributions made by the member under this section to the employee account established for the member under ORS 238A.350 (2).

(B) If the member's salary exceeds [\$2,500] **\$3,333** in a calendar month, the board shall credit:

(i) 3.5 percent of the member's salary to the employee account established for the member under ORS 238A.350 (2); and

(ii) 2.5 percent of the member's salary to the employee pension stability account established for the member under ORS 238A.353.

(b) Except as provided in paragraph (c) of this subsection, for a member who established membership in the system on or after August 29, 2003, as described in ORS 238A.025:

(A) If the member's salary does not exceed [\$2,500] **\$3,333** in a calendar month, the board shall credit all employee contributions made by the member under this section to the employee account established for the member under ORS 238A.350 (2).

(B) If the member's salary exceeds [\$2,500] **\$3,333** in a calendar month, the board shall credit:

(i) 5.25 percent of the member's salary to the employee account established for the member under ORS 238A.350 (2); and

(ii) 0.75 percent of the member's salary to the employee pension stability account established for the member under ORS 238A.353.

(c) During a biennium following a rate setting valuation prepared by the actuary under ORS 238.605 that shows that the funded status of the system, including any lump sum payments made under ORS 238.229, is 90 percent or greater, the board shall credit all employee contributions made

by a member of the individual account program to the employee account established for the member under ORS 238A.350 (2).

(3) If any contributions made by a member of the individual account program are credited to the employee pension stability account under subsection (2) of this section, the member may make additional employee contributions to the individual account program in the amount credited to the employee pension stability account. The board shall credit employee contributions made under this subsection to the employee account established for the member under ORS 238A.350 (2). Contributions under this subsection may not be paid by the employer under ORS 238A.335.

(4) A new member of the individual account program shall first make contributions under this section for those wages that are attributable to services performed by the employee during the first full pay period following the six-month probationary period required under ORS 238A.300, without regard to when those wages are considered earned for other purposes under this chapter.

(5) On January 1 of each year, the board shall adjust the dollar amounts provided in subsection (2) of this section to reflect any percentage increase in the cost of living for the previous calendar year, based on 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.

SECTION 2. The amendments to ORS 238A.330 by section 1 of this 2021 Act apply to calendar months beginning on and after the effective date of this 2021 Act.

Passed by House May 10, 2021

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 7, 2021

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

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Shemia Fagan, Secretary of State