



Oregon

Tina Kotek, Governor

Public Employees Retirement System

Headquarters

11410 S.W. 68th Parkway, Tigard, OR

Mailing Address:

P.O. Box 23700

Tigard, OR 97281-3700

888-320-7377

TTY (503) 603-7766

www.oregon.gov/pers

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TO: Members of the PERS Board

FROM: Anne Marie Vu, Research Policy Coordinator, Policy Analysis and Compliance Section
Stephanie Vaughn, Manager, Policy Analysis and Compliance Section

SUBJECT: Adoption of Police Officer and Firefighter Unit Purchases and Retirement Eligibility Rules:

 OAR 459-016-0100 *Purchase of Units by a Police Officer or Firefighter to Provide Increased Benefits*

 OAR 459-075-0200 *Retirement Eligibility for Police Officer and Firefighter Members*

OVERVIEW

- Action: Adoption of Police Officer and Firefighter Unit Purchases and Retirement Eligibility Rules.
- Reason: Implement Police Officer and Firefighter Updates from HB 2283 (2023).
- Policy Issue: None identified.

BACKGROUND

Effective January 1, 2024, HB 2283 (2023) updated certain rules relating to police officers and firefighters (P&F). For purposes of these proposed rule amendments, it aligned the period for making P&F unit purchases with other purchases available for eligible Tier 1 and Tier 2 members, extending the window for making the P&F unit purchase from 60 days to 90 days.

HB 2283 also made changes to the OPSRP pension program relating to retirement eligibility for members working in positions under the P&F classification. It changed the P&F retirement eligibility standard from five continuous years of employment immediately preceding the member's effective date of retirement to the last 60 months of retirement credit accrued prior to reaching earliest or normal retirement age. Notably, the statutory changes allow a person who qualifies for P&F retirement eligibility to lock in their P&F retirement eligibility even if they later accrue retirement credit in non-P&F positions.

The proposed rule amendments provide clarification regarding a specific scenario involving the concurrent employment rules. that the 60-month retirement credit count does not restart for When an OPSRP member who is concurrently employed in a P&F position and a non-P&F position, but is on leave without pay from the P&F position, the 60-month retirement credit count does not restart if such member receives disability insurance payments while accruing retirement credit in a-the non-P&F position. The statute specifically addressed this circumstance, and these amendments provide clarification regarding how the provision will be

administered. Members must submit proof of such disability insurance payments to PERS in a format and manner approved by PERS, no later than the member's effective date of retirement.

CHANGES MADE SINCE NOTICE

None.

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing was held remotely on October 22, 2024, at 2:00 p.m. The public comment period ended October 25, 2024, at 5:00 p.m. No public comment was received.

LEGAL REVIEW

The attached rules were submitted to the Department of Justice for legal review and any comments or changes will be incorporated before the rules are presented for adoption.

IMPACT

Mandatory: No.

Benefit: Provides clarification on how to handle these special circumstances.

Cost: There are no discrete costs attributable to the rule.

RULEMAKING TIMELINE

October 1, 2024	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
October 1, 2024	Secretary of State publishes the Notice in the Oregon Administrative Rules Database. Notice is sent to employers, legislators, and interested parties. Public comment period begins.
October 4, 2024	PERS Board notified that staff began the rulemaking process.
October 22, 2024	Rulemaking hearing to be held remotely at 2:00 p.m.
October 25, 2024	Public comment period ends at 5:00 p.m.
December 6, 2024	Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff or legal counsel.

BOARD OPTIONS

The PERS Board may:

1. Pass a motion to "adopt Police Officer and Firefighter Unit Purchases and Retirement Eligibility rules, as presented."
2. Direct staff to make other changes to the rules or explore other options.

STAFF RECOMMENDATION

Staff recommends the PERS Board choose Option #1.

- B.3. Attachment 1 – OAR 459-016-0100 Purchase of Units by a Police Officer or Firefighter to Provide Increased Benefits
- B.3. Attachment 2 – OAR 459-075-0200 Retirement Eligibility for Police Officer and Firefighter Members