

OREGON PUBLIC EMPLOYEES RETIREMENT BOARD

Friday April 15, 2005 1:00 P.M.	PERS 11410 SW 68th Parkway Tigard, OR
ITEM	PRESENTER
A. Administration	
<ol style="list-style-type: none"> 1. March 29, 2005 Board Meeting Minutes 2. Director's Report 	CLEARY
B. Contested Cases	
None	
C. Consent Action and Information Items	
<ol style="list-style-type: none"> 1. Notice of Rulemaking for Electronic Funds Transfer Rules <ol style="list-style-type: none"> a. OAR 459-005-0225, <i>Requirement to Make Payments by Electronic Funds Transfer</i> b. OAR 459-070-0100 and 0110, <i>Employer Reporting, and Remittance of Contributions</i> 	ROCKLIN / RODEMAN GRIMSLEY / ROCKLIN RODEMAN
D. Action and Discussion Items	
<ol style="list-style-type: none"> 1. Police and Fire Mortality Study 2. System Benefits and Employer Rate Analysis 3. Supreme Court <i>Strunk</i> Ruling – Contingency Budget Packages 4. Legislative Update 5. Board Governance Matters 	JOHNSON / DELANEY CHAPMAN / HALLMARK DEFOREST GRIMSLEY / DELANEY PITTMAN
E. Executive Session Pursuant to ORS 192.660 (2) (f) (h) and ORS 40.225	
<ol style="list-style-type: none"> 1. Litigation Update 	LEGAL COUNSEL

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Note: If you have a disability that requires any special materials, services or assistance, call (503) 603-7575 at least 48 hours before the meeting.

Michael Pittman, Chair * James Dalton * Thomas Grimsley * Eva Kripalani * Brenda Rocklin * Paul R. Cleary, Executive Director

PUBLIC EMPLOYEES RETIREMENT BOARD

PERS Board Meeting
1:00 P.M.
March 29, 2005
Tigard, Oregon

MEETING	4-15-05
DATE	
AGENDA	A.1.
ITEM	3-29-05 Minutes

MINUTES

Board Members:

Mike Pittman, Chair
Brenda Rocklin
Thomas Grimsley
Eva Kripalani
James Dalton

Staff:

Paul R. Cleary, Director
Donna Allen
Marsha Bacon
Gay Lynn Bath
Jane Beisell
David Crosley

Steve Delaney
Brian DeForest
Bob Davis
Stephanie Gillette
Brian Harrington
Rick Howitt
Jenny Kumm

Jeff Marcic
Dale Orr
Steve Rodeman
Craig Stroud
Dave Tyler
Carol Vogel
Brendalee Wilson

Others:

Gordon Allen
Bruce Adams
Bob Andrews
Ardis Belknap
Cathy Bloom
Tom Chamberlain
Marcia Chapman
BethAnne Darby
Myrnie Daut

Linda Ely
Emily R. Epstein
Richard Gilbert
Bill Hallmark
DeeAnn Hardt
Greg Hartman
William F. Hoelscher
Maria Keltner
Keith Kutler

Steve Law
Jerry LeLack
Joseph M. Malkin
Steve Manton
Amol Mhare
Shannona Miller
Al Newman
Victor Nolan
Cora Parker

Eric Postma
Jon W. Phillips
Tracy Rutten
Carol Samuels
Deborah Tremblay
Jessie Villarreal
Pat West
Denise Yunker

EXECUTIVE SESSION

Pursuant to ORS 192.660 (2) (a), (b), (f), (h) and ORS 40.255, the Board went into executive session at 1:05 P.M.

The Board reconvened to open session.

Board Chair Michael Pittman called the meeting to order at 1:35 P.M.

ADMINISTRATION

A.1. BOARD MEETING MINUTES OF FEBRUARY 18, 2005

James Dalton moved and Tom Grimsley seconded to approve the minutes of the February 18, 2005 meeting. The motion passed unanimously.

A.2. DIRECTOR'S REPORT

Director Paul Cleary reported that the April 15, 2005 meeting would include the Police and Fire Mortality Study by Mark Johnson, Milliman. Cleary said the upcoming meeting would also include

a presentation by Marcia Chapman and Bill Hallmark, Mercer Human Resource Consulting, on the various components of employer rates and rate trends. Cleary reported that staff has been working diligently on the 2006 PERS health insurance plan changes and rates to incorporate the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) benefits into the PERS retiree health insurance program. These plan changes and rates will be presented for Board consideration at the May 20, 2005 Board meeting.

Cleary presented a report from Deferred Compensation Manager Gay Lynn Bath regarding implementation of the Board's December, 2004 approval of a trading restriction policy for the Oregon Saving Growth Plan (OSGP). Cleary said that the new policy has been posted on both the OSGP and Citistreet websites for member review, and that it appears to be working as intended.

CONTESTED CASES

B.1. APPEAL OF BILLY HUNTER

Steve Rodeman, Policy, Planning and Legislative Analysis Division (PPLAD) administrator, reviewed the history of the contested case hearing of member Billy Hunter.

Staff recommended that the Board adopt the draft final order as presented.

It was moved by Brenda Rocklin and seconded by Tom Grimsley to approve the draft final order as presented by staff. The motion passed unanimously.

B.2. APPEAL OF JON W. PHILLIPS

Rodeman reviewed the history of the contested case hearing of member Jon W. Phillips.

Attorney William Hoelscher spoke on behalf of Jon W. Phillips.

Staff recommended that the Board adopt the draft final order as presented.

It was moved by Eva Kripalani and seconded by Brenda Rocklin to approve the draft final order as presented by staff. Tom Grimsley voted no. The motion passed.

B.3. ADOPTION OF A REVISED FINAL ORDER ON RECONSIDERATION, THOMAS STEINMAN

Keith Kutler, Department of Justice, provided the revised final order for adoption by the Board.

Attorney Eric Postma spoke on behalf of Thomas Steinman.

It was moved by Eva Kripalani and seconded by Brenda Rocklin to adopt the revised final order on reconsideration as presented. The motion passed unanimously.

B.4. ADOPTION OF A REVISED FINAL ORDER ON RECONSIDERATION, CATHERINE C. CORDELL

Keith Kutler, Department of Justice, provided the revised final order for adoption by the Board.

It was moved by Brenda Rocklin and seconded by Eva Kripalani to adopt the revised final order on reconsideration as presented. The motion passed unanimously.

ACTION AND DISCUSSION ITEMS

C.1. NOTICE OF RULEMAKING FOR OAR 459-045-0030, *ALTERNATE PAYEE WITHDRAWAL*

Rodeman reviewed the notice of rulemaking that would clarify and modify the present rule to conform to the statute and allow broader opportunity for alternate payees to withdraw their award if the associated member would otherwise be eligible to receive benefits, regardless of whether or not the member actually separates from service. Rodeman said that following the public hearing and comment period, PERS staff will return to the Board for rule adoption, including any modifications in response to comments.

C.2. ADOPTION OF OAR 459-010-0035, *SIX-MONTH WAITING PERIOD*

Rodeman presented the proposed adoption of this rule modification to more closely conform to statute and allow PERS to correctly administer ORS 238A.025, relating to "break in service."

It was moved by Brenda Rocklin and seconded by Eva Kripalani to adopt the permanent rule modification to OAR 459-010-0035, as presented, to be effective upon filing, retroactive to August 1, 2003. The motion passed unanimously.

C.3. LEGISLATIVE UPDATE

Deputy Director Steve Delaney reviewed current legislative bills, noting that 34 bills involving PERS were being tracked as of the Board meeting date. Delaney said that two particular bills: HB2060 which authorizes community college districts to offer alternative retirement programs; and HB2641, where the employer portion of a member's pension is subject to execution if a member is convicted of a job-related felony, have triggered concern among various stakeholders and were being reviewed by legislative work groups.

D.1. SUPREME COURT *STRUNK* RULING - EFFECTS AND IMPLEMENTATION

Rodeman presented an extensive report on the effects of the Oregon Supreme Court's recent ruling in the *Strunk* case involving the validity of the 2003 PERS Reform Legislation. Rodeman provided a table of projected impacts and consequences for employers, members and PERS workload related to implementation of the court ruling, both separately, and in combination with Judge Lipscomb's judgment in the *City of Eugene* case should that judgment be upheld in the pending Oregon Supreme Court case. Rodeman noted the staff recommendation that member transactions be processed on an estimated basis pending the final *City of Eugene* ruling, and that adjustments would be processed as soon as possible after the legal decisions are completed.

The Board's actuaries, Marcia Chapman and Bill Hallmark, Mercer, commented on the actuarial impacts of the *Strunk* ruling. Those impacts include an additional \$2.1 billion unfunded actuarial liability (UAL) and a projected incremental increase in employer rates of 0.4% to 0.6% as of July 1,

2007 if the Board were to allocate its projected \$1.8 billion in non-valuation reserves to offset most of the additional UAL. The Board noted that the Strunk impact would fall on top of already scheduled rate increases totaling some 10% of payroll when the ongoing rate phase-in is completed on July 1, 2007. The Board asked Chapman and Hallmark to give a detailed presentation on employer rate components and trends at the April 15 Board meeting so everyone could have a better understanding of system benefits and rate influences.

D.2. ADOPTION OF TEMPORARY RULES; NOTICE OF RULEMAKING FOR EARNINGS CREDITING AND COLA RULES

Rodeman said that rule modifications to conform to the Strunk decision would continue to be developed and would be presented to the Board at a later date, so no Board action was required on this item.

D.3. 2004 FINAL EARNINGS CREDITING

Rodeman presented a staff recommendation to not allocate 2004 earnings until the Oregon Supreme Court's final ruling on the City of Eugene case and instead hold the earnings in a pending reserve. Rodeman said that following complete analysis of the court's ruling in the City of Eugene case, staff will prepare a comprehensive 2004 earnings allocation proposal for presentation to the Board.

Board member James Dalton asked what the legal parameters and guidelines were in both crediting earnings to and using the Capital Preservation Reserve. Rodeman responded, that, according to statute, the Board is allowed to use the Capital Preservation Reserve for offsetting gains and losses of invested capital. Rodeman also noted that while the Contingency Reserve is limited to being funded with up of 7.5 % of available earnings and only when earnings exceed the assumed rate; those limitations do not apply to the Capital Preservation Reserve.

It was moved by Eva Kripalani and seconded by James Dalton that, because legal challenges that affect earnings crediting are not resolved, that all available 2004 earnings attributable to member, employer, and reserve accounts, including the Variable Account, be held in a pending reserve; and staff be directed to process member transactions on an estimated basis, subject to final calculation and adjustment. The motion passed unanimously.

D.4. BOARD GOVERNANCE MATTERS

There were no Board governance matters.

Mike Pittman adjourned the meeting at 2:50 P.M.

Respectfully submitted,

Paul R. Cleary
Executive Director

Prepared by Donna R. Allen, Executive Assistant

MEETING	4-15-05
DATE	
AGENDA	A.2.
ITEM	Forward Calendar

PERS Board Meeting Forward-Looking Calendar

May 2005

Meeting: 1:00 P.M. May 20, 2005

- 2006 PERS Retiree Health Insurance Plan and Rate Changes
- ETOB Initial Determination Report
- Adoption of OPSRP/IAP Definition Rules
- Adoption of Alternate Payee Withdrawal Rules
- Adoption of Division 15 Disability Rules
- Adoption of Division 76 Disability Rules
- First Reading of Employer Payments Using Electronic Funds Transfer Rules
- Contested Case Hearing of Raymond Murray

June 2005

Meeting: 1:00 P.M. June 24, 2005

- ETOB Final Report
- Adoption of Employer Payments Using Electronic Funds Transfer Rules
- Adoption of Miscellaneous Rules Cleanup
- Contested Case Hearing of Dawn Gloeckner



Oregon

Theodore R. Kulongoski, Governor

April 1, 2005

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TO: Members of the PERS Board
Key Reviewer: Brenda Rocklin

FROM: Steven Patrick Rodeman, Administrator, PPLAD

SUBJECT: Notice of Rulemaking for 459-005-0225, *Requirement to Make Payments by Electronic Funds Transfer*

MEETING DATE	4-15-05
AGENDA ITEM	C.1.a. Electronic Funds Transfer

OVERVIEW

- **Action:** None. This is notice that staff began rulemaking on OAR 459-005-0225.
- **Reason:** ORS 293.525 allows state agencies to require payments via Electronic Fund Transfers (EFT).
- **Policy Issues:**
 1. Should PERS require employers to submit payments via EFT?
 2. When should PERS process debits to employer accounts?
 3. Should PERS assess a penalty to employers that do not use the EFT process?
 4. If penalties are assessed, when should they begin?
 5. Should there be a provision for a waiver of the penalty by the Director?

SUMMARY OF RULE AND POLICY ISSUES

1. Should PERS require employers to submit payments via EFT?

ORS 293.525 provides the parameters for state agencies to require that payments made to the agency be sent via electronic funds transfer (EFT). PERS would like to institute an EFT program, which would require employers to remit payments through an automated clearinghouse (ACH). The EFT process will provide for safer, more efficient processing of payments. Additionally, employers have been requesting this process.

2. When should PERS process debits to employer accounts?

Under the EFT process, an employer may elect to make their payments to PERS by one of two methods: by an ACH credit, which would be initiated by the employer and cleared through the ACH network for deposit to PERS; or by an ACH debit, which would be initiated by PERS and cleared through the ACH.

Employer payments are currently due seven business days after the statement date. Staff recommends that ACH debits be processed three business days after the statement date. This would make the debit effective on the fifth business day and allow two business days for NSF processing. Also, because some employers have statement dates at the end of the month, the current seven-day remittance deadline is

preventing the posting of those contributions in a timely manner. Changing the remittance deadline from seven to five days will help to insure contributions are posted in a timely manner.

3. *Should PERS assess a penalty to employers that do not use the EFT process?*

ORS 293.525 allows state agencies that institute an EFT process to assess a penalty of up to 5% for failure to comply with the agency's rules on the use of the EFT process. Staff recommends a penalty of 1% on payments not made through EFT. This amount would be consistent with other PERS penalty provisions.

4. *If penalties are assessed, when should they begin?*

Staff recommends that assessing penalties begin January 2006 to allow employer's time to get the ACH payments set up with their banks or with PERS. This will also allow time to submit a Change Request to implement the penalty in jClarety, so hopefully this functionality will be automated.

5. *Should there be a provision for a waiver of the penalty by the Director?*

Currently, the Director has the discretion to waive penalties upon written petition from the employer. Staff recommends that the same waiver provision be provided for EFT payment penalties.

LEGAL REVIEW

These proposed rule amendments will be submitted to legal counsel for review and any comments or changes will be incorporated before the rule is presented for adoption.

PUBLIC COMMENT AND HEARING TESTIMONY

The comment period ends on June 3, 2005 at 5:00 p.m.

IMPACT

Mandatory: No, but the process is authorized by statute. The EFT process will provide for safer, more efficient processing of payments.

Impact: While employers will have to spend a minimal amount of time submitting a form and enabling electronic funds transfer from their accounts, the net result of this rule will be fiscal and economic benefits to employers and PERS because electronic fund transfers are much more cost effective to submit and process than checks. Additionally, employers have been requesting this process.

Cost:

- *Members:* There will be no cost to members.
- *Employers:* Employers will benefit from this more efficient and cost-effective process.
- *Administration:* Reduced administrative costs are expected because processing electronic fund transfers is more efficient than processing checks.

- *Fund:* There may be a modest positive impact to the fund due to decreased administrative costs.

RULEMAKING TIMELINE

April 1, 2005	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
April 15, 2005	Board notified that staff began the rulemaking process.
May 1, 2004	<i>Oregon Bulletin</i> to publish the Notice.
May 24, 2005	Rulemaking hearing to be held at PERS headquarters in Tigard.
June 3, 2005	Public comment period ends at 5:00 p.m.
June 24, 2005	Rule is presented to the PERS Board for adoption, including any changes resulting from public comment or reviews by staff or legal counsel.

NEXT STEPS

Following the hearing and the public comment period, PERS staff will return to the Board for rule adoption, including any modifications in response to public comment.

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 005 – ADMINISTRATION**

MEETING DATE	4-15-05
AGENDA ITEM	C.1.a. Electronic Funds Transfer

1 **459-005-0225**

2 **Requirement to Make Payments by Electronic Funds Transfer**

3 (1) As used in this rule, the following words and phrases have the following
4 meanings:

5 (a) "Public employer" has the same meaning given the term in ORS 238.005(17) and
6 includes all public school districts and educational service districts.

7 (b) "Electronic funds transfer" has the same meaning given the term in ORS
8 293.525.

9 (c) "ACH credit" means the electronic funds transfer from the public employer's
10 account, initiated by the public employer and cleared through the Automated Clearing
11 House (ACH) network for deposit to PERS.

12 (d) "ACH debit" means the electronic funds transfer from the public employer's
13 account, initiated by PERS and cleared through the ACH network to debit the public
14 employer's account and credit the PERS account.

15 (2) Public employers are required to make all payments to PERS by means of
16 electronic funds transfer (EFT).

17 (3) On a form provided by PERS, public employers shall authorize EFT payments to
18 PERS, and submit the form to PERS by December 1, 2005.

19 (a) The public employer shall provide PERS with all information necessary to allow
20 for EFT payments, including the method of EFT payment (ACH debit or ACH credit).

21 (b) A public employer must complete a new EFT authorization form to change the
22 method of transfer or to update the employer's account information.

1 (4) ACH Debits from a public employer’s account will be processed on the third
2 business day after the statement date.

3 (5) Effective January 1, 2006, a penalty shall be assessed equal to one percent of
4 payments made by means other than EFT. This penalty is in addition to any penalties
5 incurred under ORS 238.710 and OAR 459-020-0025.

6 (6) The PERS Executive Director will have the discretion to waive the penalty
7 described in section (5) of this rule. The employer must submit any such requests in
8 writing.

9 Stat. Auth.: ORS 238.650
10 Stats. Implemented: ORS 293.525



Oregon

Theodore R. Kulongoski, Governor

April 1, 2005

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TO: Members of the PERS Board
Key Reviewers: Tom Grimsley
Brenda Rocklin

FROM: Steven Patrick Rodeman, Administrator, PPLAD

MEETING DATE	4-15-05
AGENDA ITEM	C.1.b. ER Reporting and Remittance

SUBJECT: Notice of Rulemaking for OAR 459-070-0100 and 459-070- 0110,
Employer Reporting, and Remittance of Contributions

OVERVIEW

- **Action:** None. This is notice that staff began rulemaking on OAR 459-070-0100 and 459-070-0110.
- **Reason:** ORS 293.525 provides parameters for state agencies to require that payments to the agency be sent via electronic funds transfer (EFT). PERS wishes to institute an EFT process and is presenting notice to the Board today that rulemaking will begin for that process with proposed OAR 459-005-0225. These rules are being changed to conform to that new rule.

Additionally, statutory language incorporated from ORS Chapter 238 into the OPSRP programs imposes harsh penalties on employers that fail to remit reports or contributions in a timely manner. These rules were initially amended to extend the ability of the Executive Director to waive penalties to avoid administrative complications in waiving penalties and unnecessarily burdening employers struggling to comply with the new reporting standards. With administrative complications still being worked out, these rule modifications maintain flexibility in waiving penalties.

- **Subjects:** OAR 459-070-0100 and 459-070-0110 direct participating employers to submit required information and contributions to PERS for each pay period and specify penalties for incomplete or late reporting.
- **Policy Issues:**
 - When should PERS process debits to employer accounts?
 - Should the PERS Board extend the period of time during which employers will not incur a penalty for late data or contribution reporting?

SUMMARY OF RULES AND POLICY ISSUES

These rules direct employers to submit required information and contributions to PERS via an EFT and specify penalties for incomplete or late reporting of data or contributions. OAR 459-070-0100 and 459-070-0110, as adopted, require contributions be remitted no later than seven business days after the statement date, and give the Executive Director discretion to waive penalties for 2004.

- *Policy Issue: When should PERS process debits to employer accounts?*

ORS 293.525 provides for state agencies to require payments to the agency via electronic funds transfer (EFT). PERS would like to institute an EFT program by December 1, 2005, which would require employers to remit payments through an automated clearinghouse (ACH). The current rule requires all remittances to be submitted not later than seven business days from the statement date. Because some employers have statement dates at the end of the month, the seven-day deadline extends posting contributions until the next calendar month. Changing the remittance deadline from seven to five days will help to insure contributions are posted to accounts in the month submitted.

- *Policy Issue: Should the PERS Board extend the period of time during which employers will not incur a penalty for late data or contribution reporting?*

Employers and PERS staff have made tremendous strides toward implementing the new OPSRP reporting structure. However, technical problems still cause some individual records to fail to post. While efforts are being made to resolve these problems, PERS staff recommends that the Executive Director be provided the flexibility to waive penalties instead of requiring employers to follow a cumbersome administrative procedure to request such a waiver. Given the high degree of cooperation employers have exhibited in trying to implement the new reporting and contribution structure, staff recommends this approach to avoid adding an additional burden.

PUBLIC COMMENT

The comment period ends on June 3, 2005 at 5:00 p.m.

LEGAL REVIEW

These proposed rule amendments will be submitted to legal counsel for review and any comments or changes will be incorporated before the rule is presented for adoption.

IMPACT

Mandatory: No. However, insuring the timely posting of contributions will more closely reflect member expectations. Additionally, extending the waiver period will reduce the burden on employers and PERS staff to seek, review, and respond to individual waiver requests that, in all likelihood, would probably be granted.

Impact: Adopting these rule amendments will lead to more timely posting of member contributions as well as relieve employers from concerns over imposition of penalties through the remainder of calendar year 2004 as they continue to seek resolution to individual problems with PERS' new reporting structure.

Cost:

- ♦ *Members.* There is no cost to members; rather, more timely posting of contributions will benefit members.
- ♦ *Employers.* Employers will save the costs associated with seeking individual waivers from PERS for penalties the agency would otherwise be compelled to impose.
- ♦ *Administration.* PERS will save the costs of processing and, most likely, waiving penalties that would otherwise be imposed automatically.
- ♦ *Fund.* There is no direct cost to the Fund.

TIMELINE

April 1, 2005	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
April 15, 2005	Board notified that staff began the rulemaking process.
May 1, 2004	<i>Oregon Bulletin</i> published the Notice and the public comment period began.
May 24, 2005	Rulemaking hearing to be held at PERS headquarters in Tigard.
June 3, 2005	Public comment period ends at 5:00 p.m.
June 24, 2005	Rule is presented to the PERS Board for adoption, including any changes resulting from public comment or reviews by staff or legal counsel.

NEXT STEPS

Following the hearing and the public comment period, PERS staff will return to the Board for adoption, including any modifications.

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459**

DIVISION 070 – OREGON PUBLIC SERVICE RETIREMENT PLAN, GENERALLY

OAR 459-070-0100 is amended as follows:

MEETING DATE	4-15-05
AGENDA ITEM	C.1.b. ER Reporting and Remittance

1 **459-070-0100**

2 **Employer Reporting**

3 (1) Definition. "Pay period" means the span of time covered by an employer's report
4 to PERS.

5 (2) Unless otherwise agreed upon between the PERS Executive Director and the
6 employer, the employer shall transmit to PERS an itemized report of all information
7 required by PERS. Reports shall include wage, service, and demographic data related to
8 that pay period.

9 (3) The report required under section (2) of this rule shall be acceptable to PERS and
10 transmitted on forms furnished by the agency or in an equivalent format. The report shall
11 be transmitted electronically, faxed, or postmarked, as applicable, no later than three
12 business days following the end of each pay period listed in section (4) below.

13 (4) PERS shall assign the employer to one of the following pay periods which most
14 closely matches the employer's pay cycle:

15 (a) Monthly: the pay period ends on the last day of the month;

16 (b) Semi-monthly: the pay period ends on the fifteenth of the month and the last day
17 of the month;

18 (c) Weekly: the pay period ends the Friday of every week, commencing January 2,
19 2004; or

20 (d) Biweekly: the pay period ends every other Friday, commencing January 9, 2004.

1 (5) If the report required under section (2) of this rule is accepted by PERS, PERS
2 shall notify the employer of any exceptions and the employer will have 10 business days
3 to reconcile its report. The corrected report must be transmitted electronically, faxed, or
4 postmarked, as applicable, to PERS no later than 10 business days from the date of
5 notification to avoid the penalty described under section (6) of this rule.

6 (6) Failure of an employer to transmit the report required under section (2) of this
7 rule shall make the employer liable for a penalty equal to one percent of the total amount
8 of the prior year's annual contributions or \$2000, whichever is less, for each month the
9 employer is delinquent.

10 (7) The PERS Executive Director will have the discretion to waive the penalty
11 described in section (6) of this rule for all reports due from January 1, 2004 through
12 December 31, 2005[4]. Following that period of time, penalties may be waived by the
13 Director only upon written petition from the employer.

14 (8) The effective date of this rule is January 1, 2004.

15 Stat. Auth.: ORS 238A.450
16 Stats. Implemented: ORS 238A.050, 238.705

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459**

DIVISION 070 – OREGON PUBLIC SERVICE RETIREMENT PLAN, GENERALLY

OAR 459-070-0110 is amended as follows:

MEETING DATE	4-15-05
AGENDA ITEM	C.1.b. ER Reporting and Remittance

1 **459-070-0110**

2 **Employer Remittance of Contributions**

3 (1) Definition. "Statement date" means the date a statement of contributions or
4 penalty due is generated by PERS.

5 (2) Once PERS receives the report described in OAR 459-070-0100(2) and (5), it
6 shall issue a statement of contributions and any penalty due, if applicable.

7 (3) Unless otherwise agreed upon by the PERS Executive Director and the employer,
8 an employer shall transmit the amount of employee contributions, employer paid
9 employee contributions, and employer contributions for the Individual Account Program
10 along with the corresponding contributions to fund the pension programs, for each pay
11 period to the Board so that it shall be [*postmarked or*] electronically transferred no later
12 than [*seven*] **five** business days from the statement date, **under the provisions of OAR**
13 **459-005-0225.**

14 (4) Failure of any employer to transmit contributions within the time limit specified
15 in section (3) will make the employer liable for a penalty equal to one percent of the total
16 amount of contributions due for that pay period for each month the employer is
17 delinquent.

18 (5) If an employer transmits an amount less than the contributions required by
19 section (3) of this rule, PERS shall allocate the contributions received in the following
20 order:

21 (a) To the Individual Account Program;

1 (b) To the Pension Program;

2 (c) To the PERS Fund.

3 (6) The PERS Executive Director will have the discretion to waive the penalty
4 described in section (4) of this rule for all contributions due from January 1, 2004 through
5 December 31, 2005^[4]. Following that period of time, penalties may be waived by the
6 Director only upon written petition from the employer.

7 (7) If PERS is required to invoice an employer for employee contributions and
8 corresponding employer contributions on wages paid in previous reporting periods, an
9 amount equal to the earnings that would have been credited to affected members and
10 employers for those years, if any, may be added to the applicable account and charged to
11 the employer.

12 (8) The effective date of this rule is January 1, 2004.

13 Stat. Auth.: ORS 238A.450

14 Stats. Implemented: ORS 238A.050, 238.705



Oregon

Theodore R. Kulongoski, Governor

Public Employees Retirement System

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April 5, 2005

TO: Members of the PERS Board
FROM: Steve Delaney, Deputy Director
SUBJECT: Police and Fire Mortality Study

MEETING DATE	4-15-05
AGENDA ITEM	D.1. Police & Fire

BACKGROUND

During the closing days of the 2003 legislative session, a concern was raised that the actuarial equivalency factors used by the PERS actuary did not properly reflect life expectancy of certain police and firefighter (P & F) members. Among the many provisions of HB 3020, was a directive to the PERS Board related to the issue of P & F mortality assumptions. Codified in Oregon Revised Statute (ORS) 238.608, that directive states:

“Separate actuarial equivalency factor tables for certain police officers and firefighters. (1) The Public Employees Retirement Board shall conduct a study of the life expectancy of members of the Public Employees Retirement System in the categories described in subsection (2) of this section. If the board determines that members in the categories described in subsection (2) of this section have a life expectancy that is substantially shorter than the life expectancy of members of the system generally, the board shall adopt and use separate actuarial equivalency factor tables under ORS 238.607 for the purpose of computing the payments to be made to members in the categories described in subsection (2) of this section and to the beneficiaries and alternate payees of those members. Any actuarial equivalency factor tables adopted under this section shall first become effective January 1, 2005.
(2) The provisions of this section apply to members of the system who are defined as firefighters under ORS 238.005 (9) or as police officers under ORS 238.005 (16)(a), (b), (d), (e), (f), (k), (L), (n), (o) or (p). [2003 c.68 §7; 2003 c.625 §18]”

Please note that while ORS 238.005 (16) provides a laundry list of employment classifications that are to be provided P&F retirement benefits, not every group was to be included in this study. Specifically, the study covers:

238.005(16)(a)	Certain Department of Corrections employees
238.005(16)(b)	State police
238.005(16)(d)	Sheriffs, deputy sheriffs, and others designated by the sheriff
238.005(16)(e)	Police chiefs and police personnel
238.005(16)(f)	Certain parole and probation officers
238.005(16)(k)	Criminal investigators of the Department of Justice
238.005(16)(L)	Corrections officers
238.005(16)(n)	The Director of the Department of Corrections

Police and Fire Mortality Study

April 5, 2005

Page 2 of 2

238.005(16)(o) Certain Department of Corrections employees

238.005(16)(p) Certain Department of Corrections employees

ACTUARIAL EQUIVALENCY FACTOR STUDY

At the April 15 Board meeting, Milliman will present its findings to the PERS Board (letter attached), and discuss whether any action is necessary to conform to the statutory directive of ORS 238.608.



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April 7, 2005

VIA EMAIL

Mr. Dale Orr
Actuarial Coordinator
Oregon Public Employees Retirement System

Re: P&F Actuarial Equivalency Factors

Dear Dale:

The 2003 Legislative Assembly passed House Bill 2004. Section 7 of HB 2004 calls for a study of the life expectancy of certain police officers and firefighters. If the Retirement Board determines that the average life expectancies of these members is substantially shorter than the average life expectancies of all members of the system, the Board shall adopt new actuarial equivalency factors for these members effective January 1, 2005.

The purpose of this report is to communicate the results of our analysis. We are not attorneys and we are not providing legal advice. We strongly suggest any actions by the Retirement Board be thoroughly reviewed by legal counsel.

This information is for the exclusive use of Oregon PERS for the purposes stated herein. The information provided may not be appropriate for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Conclusions

Based on the data and analysis described in this report, we offer the following conclusions:

- ◆ The observed mortality rates for the subset of police and fire members under Section 7 of HB 2004 are not substantially different than the observed mortality rates for members of the entire police and fire classification,
- ◆ The average post-retirement life expectancy of police and fire members is generally about 5% to 7% shorter than the average life expectancies of all members,
- ◆ Gender appears to have a more significant effect on average life expectancies than job classification, and
- ◆ If new actuarial equivalency factors are developed for police and fire members pursuant to Section 7 of HB 2004, the current set for all other members should be revised to exclude the police and fire members in order to keep the entire set "cost neutral". The Option 1 pension on a Money Match calculation would be expected to increase less than 2% for a police officer or firefighter at age 55, while the factor for other members would decrease by about 0.3% at age 58.

Mr. Dale S. Orr
April 7, 2005
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Background

The Retirement Board is responsible for adopting the assumptions used in the actuarial valuations. The consulting actuary presents an analysis with recommendations for assumptions and methods prior to each biennial valuation that produces new employer contribution rates. The latest Experience Study was performed prior to the 2003 Actuarial Valuation.

The 2003 Actuarial Valuation contains five separate assumptions for predicting the life expectancy of healthy (non-disabled) retired PERS members. Life expectancies are based on rates of mortality for each age from the date of retirement until the maximum assumed age of survival. The stated valuation assumptions are, therefore, not expressed in terms of life expectancies, but rather in terms of mortality rates.

The five sets of mortality rates are based on two mortality tables published by the Society of Actuaries; one for males and one for females. The tables are called the Retirement Plans 2000 Mortality Table for Males and Females (RP-2000 Male Table and RP-2000 Female Table). In order to match the measurable differences in expected mortality rates for members with different working backgrounds, the tables were modified for job classification by shifting the ages slightly. The five assumed mortality tables used in the 2003 Actuarial Valuation for healthy retirees were as follows:

Healthy Males

- | | |
|-------------------------------------|---------------------------------|
| (1) State and Local General Service | RP-2000 Male set back 18 months |
| (2) State and Local Police & Fire | RP-2000 Male set back 12 month |
| (3) Schools | RP-2000 Male set back 24 months |

Healthy Females

- | | |
|--|-----------------------------------|
| (4) State and Local General Service
and State and Local Police & Fire | RP-2000 Female set back 18 months |
| (5) Schools | RP-2000 Female set back 36 months |

A "set back" means, for example, that we are assuming a State and Local P&F member is 12 months younger than the age specified in the table. Different set backs and separate male and female tables create the five separate mortality assumptions used in the valuation. These mortality assumptions were first adopted for the 2001 Actuarial Valuation and were retained for the 2003 Actuarial Valuation.

On February 24, 2003, we presented recommendations for new actuarial equivalency factors based on the new 2001 mortality assumptions. The factors, called the "2001 Factors", were adopted by the Retirement Board.

Prior to 1978, the Retirement Board adopted actuarial equivalency factors by age for each class of membership and gender. The distinction by classification was eliminated effective January 1, 1978. Averaging (or "blending") the several mortality tables into two, one for males and one for females, achieved the Board's desire for simplicity.

Mr. Dale S. Orr
 April 7, 2005
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The differences in values by gender were more pronounced than the differences by classification. However, due to the resolution of a lawsuit, the gender distinction was also eliminated from the actuarial equivalency factors effective July 1, 1978.

Data

Because Section 7 of HB 2004 prescribed a certain subset of police and fire members for the study, we had to collect a new data set from PERS. The data used in the 2003 Experience Study included all members classified as police or fire. It turned out to be a relatively difficult task to obtain new experience study data on the subset.

The data collected for the 2003 Experience Study assigned members to the police and fire classification based on the service segment with the largest benefit. The data collected for the HB 2004 sub-classification assigned members to the police and fire sub-classification based on the current service segment. We do not believe this difference in method of assignment is critical to the conclusions of this study.

In our opinion the data we received is sufficient for the purposes of this study. We did not audit this data, however, the data appeared to be reasonable.

Analysis

The following table shows the average mortality rates in five-year age bands for the police and fire classification. Set 1 is from the 2003 Experience Study and Set 2 represents only the study data under Section 7 of HB 2004.

Attained Age	Average Rate of Mortality		Ratio of Set 2 to Set 1
	Set 1 Experience Study	Set 2 HB 2004 Analysis	
55-59	0.3%	0.2%	78%
60-64	1.1	1.0	90
65-69	1.3	1.1	89
70-74	4.3	4.1	96
75-79	6.0	5.6	94
80-84	7.7	7.7	100
85-89	23.2	23.2	100

The ratio of Set 2 to Set 1 is interesting because the special sub-classification showed lower mortality rates at the younger ages than the overall police and fire experience. It is our opinion that the difference in mortality rates between the police and fire classification studied in the 2003 Experience Study and the sub-classification analyzed here is not significant enough to form the basis of a new mortality table.

Mr. Dale S. Orr
 April 7, 2005
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From this point forward, our analysis used the data and assumptions developed in the 2003 Experience Study. This is consistent with the data and assumptions used to develop the 2001 set of actuarial equivalency factors.

Because the statute is focused on life expectancy, the following table shows the anticipated life expectancy of male police and fire members compared to all male members.

Attained Age	Average Male Life Expectancy (Years)			
	State & Local And Schools	Police & Fire	Difference Years	Difference Pct.
50	33.36	32.73	0.63	2%
55	28.70	28.09	0.61	2%
60	24.19	23.61	0.58	2%
65	19.94	19.40	0.54	3%

As you can see, there is about a six-month difference in life expectancy between the police and fire and general service retired membership, which represents about a 2% difference from the attained age at retirement. Based on the weightings of the mortality tables, this is consistent with the differences in the age setbacks among the assumed male mortality tables.

We also compared life expectancies for the police and fire classification to the life expectancies based on the blended mortality rates for all members (including the police and fire members).

Attained Age	Average Life Expectancy (Years)			
	All Members	Police & Fire	Difference Years	Difference Pct.
50	34.70	33.07	1.63	5%
55	30.01	28.42	1.59	6%
60	25.46	23.92	1.54	6%
65	21.14	19.70	1.44	7%

The previous two tables show that less than 40% of the difference in the average life expectancies of police and fire members compared to the average life expectancies of all members (upon which the actuarial equivalency factors are based) is due to job classification. The remainder is due to the gender weighting for the entire system. For example, there are more females in the school and general service classifications than in the police and fire classifications. Therefore, since females live longer than males on average, as the female weighting increases, the average life expectancy for all members combined increases as well.

The question posed by Section 7 of HB 2004 is whether the difference in life expectancies for police and fire members is substantially shorter than the life expectancies for the

Mr. Dale S. Orr
 April 7, 2005
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members of the system generally. One way to quantify the difference is to look at the percentages in the previous table. Another way is to look at the expected change in the Money Match conversion factors if the police and fire members had a separate set of factors. The next table shows the 2001 Option 1 Factors compared to two new potential sets of factors (Police & Fire and All Other).

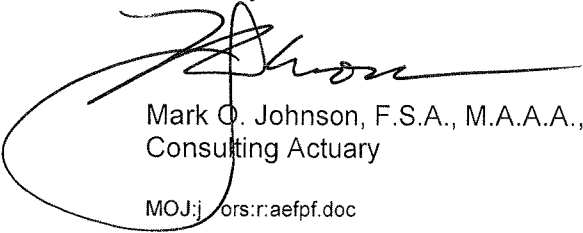
Attained Age	Current Option 1 Factor	Monthly Pension per \$1,000 Account					
		Potential New Factors		Potential Change in Factors			
		Police & Fire	All Other	Police & Fire			All Other
		Class	Gender	Total			
50	\$7.21	\$7.31	\$7.20	\$0.04	\$0.06	\$0.10	\$(0.01)
55	7.56	7.70	7.54	0.05	0.09	0.14	(0.02)
58	7.84	8.02	7.82	0.07	0.11	0.18	(0.02)
60	8.06	8.27	8.04	0.08	0.13	0.21	(0.02)
65	8.79	9.11	8.76	0.11	0.21	0.32	(0.03)

At age 55, the potential increase in the Option 1 conversion factor for police and fire members is about \$0.14 per month for a \$1,000 account balance (an increase of 1.9%). Of the total increase of \$0.14, \$0.05 is due to differences in mortality due to job classification and the remainder of \$0.09 is due to the weighting of the male and female mortality. In order to keep the entire set of factors cost neutral, the Option 1 conversion factors for members other than police and fire members would decrease by about \$0.02 per month at age 58 for \$1,000 account balance (a decrease of 0.3%).

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

If you have any questions, or need any additional information, please let me know.

Sincerely,



Mark O. Johnson, F.S.A., M.A.A.A., E.A.
 Consulting Actuary

MOJ:j ors:r:aefpf.doc

cc: Paul Cleary



Oregon

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April 4, 2005

MEETING	4-15-05
DATE	
AGENDA	D.2.
ITEM	System Funding

TO: Members of the PERS Board

FROM: Dale S. Orr, Actuarial Analysis Coordinator

SUBJECT: System Benefits and Employer Rate Analysis

PERS' actuaries from Mercer Human Resource Consulting will be present on April 15, 2005 to report on recent benefit changes and projected future employer rates as requested by the PERS Board at its meeting on March 29. Presentation documents will be forwarded to the Board as soon as they are available.



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April 7, 2005

TO: Members of the PERS Board
FROM: Brian DeForest, Budget and Fiscal Operations Manager
SUBJECT: Supreme Court Strunk Ruling – Contingency Budget Packages

MEETING DATE	4-15-05
AGENDA ITEM	D.3. Cont. Budget Pkgs

SUMMARY

The projected net increase to the Governor's Recommended Budget (GRB) to implement the Supreme Court decision on the Strunk case is an additional \$1.7 million Other Funds and 11 limited duration positions, 11.00 FTE. The total fiscal impact is approximately \$3.9 million (33 positions, 33.00 FTE). This amount is netted against the GRB, which included \$2.2 million (22 positions, 22.00 FTE) to fund completion of the COLA project, which is no longer necessary.

STRUNK IMPLEMENTATION, STAFFING AND FISCAL IMPACT

The Oregon Supreme Court, in its Strunk ruling, held that the 2003 PERS reform legislation impaired the PERS contract in two aspects. Those two aspects are (1) eliminating annual crediting at the assumed rate for Tier One member regular accounts and (2) temporarily suspending cost-of-living adjustments (COLA) to certain retired members, also known as the COLA project. The Governor's Recommended Budget, which was formulated prior to the Supreme Court decision, assumed continuation of both aspects. Those assumptions are no longer valid and corrections will eventually need to be made to applicable member and retiree accounts and transactions.

Budget staff reviewed the Governor's Recommended Budget, and in particular Package 104 – PERS Reform Legislation Implementation, to determine if changes needed to be made for the upcoming 2005-07 biennium budget. Continuation of the COLA project is no longer necessary given the Strunk ruling. The Benefit Payments Division determined that a nearly identical set of staff, both in terms of size and position classification, would be required to make necessary account adjustments and transaction corrections by the end of the 2005-07 biennium. The net change to staffing in the Benefit Payments Division, as compared to the GRB, is the addition of three Retirement Counselor positions.

Strunk Impact on Pkg 104 - COLA Team, 2005-07 Biennium				
Personal Services	Salary/OPE	Strunk		
		Pos	FTE	Total
Project Coordinator	113,900	(1)	(1.00)	(113,900)
Program Tech 1	101,484	(2)	(2.00)	(202,968)
Ret. Counselor 2	97,741	(7)	(7.00)	(684,187)
Ret. Counselor 1	90,790	(10)	(10.00)	(907,900)
Office Specialist 2	76,502	(2)	(2.00)	(153,004)
Total Personal Services		(22)	(22.00)	(2,061,959)
Services & Supplies				
Office Expenses				(110,000)
Training				(18,700)
Professional Services				
Expendable Property				
Total Services & Supplies				(129,700)
Package Total				\$ (2,190,659)

Moving beyond the Benefit Payments Division, the fiscal impact to agency operations include contracted services to make necessary data and programming changes to the RIMS retirement system. The fiscal impact also includes continuation of eight existing limited duration positions that would otherwise be eliminated at the end of the 2003-05 biennium. The existing positions are currently filled with skilled and knowledgeable individuals that provide supporting functions to the primary mission of calculating benefits accurately and efficiently. These positions provide services such as creating, revising and distributing forms to reflect implementation of the court decision; support for policy, procedure and rule modifications; support for increased levels of telephone, e-mail and hard copy communication with all affected members and retirees; and support for imaging and managing communication and documents as they are returned from members and retirees. These positions could become even more critical based on the outcome of the pending Oregon Supreme Court decision in the *City of Eugene* case.

The following outlines the staff recommended *Strunk* fiscal impact contingency budget packages related to deleting the COLA project, addressing the anticipated workload impacts in the Benefit Payments Division, and addressing assorted workload impacts in agency support operations:

OPERATIONS – Gross Impact of Strunk Decision, 2005-07 Biennium

Personal Services	Salary/OPE	Strunk		
		Pos	FTE	Total
Project Manager 1	113,900	1	1.00	113,900
Support Svc Supv	82,710	1	1.00	82,710
Information Specialist	109,504	1	1.00	109,504
Program Tech 1	101,484	2	2.00	202,968
Ret. Counselor 2	97,741	7	7.00	684,187
Compliance Spec 1	94,236	1	1.00	94,236
Ret. Counselor 1	90,790	13	13.00	1,180,270
Office Specialist 2	76,502	2	2.00	153,004
Admin. Spec 1	81,433	1	1.00	81,433
Word Proc Tech 3	78,581	1	1.00	78,581
Office Specialist 1	69,521	1	1.00	69,521
Data Entry Operator	67,650	2	2.00	135,300
Total Personal Services		33	33.00	2,985,614
Services & Supplies				
Office Expenses				165,000
Training				29,050
Professional Services				750,000
Expendable Property				
Total Services & Supplies				944,050
Package Total				\$ 3,929,664

OPERATIONS – Net impact to GRB, 2005-07 Biennium

Personal Services	Salary/OPE	Strunk		
		Pos	FTE	Total
Project Coordinator	113,900	(1)	(1.00)	(113,900)
Project Manager 1	113,900	1	1.00	113,900
Support Svc Supv	82,710	1	1.00	82,710
Information Specialist	109,504	1	1.00	109,504
Compliance Spec 1	94,236	1	1.00	94,236
Ret. Counselor 1	90,790	3	3.00	272,370
Admin. Spec 1	81,433	1	1.00	81,433
Word Proc Tech 3	78,581	1	1.00	78,581
Office Specialist 1	69,521	1	1.00	69,521
Data Entry Operator	67,650	2	2.00	135,300
Total Personal Services		11	11.00	923,655
Services & Supplies				
Office Expenses				55,000
Training				10,350
Professional Services				750,000
Expendable Property				
Total Services & Supplies				815,650
Package Total				\$ 1,739,005

COMBINED STRUNK/CITY OF EUGENE FISCAL IMPACT

The estimated net fiscal impact to the Governor’s Recommended Budget increases to a total of approximately \$7.9 million and 70 positions when considering potential outcomes of the *City of Eugene* case. Many of the manual calculations and much of the IT contracted programming work to implement *Strunk* can be reused and applied to potential outcomes of the *City of Eugene* case. However, the population of affected members and retirees increases significantly if the decision on *City of Eugene* reaches back to activity in 1999, whereas the decision on *Strunk* reached only as far back as 2003 transactions. This creates more complexity as the profile of the many accounts likely changed between 1999 and 2003. The projected increase in positions is directly related to the increase in volume and complexity of calculations. The combined *Strunk/ City of Eugene* fiscal impact is subject to change and assumes a worst-case scenario of manually adjusting each affected account back to 1999. Review of the actual court decision on the pending *City of Eugene* case will be necessary to determine a refined actual fiscal impact estimate and develop an associated budget package for Board consideration.

STAFF RECOMMENDATIONS

Staff recommends that the Board approve the above-described *Strunk* implementation fiscal impact contingency budget packages, with all positions being requested on a limited duration basis, for submittal to the agency’s DAS Budget and Management Analyst and Legislature Fiscal Analyst for consideration in the agency’s 2005 – 07 legislative hearing process.



Oregon

Theodore R. Kulongoski, Governor

April 6, 2005

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TO: Members of the PERS Board
FROM: Steve Delaney, PERS Deputy Director
Tom Grimsley, PERS Board Member

MEETING	4-15-05
DATE	
AGENDA	D.4.
ITEM	Legislative Update

SUBJECT: 2005 LEGISLATIVE UPDATE

The clock is ticking, and though no committee hearing dates have been set for any of the major PERS-related bills as of the date of this memo, there is a lot of activity presently underway at the Capitol to get those bills into a public hearing.

On March 1 Senate President Courtney by memo announced that all Senate Bills currently in committee must have final action completed by April 8. Senate Committees are to close as of April 28. Senate Rules is an exception to that closure directive, an important exception to note as the majority of PERS-related bills in the Senate have been assigned to that committee.

The Speaker of the House has not yet announced when House committees will begin a similar shut down process.

NEW BILLS INTRODUCED SINCE THE MARCH BOARD MEETING

SB 1019 – Modifies break in service rule for members of PERS. Provides that person who is inactive member of PERS on August 28, 2003, and who is reemployed in qualifying position on or before August 27, 2005, does not have break in service.

SB 1020 – Provides that member of PERS who retires under OPSERP and who is also receiving retirement allowance under ORS chapter 238 may be reemployed for period of time allowed under ORS chapter 238 and continue to receive pension under OPSERP.

SB 1021 – Requires that PERS Board credit community college employee engaged in teaching with hours of service based on number of credit hours taught.

SB 1022 – Requires that PERS Board commence payment of death benefit under OPSERP as of date of death of member.

SB 1023 – Provides that member of PERS does not have break in service by reason of period of time during which member leaves employment with participating public employer pursuant to agreement with employer.

SB 1024 – Modifies definition of 'final average salary' used to compute pension of member of OPSERP. Modifies overtime limitation on salary used for determination of pension under OPSERP.

PERS BILLS

As of Tuesday, April 5, the following 40 bills have been introduced relating to PERS:

Bill Numbers	Basic Concept
SB 54	A PERS Board Bill – Changes the trigger date for conversion to an Option 1 benefit from the date PERS is notified, to the date the event occurs.
SB 105	Modifies break in service rule governing membership in OPSRP by person who leaves public employment for more than six months. Provides that employee does not have break in service by reason of period of time during which employee leaves public employment because of injury or disease that entitles employee to receive service disability allowance.
SB 108	A PERS Board Bill – Housekeeping measure pertaining to the interaction of PERS 238 and OPSRP 238A.
SB 109	A PERS Board Bill – Amends unclear statutory direction regarding interest earnings for estimated payments.
SB 110	A PERS Board Bill – Provides that withdrawal of an account invalidates any beneficiary notification on file with PERS.
SB 111	A PERS Board Bill – For tax qualification purposes, clarifies that PERS is a single plan with component parts.
SB 188	Modifies break in service rule governing membership in OPSRP by person who leaves public employment for more than six months. Provides that seasonal employee does not have break in service by reason of period of time during which employee leaves employment based on seasonal nature of employment.
SB 271	Provides that judge member of PERS who fails to make plan election be retired under Plan B. Allows judge to retire under Plan B if judge is at least 58 years of age and has at least 21.75 years of creditable service as judge.
SB 302	Limits number of terms to which member of OIC may be appointed. Limits number of years a chairperson may serve. Requires sound recording be made of every meeting.
SB 497	Prohibits PERS Board from paying increased benefit by reason of state income taxation of payments made by board if person receiving payments is not resident of State and does not pay Oregon income tax.
SB 499	Classifies telecommunicators certified by Department of Public Safety Standards and Training as police officers for purposes of benefits under PERS.

SB 506	Classifies dog control officers and persons commissioned by sheriff to perform animal control duties as police officers for purposes of benefits under PERS.
SB 508	Removes limit on number of hours retired member may work and still qualify for retirement under OPSRP if retired member is employed by school district or education service district as other than teacher or management employee.
SB 767	Provides that new employee of OSBA may not become member of PERS by reason of service to association.
SB 874	Requires PERS Board to allow retired members and beneficiaries to make voluntary annual contributions to organizations representing interests of retirees that have at least 100 members who are retired members of PERS and to certain charitable organizations.
SB 893	Allows school district or education service district to employ retired member of PERS to teach technology courses for any number of hours without affecting right of member to receive service retirement allowance if member has teaching license related to professional technical education.
SB 941	Identical to SB 893, allows retired member hired by a school district or education service district "to teach technology courses" to work unlimited hours.
SB 980	Classifies doctors and nurses who work at Oregon State Hospital as police officers for purposes of benefits under Public Employees Retirement System.
SB 1010	Allows member of Public Employees Retirement System who served in elective office before becoming member of system to acquire retirement credit for periods of service in elective office. Requires that member pay employee contributions for period of service sought, and interest.
SB 1019	Modifies break in service rule for members of Public Employees Retirement System. Among other provisions directs that person who is inactive member of Public Employees Retirement System on August 28, 2003, and who is reemployed in qualifying position on or before August 27, 2005, does not have break in service.
SB 1020	Provides that member of Public Employees Retirement System who retires under Oregon Public Service Retirement Plan and who is also receiving retirement allowance under ORS chapter 238 may be reemployed for period of time allowed under ORS chapter 238 and continue to receive pension under Oregon Public Service Retirement Plan.

SB 1021	Requires that Public Employees Retirement Board credit community college employee engaged in teaching with hours of service based on number of credit hours taught. Provides formula for determining number of hours of service attributable to each credit hour. Declares emergency, effective on passage.
SB 1022	Requires that Public Employees Retirement Board commence payment of death benefit under Oregon Public Service Retirement Plan as of date of death of member. Allows surviving spouse or other person entitled to payment to elect to delay payment of death benefit until specified date. Provides that death benefit under ORS chapter 238 includes amount contributed by employer equal to amount in employee account established for member under individual account program of Oregon Public Service Retirement Plan.
SB 1023	Provides that member of Public Employees Retirement System does not have break in service by reason of period of time during which member leaves employment with participating public employer pursuant to agreement with employer. Requires that agreement specify length of leave or provide that member will return to employment upon occurrence of specified event.
SB 1024	(1) Modifies definition of 'final average salary' used to compute pension of member of Oregon Public Service Retirement Plan by eliminating the "earned when earned" provisions of ORS 238A. (2) 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. (3) 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.
HB 2060	Authorizes community college districts to offer alternative retirement programs.
HB 2104	Modifies provisions governing Optional Retirement Plan established by State Board of Higher Education. Provides that employer contribution rate for plan be based on employer contributions to PERS without adjustment for lump sum payments to system by employers.
HB 2189	Provides that salary used to determine benefits of members of PERS includes wages of deceased member paid to spouse or dependent children.

HB 2434	Requires that employer of Tier One or Tier Two members continue to make contributions for member as though member continued to work during period in which member receives temporary total disability benefits under Workers' Compensation Law. Provides that contributions be based on salary of member at time member left work. Provides that final average salary of member be calculated as though member continued to work during period of temporary total disability, based on salary of member at time member left work.
HB 2436	Expands definition of 'salary' for purposes of benefits under Public Employees Retirement System. Provides that salary includes amounts contributed by employee to Health Savings Account or Health Reimbursement Arrangement. Expands definition of 'salary' for purposes of benefits under Public Employees Retirement System. Provides that salary includes amounts contributed by employee to Health Savings Account or Health Reimbursement Arrangement.
HB 2572	Directs PERS Board to calculate or recalculate retirement benefits of member of PERS if member is convicted of certain work related felonies. Requires board to pay convicted member only benefits that are funded by employee contributions.
HB 2615	Provides that rules for accrual of retirement credit by school employees under OPSRP apply to employees of Oregon Health and Science University engaged in teaching or other school activity.
HB 2641	Provides that employer-funded portion of pension or retirement plan of public employee is subject to execution if employee is convicted of felony and court determines that conduct on which conviction is based occurred while employee was engaged in performance of duties, or that employee's position allowed employee to engage in conduct that is basis of conviction.
HB 2735	Provides that state agency may employ retired member of PERS to fill position only if state agency certifies to Oregon DAS that state agency has made good faith efforts for at least 45 days to fill position and public employer has been unable to find suitable person who is not retired member to fill position.
HB 2925	Classifies certain public employees as police officers for purposes of benefits under PERS. Applies only to service rendered on or after effective date of Act. This bill applies to certain employees with Oregon Military Department, OHSU & Juvenile case and detention workers.

HB 3041	Allows member of PERS who is police officer to receive retirement credit for service as public safety officer with another state, or political subdivision of another state, before being employed in position that entitled member to credit in system. Requires lump sum payment of full cost of retirement credit
HB 3262	Provides that member of PERS who acquires retirement credit for active service in Armed Forces may elect to have service retirement allowance determined under any calculation for which person is eligible, even if calculation does not produce largest service retirement allowance.
HB 3410	Allows eligible state employee who has deferred compensation to direct PERS Board to pay all or part of deferred amounts to individual rollover account. Allows use of moneys in rollover accounts established by members of PERS to pay costs of restoring forfeited creditable service and purchasing retirement credit as authorized by law.
HB 5059	Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by Public Employees Retirement System. Authorizes specified non-limited expenditures.
HB 5060	Approves new or increased fee adopted by Public Employees Retirement Board.