

2019 Legislative Session Bills of Interest

PERS Bills:

Senate Bill 75, at the request of Gov. Kate Brown, tweaks the rules for employers who plan to apply for matching funds under a nascent employee incentive fund. The funds, one for schools and one for other public employers, are one of the only concrete - but still largely unfunded - results from a task force Brown appointed in 2017 to find ways to reduce the pension system's unfunded liability. **AEEPAC Stance: Neutral**

Status: 2/19/2019: Referred to Workforce committee. No hearings or floor sessions scheduled.

Status 2/22/2019: Public hearing scheduled for 2/26/2019 at 8:00AM, room HR-D, before Senate Committee on Workforce. Details from hearing can be found [here](#).

Status 3/4/2019: No meetings currently scheduled.

Senate Bill 148, sponsored by Knopp, would give employees the choice of participating in either the traditional defined benefit pension system or a new defined contribution plan similar to a 401(k). Employees who chose the pension would be required to make a 6 percent contribution toward those benefits. The new defined contribution plan would require employee contributions of 6 percent of salary and employer contributions of 6 percent. **AEEPAC Stance: Neutral**

Status: 2/19/2019: Referred to Workforce committee. No hearings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.

Senate Bill 149, sponsored by Knopp, would direct PERS to study options for an early retirement program that would allow eligible employees to retire and start receiving a pension benefit, but keep working for a limited period. During that period, the system would freeze the accrual of new pension benefits for that employee, and their employee and employer retirement contributions would be used to reduce PERS' unfunded liabilities. **AEEPAC Stance: Neutral**

Status: 2/19/2019: Referred to Workforce committee. No hearings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.

Senate Bill 531, sponsored by Knopp, is a kind of kitchen sink pension bill that includes a long list of changes to pension benefits, most of which Knopp has offered in previous bills. It redirects employee retirement contributions to support the pension fund rather than a separate individual account. It caps the annual salary used to calculate pension benefits at \$100,000 after Jan. 1, 2020. It changes the final salary calculation to the average of five, rather than three years. It lowers the pension factor used to calculate benefits for service performed on and after January 1, 2020 to 1.2 percent of final average salary for every year worked. **AEEPAC Stance: NO**

Status: 2/19/2019: Referred to Workforce committee. No hearings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.

Senate Bill 532, sponsored by Knopp, would require employers and employees to each contribute 3 percent of salary to employees' supplemental individual retirement accounts. The purpose is to limit the so-called employer pickup of employee contributions to 3 percent, rather than the entire 6 percent. **AEEPAC Stance: Neutral**

Status: 2/19/2019: Referred to Workforce committee. No hearings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.

Senate Bill 533, sponsored by Sen. Cliff Bentz, R-Ontario, would redirect employees' 6 percent retirement contributions into the pension system, which would offset an equivalent amount of pension contributions from employers. That employee contribution currently goes into a separate, supplementary individual account owned by employees. **AEEPAC Stance: NO**

Status: 2/19/2019: Referred to Workforce committee. No hearings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.

SB 554- Senator Knopp, Rep Zika: Changes calculation of final average salary for purposes of Public Employees Retirement System to use five years of salary instead of three years, for salary paid on and after January 1, 2020.

Status: 2/19/2019: Referred to Workforce committee. No hearings or floor sessions scheduled. **AEEPAC Stance: NO**

Status 3/4/2019: No meetings currently scheduled.

SB 555: Senator Knopp, Rep Zika: Eliminates option of members of individual account program of Public Employees Retirement System to receive distributions as installment payments upon retirement. Requires members retiring on or after January 1, 2021, to receive distributions as lump sum. **AEEPAC Stance: NO**

Status: 2/19/2019: Referred to Workforce committee. No hearings or floor sessions scheduled.

Status 2/22/2019: Public hearing scheduled for 2/26/2019 at 8:00AM, room HR-D, before Senate Committee on Workforce. Information from hearing can be found [here](#).

Status 3/4/2019: No meetings currently scheduled.

Senate Bill 641, sponsored by Knopp and Sen. Arnie Roblan, D-Coos Bay, would establish a new 401(k)-like retirement plan for new employees, with employers contributing 10 percent to the account and employees with the option of contributing and extra 2 percent. The PERS Board would also be required to offer employees various investment options for their accounts with different levels of risk. **AEEPAC Stance: Neutral – Watch Closely**

Status: 2/19/2019: Referred to Workforce committee. No hearings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.

House Bill 2288, sponsored by Rep Brad Witt, D-Clatskanie, would require that a portion of proceeds that the Oregon lottery receives from any sports betting be applied to reduce PERS unfunded liability. **AEEPAC Stance: Neutral – Watch Closely**

Status: 2/19/2019: Referred to Business and Labor committee with subsequent referral to Ways and Means. No committee meetings or floor sessions scheduled.

House Bill 2417- At request of City of Eugene: Establishes alternate death benefit for surviving spouse of member of Public Employees Retirement System who dies before retirement. **AEEPAC Stance: Neutral**

Status: 2/19/2019: Referred to Business and Labor committee. No committee meetings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.

Non-PERS Bills of Interest:

HB 2643- Rep Holvey: Provides that membership in public sector labor organization is voluntary. Prohibits public employer from requiring public employee to pay dues to labor organization if employee chooses not to join labor organization. Establishes Employment Relations Protection Account. Imposes assessment, administered by Employment Relations Board, on public employers in amount that equals established percentage of employer's payroll for public employees who are members of labor organization. Directs board to deposit assessments in Employment Relations Protection Account. Directs board to distribute moneys in account, minus amount retained by board for administrative costs, to exclusive representative of employer's employees who are members of labor organization. Makes matters related to assessments subject to collective bargaining. Declares emergency, effective on passage. **AEEPAC Stance: Neutral**

Status: 2/19/2019: Referred to Business and Labor committee with subsequent referral to Ways and Means. No committee meetings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.

HB 2675- Reps Salinas and Gorsek, plus 6 regular sponsors: Permits duplicate health benefit plan coverage for public employees. Declares emergency, effective on passage. **AEEPAC Stance: YES**

Status: 2/19/2019: Referred to Healthcare committee with subsequent referral to Ways and Means. No committee meetings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.

HB 2726- Rep Evans: Permits employees who are not union members to voluntarily consent to make in-lieu-of-dues payment to labor organization for organization's representation of nonmember employees in employment relations with public employer. Prohibits compulsory payments to labor organizations by nonmember employees. Makes entering into agreement that requires nonmember employees of labor organization to make payments to labor organization unfair labor practice. Allows deduction from salary or wages of nonmember employee for payment to labor organization upon employee's voluntary, written consent authorizing deduction. **AEEPAC Stance: YES**

Status: 2/19/2019: Referred to Business and Labor committee with subsequent referral to Ways and Means. No committee meetings or floor sessions scheduled.

Status 3/4/2019: No meetings currently scheduled.