

Senate Bill 897: What does it do? Source: PERS web site

Senate Bill 897 was adopted during the February **2010 Oregon Legislative Special Session**. This bill contains the following provisions:

A. Verification of retirement data

Important: SB 897 specifies that its verifications of retirement data are not available until July 1, 2011, so members cannot receive verifications until then, and the verifications will only apply to members' retirements after that date.

SB 897 creates a process for Tier One, Tier Two, and OPSRP Pension Program members who are within two years of their earliest retirement date to request a verification of certain retirement data. The verification will be based on the information that has been reported to PERS by the members' employer(s). The verification will include the following data, as of a date specified in the verification:

- the member's accrued creditable service or retirement credit,
- the member's "final average salary."

For Tier One/Tier Two members, the verification will also include:

- the member's regular and variable account balances, and
- any accumulated unused sick leave, if applicable. (Sick leave data will not be included in verifications requested before July 1, 2012.)

If a verification is produced, SB 897 further provides that, when the member retires, their retirement benefit will be calculated using data that is not less than the amounts provided in the verification, except:

- creditable service, retirement credit, and final average salary may increase for service or salary attributable to periods of employment after the date specified in the verification,
- account balances will be adjusted for earnings crediting up to the member's effective retirement date; and
- accumulated unused sick leave will be adjusted for leave accrued and used after the date specified in the verification.

Employers will have a reasonable time to confirm information reported to PERS before a verification is issued, but will not be able to change that information once the verification is issued. Members will have 60 days after PERS provides the verification to dispute the accuracy of the data in the verification. However, PERS can use an amount less than an amount provided in the verification if the member knew the data in the verification was inaccurate and did not dispute the accuracy.

The bill also provides that if PERS overpays a benefit because of an error in the information used to produce a verification, PERS cannot reduce the benefit on account of the error or recover the amount overpaid. The overpayments must be charged to the PERS Fund's contingency reserve or paid as an administrative expense.

Members can request one verification at no cost, and fees may be established for additional verifications.

Note: Senate Bill 897 does not apply to benefit adjustments on retirements that are the result of litigation like those resulting from the Supreme Court's *Strunk* and *Eugene* decisions. Those retirements occurred before the bill was passed, and those members did not receive the verifications required to trigger the bill's provisions.

B. Board membership

Allows the Board position designated for a PERS member to be held by an active member or a retired member.

C. OPSRP retired member participation in PERS Health Insurance Plans

Allows OPSRP Pension Program retired members, their spouses, and eligible dependents to participate in the PERS Health Insurance Program.

D. Retirement Credit for Retroactive Payments

Establishes that "salary" in the Tier One, Tier Two, and OPSRP Pension Programs includes retroactive payments a member receives from an employer to correct a clerical error or pursuant to a court order, settlement agreement, or other resolution of a dispute between a member and an employer.

PERS will allocate retroactive payments to correct a clerical error to the periods the work was done or would have been done.

PERS will allocate retroactive payments attributable to the resolution of a dispute to the period(s) of the employee's active and inactive membership in the system during the period(s) the work was done or would have been done. The member will receive retirement credit for the periods to which the payment is allocated.

http://oregon.gov/PERS/docs/sb_897.shtml

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